
CONDOMINIUM OFFERING PLAN
536 EAST 13TH STREET CONDOMINIUM
536 East 13th Street, New York, NY 10009, County of New York

Total Purchase Price of:

Eleven (11) Residential Units

\$14,400,000.00

¹The Working Capital Fund, contributed by Sponsor, may be reduced by closing adjustments. (See "Working Capital Fund" section in this Offering Plan for details.)

The actual cash proceeds from this offering may be significantly greater or less than the amount shown, depending upon the actual purchase price received for each of the Residential Units. Purchasers may pay different prices for similar units. (See the section of this Plan entitled "Changes in Prices or Units" in Part I.)

Sponsor and Selling Agent:

536 E 13 LLC
316 East 22nd Street, #7
New York, NY 10010

Date of Acceptance for Filing:

This Plan may not be used more than one year thereafter, unless amended.

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE SPECIAL RISKS ON PAGE 1 FOR DETAILS.

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

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

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

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SPECIAL RISKS

1. SPONSOR'S RIGHT TO RENT UNITS

Sponsor is retaining the unconditional right to rent unsold Units after consummation of the Plan. Because of such unconditional right Sponsor makes no commitment to sell more than the fifteen (15%) percent of the Units to declare the plan effective and owner occupants may never gain effective control and management of the Condominium. Sponsor has obtained construction financing with Banco Popular North America whose address is located at 120 Broadway New York, NY 10271. There is no restriction on the number of Units the Sponsor must sell (See "Control By The Sponsor" section in Part I for further discussion).

Pursuant to existing law and regulation the Sponsor may declare the plan effective by selling a minimum of fifteen (15%) percent of the Units in the Building which equals two (2) units. Sponsor will be able to convert the building to condominium regime upon the sale and closing of one (1) Unit.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of the Units in a building be sold before a lender will consider making a loan. Thus it may be possible for a Purchaser to experience difficulty obtaining a loan in a building where the Sponsor or Holder of Unsold Units has not sold a substantial percentage of the units in the building, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building where an investor other than the original Sponsor has an ownership interest of 10% or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

Even once a building undergoes conversion, lenders may still impose minimum sale or occupancy requirements before granting a loan. It then may be difficult for a Purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

2. COMPOSITION OF THE BOARD OF MANAGERS

The By Laws of the Condominium provide that the Sponsor may exercise control of the Board of Managers for a period of two (2) years after the closing of the first Unit or whenever the unsold Units constitute less than fifty (50%) percent of the common interests, whichever is sooner. There is no provision in the By Laws that a majority of the Board of Managers must be owner-occupants or members of an owner-occupants household who are unrelated to the Sponsor and its principals after the end of the initial control period. Owner-occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing, for example, the purchase of a home as opposed to as an investment. (See section "Rights and Obligations of the Unit Owners and the Board of Managers" for further discussion).

3. DEFAULT

At the time a Purchase Agreement for a Unit is executed, a Purchaser is required to make a down payment in an amount equal to ten (10%) percent of the purchase price, or such lesser amount as shall be agreed upon. The Sponsor will place all down payments in a special escrow account at Signature Bank located at 200 Park Avenue South, Suite 501, New York, NY 10003 or some other recognized insured bank. Accounts are insured up to \$250,000.00 and no more. In the event of any default by a Purchaser under his, her or their Purchase Agreement, Sponsor, at its option, may cancel such Purchase Agreement and retain, as liquidated damages, the down payment made by the Purchaser, together with interest earned thereon, if any (see Purchase Agreement page A3 for details).

4. OCCUPANCY

Purchasers are not required to buy for their own occupancy. Thus, some Units may be occupied by persons other than the owners. It is however expected that most Owners will purchase their respective units for occupancy. The Sponsor may elect to declare the plan effective when fifteen (15%) percent of the Units are under Purchase Agreements.

5. DOWN PAYMENT

Down payments shall be deposited in Signature Bank, 200 Park Avenue South, Suite 501, New York, N.Y. 10003 in the account entitled Allen, Morris, Troisi & Simon LLP Offering Plan Escrows Attorney Trust Account. This bank is covered by federal bank deposit insurance to a maximum of \$250,000 per individual depositor. If an individual makes a downpayment in excess of \$250,000 for purchase of a Unit, it is a special risk of this offer that such deposit will not be federally insured in excess of \$250,000. Additionally, the deposit hereunder will be added to any other deposits of the purchaser at Signature Bank to determine the insurance limit so that all or some of the deposit hereunder may not be federally insured.

6. BOND

No bond or other security has been furnished to secure Sponsor's obligations including Sponsor's obligations to complete construction of the condominium.

7. VOTING

At Condominium meetings where a vote is required each Unit will have one (1) vote regardless of the variation among Unit Owners as to square footage, purchase price and common interest (See Part II, By-Laws, Article III, Section 7 for further details).

8. SMOKE AND CARBON MONOXIDE DETECTORS

Effective in 2004 Owners of Class A multiple dwellings including Condominium Units must install smoke and carbon monoxide detectors which must be maintained by Unit Owners. Sponsor has installed carbon monoxide detectors in each of the Units in the building. (See section "Description of Property and Specifications or Building Condition" for further discussion).

9. TRANSFER TAXES

New York City Real Property Transfer Taxes currently 1% of the Consideration if \$500,000.00 or less and 1.425% if the consideration is more than \$500,000.00, will be the sole responsibility of the Purchaser. When the Purchaser pays the New York City Real Property Transfer Tax

and/or the New York State Real Estate Transfer Tax, the amount of the taxes are added to the price to arrive at the gross consideration which subject to each transfer tax.

New York State Documentary Stamp taxes presently \$4.00 per \$1,000.00 of the Purchase Price of a Unit less any existing and continuing mortgage, will be the responsibility of the Purchaser; When the Purchaser pays the New York City Real Property Transfer Tax and/or the New York State Real Estate Transfer Tax, the amount of the taxes are added to the price to arrive at the gross consideration which subject to each transfer tax (see section "Closing Costs and Adjustments" on page 50 for further discussion).

10. CERTIFICATE OF OCCUPANCY

The Sponsor will obtain a permanent, temporary or partial Certificate of Occupancy for this Building prior to the closing of the first Unit. If a permanent Certificate of Occupancy has not been obtained prior to the closing of the first Unit, no closing will be held for any Unit for which a partial or temporary Certificate of Occupancy has not been issued, and the Sponsor will hold in escrow in a special escrow account at Signature Bank, 200 Park Avenue South, Suite 501, New York, New York, entitled Allen, Morris, Troisi & Simon LLP, Offering Plan Escrows, Attorney Trust Account, required by Section 352-e(2)(b) of the New York General Business Law all deposits or funds unless the Sponsor's architect, engineer or another qualified professional certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent Certificate of Occupancy, in which case the sum exceeding the amount so certified by the Sponsor's architect, engineer or another qualified professional may be released from the special escrow account. The Department of Buildings advises Purchasers who close their Units with a temporary Certificate of Occupancy in place to consult with their Attorneys and/or engineers to assure that sufficient funds are escrowed or otherwise secured for Sponsor to obtain a permanent or final Certificate of occupancy. This sum to be held in escrow will not be released until a permanent Certificate of Occupancy is issued, which the Sponsor undertakes to obtain prior to the expiration of the temporary or partial Certificate of Occupancy, unless extended, but in no event later than two years after the Closing Date. Withdrawals from such account will be made only by Bernd H. Allen or Michael E. Troisi, partners in the firm of Allen, Morris, Troisi & Simon LLP. Sponsor shall guarantee to perform any work necessary within said two year period of time to obtain a permanent Certificate of Occupancy. Purchaser's may not make any changes to their Unit(s) which would compromise Sponsor's obligations to obtain a Permanent Certificate of Occupancy. In said event, the Board of Managers, Managing Agent, if any, and Unit Owners will be obligated to cooperate with Sponsor to assure that Sponsor can meet it's obligation to secure a permanent Certificate of Occupancy. Alternatively, Sponsor must deposit with an escrow agent an unconditional, irrevocable letter of credit, post a surety bond in the amount so certified, or provide other collateral acceptable to the Office of the Attorney General.

11. TEMPORARY CERTIFICATE OF OCCUPANCY

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued

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

Furthermore, because Sponsor and the by-laws of the Condominium may permit unit owners to undertake renovations to individual units prior to the procurement of a FCO, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the FCO. Purchasers may not make any changes to their Unit until a FCO has been issued. This restriction shall survive delivery of the deed.

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/co_factsheet.pdf

12. UPGRADES OR EXTRAS

All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account. However, Purchasers should note as a special risk that such funds may be released from the escrow account by the Escrow Agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras. If Sponsor abandons the offering plan, Sponsor will refund the upgrade funds to Purchaser.

13. WINDOW GUARDS

Unit Owners must notify the Board of Managers 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 shall install at the Unit Owner's expense, the required Window Guards in all windows of the Unit and shall not remove them until permitted by applicable law in any event, without the full knowledge of the Board of Managers.

14. FEMA ZONE

The building is located in a FEMA Zone X district. Zone X is determined to be outside the .2% annual chance floodplain.

15. SIZE OF UNITS

Purchasers should note that the square footage of each Residential Unit as reflected in Schedule A and the Floor Plans set forth in Part II of the Plan is approximate. The square foot area of the Units set forth on the floor plans and on Schedule A were obtained by using the method customarily used in New York City to measure rental apartments for sale. No such variation will affect a Purchaser's obligations under a Purchase Agreement or the Plan unless the net square footage area of the Unit is diminished by more than 10%. Sponsor's sole obligation if the net square foot area is diminished by more than 10% and such variation is determined to be immaterial, shall be to refund to Purchaser the Down Payment made under the Purchase Agreement and any interest earned thereon. Once a closing has taken place the Purchaser shall have no rights against the Sponsor or any party if the square footage of the Unit is less than represented. The square footage of each unit is determined by the exterior measurement of said unit, but does not include common elements or limited common elements to which that unit may have immediate access. For purposes of such exterior measurement, the square footages listed include all exterior walls, and interior partitions dividing the unit from common areas; as well as one-half of any walls separating one unit from another. As a result, the floor area of a unit, as measured between the exposed faces of the walls of the apartment, may be smaller than square footages set forth in Schedule A.

16. INSURANCE

It should be noted that in the event the property is totally destroyed by fire or other casualty, the insurance coverage as stated herein does not cover the full investment of the unit owners. However, the amount of insurance which will be in effect at the time of first closing should be sufficient to prevent the imposition of any co-insurance factor in the event of a partial loss.

17. REAL ESTATE TAX ABATEMENT LAW

The co-op/condominium real estate tax abatement law ("Abatement Law"), that over the past few years has had a favorable effect on the real estate tax burden of residential co-op and condominium unit owners, has recently been extended. The Legislature indicated its intention in passing this law was to address the disparity between the tax burden of one to three family homeowners and that of residential co-op and condominium unit owners. If the abatement is granted to this condominium, the law will allow up to a 17.5% abatement of the real estate tax bill of a unit owner who owned fewer than four units on the city's taxable status date of January 5, 2016. The Sponsor cannot and will not give assurances that the Abatement Law will continue in the future. Excluded from receiving the abatement benefits are co-ops and condominiums that receive tax exemption benefits.

18. SMOKE FREE BUILDING

This is a non-smoking building. This includes the common areas, limited common areas as well as within units. Violation of this house rule will be dealt with strictly by the Board of Managers.

INTRODUCTION

536 E 13 LLC, a limited liability company formed in the State of New York ("Sponsor"), presents this Offering Plan (the "Plan") for the establishment of Condominium ownership of the land and building known as 536 East 13th Street, New York, NY 10009. The Building is located in the East Village section of Manhattan. The Building is convenient to shopping and transportation. The Building contains eleven (11) Residential Units (see "Schedule A - Offering Prices & Related Information" in this Offering Plan for prices).

Sponsor is retaining the unconditional right to rent Unsold Units. Because of such unconditional right Sponsor makes no commitment to sell more than the fifteen (15%) percent of the Units to declare the Plan effective and owner occupants may never gain effective control and management of the Condominium. Sponsor has utilized a construction loan with Banco Popular Community North America to renovate the Building. There is no restriction imposed by the Banco Popular North America on Sponsor's right to rent units. (See "Control By The Sponsor" section in Part I for further discussion).

The Sponsor is the owner of the property. Sponsor acquired the property on April 22, 2013.

The Condominium Board does not have the right to approve or disapprove Purchasers. The sole right of the Condominium Board is to exercise its Right of First Refusal (see page G23 for details). There is no limit on the number of Owners who may purchase for investment rather than for personal occupancy and that there may always be a substantial percentage of Owners who are non-residents. It is however expected that most Owners will purchase their respective Units for occupancy. Owner-occupants and non-resident Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e. purchase of a home as opposed to an investment.

The Condominium is subject to the New York Condominium Act (New York Real Property Law Article 9B), and any rules and regulations promulgated thereunder. The purpose of this Plan is to set forth all the material terms of this offering.

The Plan is presented in two parts (in one volume) which together constitute the entire Plan. The purpose of the Offering Plan is to set forth all of the material terms of the offering. The Plan may be amended from time to time by an amendment filed with and accepted by the New York State Department of Law. If certain material amendments are made to the Plan in the future, prospective Purchaser may have the right to rescind their Purchase Agreements. Amendments to the Offering Plan will be served on all offerees (Purchasers) by regular mail. Part I sets forth a general description of the Plan and Part II contains the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is a detailed physical description of the property. All of these documents are important and should be carefully read by prospective Purchasers. Copies of the entire Plan and all exhibits thereto will be available for inspection by prospective Purchaser without charge at the office of the "Selling Agent" or the Department of Law at a reasonable copying charge.

The Condominium is managed by a Board of Managers which is elected by the Unit Owners, subject to certain limitations set forth in the by-laws, and which is generally responsible for the

supervision, operation and maintenance of the Common Elements in the Building. Utility usage (electricity) is separately metered (see Schedule B-1). The bills therefor are thus paid directly by the Unit Owner to the utility company or entity providing the service and have no connection to the Board of Managers and accordingly are not displayed as either an expense or income item in the budget shown herein. In addition, repair, utility or service contracts affecting the Common Elements are managed and controlled by the Board of Managers. (See "Rights and Obligations of the Unit Owners" and "Rights and Obligations of The Board of Managers" in Part I of the Plan).

The Purchase Price of each Unit has been set by the Sponsor. Such Purchase Prices have been established without arm's length negotiations, and are not subject to approval by the Department of Law or any other governmental agency. Each Purchaser must obtain his, her or their own mortgage financing subject to certain limitations more particularly set forth in the By-Laws. No representation is made as to the availability or terms of any such financing. No binding obligation will arise for the sale of a Unit unless and until a Purchase Agreement (a copy of which is included starting on page A1 in Part II of the Plan) is executed by both the Purchaser and Sponsor has been exchanged and Sponsor has collected the funds constituting Purchaser's deposit. Sponsor has the right to reject any prospective Purchaser without cause or explanation, provided that such rejection is not based on sex, race, creed, color, national origin, ancestry or other grounds proscribed by law. The submission to Sponsor by a prospective Purchaser of a Purchase Agreement does not mean that Sponsor has approved the prospective Purchaser for purchase of the applicable Unit. Sponsor shall not be obligated to sell a Unit to any prospective Purchaser until a duplicate Purchase Agreement, signed by Sponsor, is returned to the prospective Purchaser.

Condominium ownership in the State of New York is governed by the Condominium Act, and a Condominium is created in the State of New York by filing an Offering Plan with the Department of Law, which includes a detailed description of the property, a form of Purchase Agreement, Declaration, By-Laws, Floor Plans and other instruments and documents required by the Condominium Act, by the New York General Business Law and by the Rules and Regulations issued pursuant thereto and the recording of the Declaration. From and after the date of recording of the Declaration, a Sponsor is the owner of all the Units until they are sold and conveyed to a Purchaser thereof. Part II of this Plan contains a statement regarding the Building, the Purchase Agreement, the Declaration and the By-Laws. Each Unit Owner is obligated to comply with the Declaration, By-Laws, Rules and Regulations and any other requirements of the Board of Managers.

This plan may be amended from time to time by amendment filed with the New York State Department of Law. Amendments to the plan will be served on all offerees.

The Plan, including all schedules and the exhibits, constitutes the entire offering of the Sponsor. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection without charge and for copying at a reasonable charge to prospective Purchasers and their attorneys at the office of the Selling Agent or Sponsor.

Under the Condominium Act, a Condominium Unit may be owned by an individual, a corporation, a partnership, an association or a trust. However, the Units offered pursuant to this Plan if to an individual, are offered only to persons eighteen (18) years of age or over.

The ownership of a Condominium Unit is similar in many respects to the ownership of a private home. Each Unit Owner owns title to his, her or their Unit and is generally entitled to its exclusive possession. Each Unit Owner may mortgage his, her or their Unit or not, as he, she or they sees fit, and in such amount as he, she or they chooses, subject only to certain provisions more particularly set forth in the plan. Provided a Purchaser's credit, income and reputation are acceptable to a lender, the Purchaser may obtain a first mortgage from a bank, trust company, insurance company, savings and loan association, pension fund or other institutional lender; however, no representation is made as to the terms, conditions or availability of such financing. Each Condominium Unit is separate and not subject to mortgages which encumber other Units.

A Unit Owner may sell or lease his, her or their Unit to anyone without restriction or limitation, subject to a right of first refusal by the Board of Managers. (See "Rights and Obligations of Unit Owners" in Part I of the Plan). However, Owners of Unsold Units will not be subject to said right of first refusal. A Unit Owner will be solely responsible for the maintenance and repair of his, her or their Unit after closing, and he, she or they may decorate it as he, she or they desires. Each Unit Owner will pay for electricity allocated to his, her or their Unit which will be separately metered and billed. In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes which will be separately assessed against his, her or their Unit and interest and amortization payments on the mortgage, if any, encumbering his, her or their Unit. A Condominium Unit will be taxed as a separate tax lot for real estate tax purposes, just as a private home.

In the opinion of counsel (see "Opinion(s) of Counsel" in Part I of the Plan) under present income tax laws, a Unit Owner may be able to deduct from his, her or their income for income tax purposes, the real estate taxes paid in connection with his, her or their Unit and the interest paid on the mortgage on his, her or their Unit, provided the Unit is the owner's primary or secondary residence.

All kitchens include a gas range or cook top and oven which are included in the purchase price for each Unit. All units shall include a laundry closet/room within the unit, with hookups to accommodate a washing machine and electric dryer. Sponsor will supply the washer and dryer (see Description of Property Report found in Part II for details).

In addition to his, her or their Unit, a Unit Owner also owns, in common with the owners of all other Units in the Condominium, an undivided interest in certain parts of the property other than the Units, such as the Building's structural frame and similar elements of the Building which may benefit or be used by all Unit Owners to the exclusion of none of them (hereinafter collectively referred to as the "Common Elements") (see Article 8 of the Declaration in Part II of the Plan). In addition, a Unit Owner may be entitled to the exclusive use of a Limited Common Element(s), a Limited Common Element being that part of the Common Elements which are to be exclusively used by a particular Unit Owner. The use of Limited Common Elements are described in footnotes to Schedule A.

A Unit Owner will have the right, subject to certain limitations, to use the Common Elements and to vote annually for the election of the members of the Board of Managers. The Board of Managers will supervise the property and manage the general affairs of the Condominium (see the Declaration and By-Laws included hereto in Part II of the Plan).

The Board of Managers will assess against their respective Unit Owners in proportion to their relative percentage interest in the Common Elements (unless otherwise provided in Schedule B), charges for the maintenance of the Common Elements and for certain operating costs of the property. Each Unit Owner must pay common charges in accordance with the New York Condominium Act RPL Section 339(I) and (M) or applicable state or local law. In addition Unit Owners will be responsible for the repair and maintenance of the interior of their Units as well as maintaining insurance (property and liability) covering the Unit. In accordance with the New York Condominium Act, Sections 339(M), the Common Charges payable under the By-Laws will be based strictly on the projected cash requirements of ownership and operation of the property but may include a reserve for contingencies, replacements and/or repairs. IT IS ASSUMED THAT COMMON CHARGES WILL INCREASE AS CASH REQUIREMENTS OF THE CONDOMINIUM RISE DUE TO INFLATION AND OTHER FACTORS. Furthermore, the Board of Managers may impose special assessments in order to meet emergencies, contingencies or other unforeseen events, which will become the financial obligation of each Purchaser of a Condominium Unit. These assessments will be levied on a pro rata basis. Each Unit Owner will be obligated to comply with the Condominium Declaration, By-Laws and Regulations and any other requirements of the Board of Managers.

The estimated Common Charges for the first year of Condominium operation and the estimated real estate tax charges are set forth in "Schedule A - Offering Prices & Related Information". The projected budget for the first year of Condominium operation is set forth in "Schedule B - Projected Budget for First Year of Condominium Operation". If at the time of conveyance of title to any Units, the City of New York has not yet designated and separately assessed each Unit, purchasing Unit Owners will be required to pay their relative percentage of the total real estate tax on the Building as if same were a common charge until such separate assessments have been accomplished. Such payments will be required to be made to the Board of Managers at least thirty (30) days prior to the time when such taxes are due.

If Sponsor makes a bulk sale of all or some of its Unsold Units, the Transferee Successor Sponsor is bound by Sponsor's Representations regarding its commitment to sell Units as set forth above.

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

EACH UNIT SHOULD BE INSPECTED PRIOR TO PURCHASE TO DETERMINE THE EXACT LAYOUT AND PHYSICAL CONDITION.

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

IN THE EVENT SPONSOR RENTS RATHER THAN SELLS UNITS, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. (SEE SPECIAL RISKS SECTION OF THE PLAN.)

DEFINITIONS

ADJUSTMENT DATE: The date of a closing of a particular unit upon which adjustments between the Sponsor and the Purchaser are calculated.

BOARD OF MANAGERS: The overall Board of Managers of the Condominium.

BUILDING: The Building, including any below grade sections, constructed on the land in which the Units of the Condominium are located.

BY-LAWS: The By-Laws governing the operation of the Condominium, a copy of which is set forth in Part II of the Plan.

CLOSING: The time and place at which the deed is delivered to the Purchaser of a Unit.

CLOSING DATE: The date on which Closing of a Unit occurs.

COMMON CHARGES: Charges payable to the Board by Unit Owners for the purposes of meeting common charges of the Condominium.

COMMON ELEMENTS: The land, all parts of the Building (other than the Units), including the foundations, roofs and supports of the Building and all areas or facilities for the common use of the Units and the Unit Owners.

COMMON INTEREST: The proportionate undivided interest, expressed as a numerical percentage, in the Common Elements, allocated to each Unit, in accordance with the Declaration and the Condominium Act. The total of all Common Interest percentages allocated to all Units equals 100%. The Common Interest is the basis of determining, among other things, a Unit Owner's (a) liability for a share of the Common Expenses, and (b) share of any distributions to Unit Owners upon termination of the Condominium.

CONDOMINIUM ACT: The New York State Condominium Act as amended from time to time as presently found in New York Real property Law, Article 99B Section 339.D of the Real Property Law of the State of New York.

DECLARATION: The instrument creating the Condominium set forth in Part II of the Plan.

EFFECTIVE DATE: Refers to the date the Plan is declared effective (see "Effective Date" section of this Plan).

FIRST CLOSING: The date fee title to the first Condominium Unit is conveyed to a Purchaser pursuant to the Plan.

LAND: Refers to the property, excluding the Building.

LIMITED COMMON ELEMENTS: A Common Element appurtenant to a particular Unit, the use of which is restricted to the owners of such Unit. The respective responsibilities of such Unit Owners and the Board of Managers for repair and maintenance of Limited Common Elements are set forth in the Declaration and By-Laws in Part II of this plan.

PERMITTED ENCUMBRANCES: Encumbrances to the title of a Unit which a Purchaser agrees to take title subject to, as more particularly itemized on Schedule A annexed to the form of Purchase Agreement contained in Exhibit B in Part II.

PLAN: The offering plan as amended to convert the premises to condominium ownership.

PROPERTY: Refers to the Land and Building situated at 536 East 13th Street, New York, NY 10009, that Sponsor plans to convert to condominium ownership pursuant to the provisions of this Plan.

PURCHASER: Refers to party(s) named as Purchaser(s) in a Purchase Agreement which has been duly executed by such party and accepted by Sponsor.

PURCHASE AGREEMENT: Refers to that contract of purchase and sale for a Unit set forth as Exhibit B in Part II of the Plan.

RULES AND REGULATIONS: The rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A.

SELLING AGENT: A person, persons or other entities designated from time to time by the Sponsor to be its agent in the sale of residential Units.

SPONSOR: The Sponsor of this Offering Plan is 536 E 13 LLC.

SPONSOR'S DESIGNEE or DECLARANT'S DESIGNEE: A person or entity designated by the Sponsor (or the Declarant) as such with respect to any Unit. Such person or entity shall have the same rights with respect to such Unit under the offering plan as the Sponsor (or the Declarant).

UNIT: Any space designated as a Unit in the Declaration, consisting generally, of either a specific Unit in the Building, together with the appropriate appurtenant undivided interest in the Common Elements as established in the Plan, the Condominium Act and/or otherwise in accordance with the law. All such Units are collectively referred to as the "Units".

UNIT OWNER: Any Unit Owner. All such Unit Owners are collectively referred to as "Unit Owners".

UNSOLD UNIT: Refers to a Unit owned or retained by Sponsor or its designee, or a Unit for which a prospective Purchaser is in default under the terms of his, her or their Purchase Agreement past any applicable period to cure, or a Unit the Sponsor has not sold, or a Unit that is acquired, individually or collectively, by one or more members of a group that consists of the Sponsor or a partner of the Sponsor.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The building is located on the South side of East 13th Street between Avenue A and Avenue B, Tax Block 406, Lot 23. The building is newly constructed in accordance with all applicable zoning and building laws. The front and rear facades shall be a brick veneer on concrete block. The building has one cellar and six stories. There is one common staircase in the building providing access between floors. There is one elevator in the building which will be for both passenger and service requirements. The building contains Eleven (11) Residential Units. There will be a washer and dryer in each unit. There are storage closets/rooms in the cellar level for the use by Unit Owners. It is expected that construction of the Units will be completed by approximately February 2015.

LOCATION AND AREA INFORMATION

The Property is located on East 13th Street and is in the East Village section of Manhattan in New York County. The Property is convenient to transportation and shopping. Police, fire, water and sanitation services will be provided by the City of New York. The adjacent portion of East 13th Street is a public street and will be maintained and cleared of snow by the City of New York. Snow removal on the property itself will be the responsibility of the Condominium.

The local public elementary, intermediate and high school is The East Village Community School located at 604 East 12th Street . The most convenient subway is the L line whose entrance is at 1st Avenue and 14th Street. The Police Station is located at 321 East 5th Street and the Fire Station is located at 340 East 14th Street.

The Building is located in a R8B zoning district. Permitted use is as a residential and/or community facility.

SCHEDULE A
Offering Prices and Related Information
536 East 13th STREET CONDOMINIUM
536 East 13th Street, New York, NY 10009
All projected charges are for the period July 1, 2015 to June 30, 2015

(7) Unit	(1) (2) Number of Bedrooms/ Baths	(10) (1) Square Footage Each Unit	(8)(9) (10) (7) Square Footage of Limited Common Elements	Total Square Feet	(3) (4) Estimated Offering Price	(5) Common Interest 100%	(6) Estimated Projected Common Charges		(8) (9) Estimated Projected Real Estate Tax without any abatements		(6) Estimated Total Projected Carrying Charges	
							Annual	Monthly	Annual	Monthly	Annual	Monthly
1	2 / 2 + Home Office + Patio + Rear Yard + Cellar Storage	1254	840	2094	\$2,000,000.00	15.6463%	10,704.74	892.06	17,167.93	1,430.66	27,872.67	2,322.72
2F	1 / 1 + Home Office + Cellar Storage	760	70	830	\$1,050,000.00	7.4306%	5,083.79	423.65	8,153.23	679.44	13,237.02	1,103.09
2R	1 / 1 + Home Office + Balcony + Cellar Storage	796	133	929	\$1,150,000.00	8.0615%	5,515.44	459.62	8,845.48	737.12	14,360.92	1,196.74
3F	1 / 1 + Home Office + Cellar Storage	760	70	830	\$1,100,000.00	7.4306%	5,083.79	423.65	8,153.23	679.44	13,237.02	1,103.09
3R	1 / 1 + Home Office + Balcony + Cellar Storage	796	133	929	\$1,200,000.00	8.0615%	5,515.44	459.62	8,845.48	737.12	14,360.92	1,196.74

SCHEDULE A

Offering Prices and Related Information
536 East 13th STREET CONDOMINIUM
536 East 13th Street, New York, NY 10009

All projected charges are for the period July 1, 2015 to June 30, 2015

(7) Unit	(1) (2) Number of Bedrooms/ Baths	(10) (1) Square Footage Each Unit	(8)(9) (10) (7) Square Footage of Limited Common Elements	Total Square Feet	(3) (4) Estimated Offering Price	(5) Common Interest 100%	(6) Estimated Projected Common Charges		(8) (9) Estimated Projected Real Estate Tax without any abatements		(6) Estimated Total Projected Carrying Charges	
							Annual	Monthly	Annual	Monthly	Annual	Monthly
4F	1 / 1 + Home Office + Cellar Storage	760	70	830	\$1,150,000.00	7.4306%	5,083.79	423.65	8,153.23	679.44	13,237.02	1,103.09
4R	1 / 1 + Home Office + Balcony + Cellar Storage	796	133	929	\$1,250,000.00	8.0615%	5,515.44	459.62	8,845.48	737.12	14,360.92	1,196.74
5F	1 / 1 + Home Office + Cellar Storage	760	315	1,075	\$1,350,000.00	8.5756%	5,867.15	488.93	9,409.54	784.13	15,276.69	1,273.06
5R	1 / 1 + Home Office + Balcony + Cellar Storage	796	133	929	\$1,300,000.00	8.0615%	5,515.44	459.62	8,845.48	737.12	14,360.92	1,196.74
6F	2 / 1 + Cellar Storage + roof terrace	760	681	1,441	\$1,400,000.00	10.2860%	7,037.38	586.45	11,286.32	940.53	18,323.70	1,526.98

SCHEDULE A
Offering Prices and Related Information
536 East 13th STREET CONDOMINIUM
536 East 13th Street, New York, NY 10009
All projected charges are for the period July 1, 2015 to June 30, 2015

(7) Unit	(1) (2) Number of Bedrooms/ Baths	(10) (1) Square Footage Each Unit	(8)(9) (10) (7) Square Footage of Limited Common Elements	Total Square Feet	(3) (4) Estimated Offering Price	(5) Common Interest 100%	(6) Estimated Projected Common Charges		(8) (9) Estimated Projected Real Estate Tax without any abatements		(6) Estimated Total Projected Carrying Charges	
							Annual	Monthly	Annual	Monthly	Annual	Monthly
6R	2 / 1 + Balcony + Cellar Storage + roof terrace	796	752	1,548	\$1,450,000.00	10.9543 %	7,494.60	624.55	12,019.60	1,001.63	19,514.20	1,626.18
Grand Totals:		9,034.0	3,330.00	12,364	\$14,400,000.00	100.0000%	68,417.00	5,701.42	109,725.00	9,143.75	178,142.00	14,845.17

See Sponsor's Description of Property beginning page D1. The square footage of each unit is determined by the exterior measurement of said unit, but does not include common elements or limited common elements to which that unit may have immediate access. Measurements are approximate within reasonable tolerances and are not based upon measurements from interior surface of interior walls and thus the actual area comprising the unit is significantly less than the area listed in Schedule A. The square footage of each unit is determined by the exterior measurement of said unit, but does not include common elements or limited common elements to which that unit may have immediate access. For purposes of such exterior measurement, the square footages listed include all exterior walls, and interior partitions dividing the unit from common areas; as well as one-half of any walls separating one unit from another. As a result, the floor area of the apartment, as measured between the exposed faces of the walls of the apartment, may be smaller than square footages set forth in Schedule A. The room count is based on the New York City Zoning Resolution. Floor plans are included in the plan in Part II.

Some Units contain balconies, roof terraces and cellar storage. Balconies, terraces and cellar storage may not be legally used as bedroom or living rooms and such use may result in building code violations issued against the building.

FOOTNOTES TO SCHEDULE A

1. See Sponsor's Description of Property beginning page D1. The square footage of each unit is determined by the exterior measurement of said unit, but does not include common elements or limited common elements to which that unit may have immediate access. Measurements are approximate within reasonable tolerances and are not based upon measurements from interior surface of interior walls and thus the actual area comprising the unit is significantly less than the area listed in Schedule A. The square footage of each unit is determined by the exterior measurement of said unit, but does not include common elements or limited common elements to which that unit may have immediate access. For purposes of such exterior measurement, the square footages listed include all exterior walls, and interior partitions dividing the unit from common areas; as well as one-half of any walls separating one unit from another. As a result, the floor area of the apartment, as measured between the exposed faces of the walls of the apartment, may be smaller than square footages set forth in Schedule A. The room count is based on the New York City Zoning Resolution. Floor plans are included in the plan in Part II.
2. See "Description of Property, Specifications & Building Condition" beginning on page D1 for identification of the rooms in each Unit.
3. The estimated offering prices are subject to change. Prices and other terms are negotiable. See the section of the plan entitled "Changes in Prices and Units" for details.
4. Purchaser will incur certain closing costs and other expenses in connection with the purchase of a Unit. See the section of the plan entitled "Closing Costs and Adjustments" for details.
5. The respective Common Interest of each Unit, as determined by Sponsor, is based, pursuant to section 339(i)(1)(iv) of the Real Property Law, upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular Unit.
6. Estimated common charges are based on Projected Budget For First Year Of Operation. These estimates are for the first year of operation and have been made by the Sponsor. These amounts may vary due to changes in operating expenses, etc., and especially the cost of fuel. These common charges do not include the cost of maintaining the Unit, making repairs thereto, or electricity for each Unit, all of which are the responsibility of each Unit Owner. Unit Owners pay separately for their own heat and air conditioning. Electricity and the projected cost thereof can be found in Schedule B-1. In the event a Purchaser obtains financing for his, her or their Unit, the debt service for said loan will be in addition to the maintenance charges set forth herein.
7. The entire cellar is not a Common Element. All Units have a limited common designated storage room located in the cellar as shown on the floor plans which are limited common elements.

A portion of the roof is a limited common element of Units 6F & 6R.
The rear yard is a limited common element of Unit 1.

The balconies, roof terraces and cellar storage may not be legally used as bedroom or living rooms and such use may result in building code violations issued against the building.

The Board of Managers, its agents, servants and employees and the Sponsor shall have a right of access to the roof, rear yard and each storage room to inspect it, to remove violations therefrom and to maintain, repair or replace the common elements contained therein or elsewhere in the property, provided such right of access shall be exercised in such a manner as will not unreasonably interfere with the tenants and occupants. Each unit owner shall have an easement in common with all other unit owners to use, maintain, repair, alter and replace all common elements located in any of the other units or elsewhere on the property which serve his, her or their unit. Each unit shall be subject to an easement in favor of all unit owners to use, maintain, repair, alter and replace all common elements located in such unit or elsewhere on the property which serve other units.

8. REAL ESTATE TAXES:

This is an estimate of real estate taxes for the Condominium's first year of operation, assumed to be July 1, 2015 through June 30, 2016.

The property is currently assessed in Tax Class 2A. After completion of construction and the establishment of the Condominium, the Units will be assessed in Tax Class 2 under the classification system adopted by the State Legislature in its revision of the Real Property Tax Law (Section 305, Article 1802 and Section 581, applicable to the assessment of cooperative apartments and condominiums).

Class 2 is comprised of primarily residential rental, cooperatives and condominiums containing more than ten units. The City's assessment ratio policy for tax class 2, is to assess at 45% of market value based upon the value as an income-producing property. Increased to value are unlimited but except for increases due to physical changes, are -I. The taxable value is the lower of the actual or transitional values.

The 2013/2014 Class 2 tax rate is \$13,145 per \$100. Sponsor estimates the tax rates for 2014/15 and 2015/16 and 2016/17 at \$13.30 per \$100.

The recent history of assessed valuation of 536 East 13th Street is as follows:

2012/13	Land	Total
Actual:	\$193,950.00	\$193,950.00
Transitional:	\$223,348.00	\$223,348.00
2013/14	Land	Total
Actual:	\$200,538.00	\$200,538.00

Transitional:	\$223,856.00	\$223,856.00
2014/15	Land	Total
Actual:	\$200,538.00	\$200,538.00
Market Value:		\$445,641.00

After the construction is completed, the assessed values are estimated as follows;

2015/16	Land	Total
Actual:	\$200,000.00	\$1,000,000.00
Transitional:	\$200,000.00	\$1,000,000.00
2016/17	Land	Total
Actual:	\$200,000.00	\$1,150,000.00
Transitional:	\$200,000.00	\$1,150,000.00

The tax liability during the first year of operation is estimated at \$133,000.00 and \$152,950.00 respectively. The calculations are as follows:

First Year of Operation

7/1/15 - 6/30/16

$$\text{\$ 1,000,000.0}^1 \times .133^2 = \text{\$ 133,000.00}$$

Second Year of Operation

7/1/16 - 6/30/17

$$\text{\$ 1,150,000.0}^3 \times .133^7 = \text{\$ 152,950.00}$$

¹ Estimated 2015/16 Taxable Assessed Value

² Estimated Tax Rate

³ Estimated 2016/17 Taxable Assessed Value

Sponsor has further reduced the estimated real estate tax to include a 17.5% reduction in real estate taxes based on the anticipated receipt of the co-op/condominium real estate tax abatement.

This abatement is for primary residences. Sponsor does not represent that the real estate tax abatement will be available.

Each unit will be given a separate tax lot number. Individual tax liability may be estimated by the total tax among the unit owners in accordance with their percentages of common interest.

The co-op/condominium real estate tax abatement law ("Abatement Law"), that over the past few years has had a favorable effect on the real estate tax burden of residential co-op and condominium unit owners, has recently been extended. The Legislature indicated its intention in passing this law was to address the disparity between the tax burden of one to three family homeowners and that of residential co-op and condominium unit owners. If the abatement is granted to this condominium, the law will allow up to a 17.5% abatement of the real estate tax bill of a unit owner who owned fewer than four units on the city's taxable status date of January 5, 2016. The Sponsor cannot and will not give assurances that the Abatement Law will continue in the future. Excluded from receiving the abatement benefits are co-ops and condominiums that receive tax exemption benefits.

DUE TO POSSIBLE FURTHER INCREASES IN THE 2015/16 and 2016/17 TAX RATES AND/OR POSSIBLE FURTHER INCREASES IN THE PROPERTY'S NON-EXEMPT ASSESSED VALUATION, REAL ESTATE TAXES MAY BE HIGHER THAN AS SET FORTH ABOVE, FOR THE FIRST YEAR OF OPERATION AND IN FUTURE YEARS.

Upon closing Sponsor will make all tax benefit documents, if any, available to the board of managers for inspection and copying for the life of the benefits. Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

A Preliminary Certificate of Eligibility for 421A benefits was issued on January 18 2011 to the prior owner of the site, however, Sponsor does not expect to meet the June 2014 deadline. Therefore Purchaser's should not anticipate getting any 421-a benefits. Sponsor will withdraw the 421-a application, if required.

PURCHASERS SHOULD CONSULT WITH THEIR OWN ATTORNEYS BEFORE SIGNING A PURCHASE AGREEMENT.

9. Each Unit Owner who itemizes their deductions should for Federal Income Tax purposes, be entitled, at the present time, to a deduction for mortgage interest and real estate taxes in the year paid or accrued. The amount of the deduction may vary in future years. See the section of the plan entitled "Taxes - Deductions to Unit Owners and Tax Status of Condominium" for details.

After the condominium is divided into individual tax lots, each unit will be taxed as a separate tax lot for real estate tax purposes and the unit owner will not be responsible for the payment of, nor will the unit be subject to, any lien arising from the non-payment of taxes on other units. The deductibility of real estate tax paid were discussed in the section entitled Real Estate Tax Reduction to Unit Owners.

Post construction assessed valuations are discussed in footnote 8 in this section.

SCHEDULE B
BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION
Beginning July 1, 2015

ESTIMATED INCOME ⁽¹⁾

Common Charges ⁽²⁾	\$68,417.00
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ESTIMATED EXPENSES

Labor ⁽³⁾	\$10,000.00
Gas (Cooking and Hot Water) ⁽⁴⁾	\$8,625.00
Utilities (Electricity) ⁽⁵⁾	\$8,625.00
Water Charges & Sewer Rents ⁽⁶⁾	\$10,925.00
Service contracts ⁽⁷⁾	\$6,600.00
Repairs, Maintenance and Supplies ⁽⁸⁾	\$5,800.00
Insurance ⁽⁹⁾	\$8,000.00
Management Fees ⁽¹⁰⁾	\$0.00
Legal Fees & Audit Fees ⁽¹¹⁾	\$1,500.00
Contingency ⁽¹²⁾	\$1,000.00
Reserve ⁽¹³⁾	\$6,842.00
Other ⁽¹⁴⁾	\$500.00

TOTAL

	<u>\$68,417.00</u>
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IN THE OPINION OF THE SPONSOR, THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE CONDOMINIUM'S FIRST YEAR OF OPERATION. THE FOREGOING SCHEDULE, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE BUILDING BY THE BOARD OF MANAGERS WILL BE AS SET FORTH IN SAID SCHEDULE, AND IT IS LIKELY THAT THE ACTUAL ANNUAL EXPENSES WILL EXCEED OR BE LESS THAN THE AMOUNT THEREOF SHOWN IN THIS SCHEDULE.

FOOTNOTES TO SCHEDULE B1. Estimated Income

Estimated Income does not include any interest income which may be accrued by the Board of Managers as a result of deposits made by Sponsor and/or Purchasers to the Working Capital Fund at the first closing of title, or other reserves accumulated by the Board of Managers.

2. Common Charges

The Board of Managers is generally responsible for the supervision, operation and maintenance of the Common Elements in the Building. Utility usage (electricity) is separately metered. Unit Owners also pay for their own heat and air conditioning (see Schedule B-1). The bills therefor are thus paid directly by the Unit Owner to the utility company or entity providing the service and have no connection to the Board of Managers and accordingly are not displayed as either an expense or income item in the budget shown herein. In addition, repair, utility or service contracts affecting the Common Elements are managed and controlled by the Board of Managers. (See "Rights and Obligations of the Unit Owners" and "Rights and Obligations of The Board of Managers" in Part I of the Plan).

The estimate of the Common Charges to be collected during the first year of Condominium operation is based upon the assumption that the first year of Condominium operation will be from July 1, 2015 through June 30, 2016. The actual first year of operation may be earlier or later.

If the actual or anticipated date of commencement of condominium operation is to be delayed more than six (6) months from the beginning of the first year of operation set forth above, the plan will be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projections by twenty-five percent (25%) or more, the Sponsor will offer all Purchasers the right to rescind and the amendment will provide that all Purchasers have a period of time that is not less than fifteen days to rescind their Purchase Agreements and have their deposits, plus interest if any, refunded to them.

3. Labor

The President of the Board of Managers will be the Superintendent for the building. His or her duties will include taking out the trash, changing light bulbs, cleaning and vacuum the common areas. Supervise the assistant superintendent and arranging with professionals for more complex matters. In addition, the labor budget includes the cost of one part-time traveling assistant superintendent who will not be a union member and his, her or their salary shall be in accordance with all applicable wage regulations. The labor budget includes the cost of one part time "traveling" non-resident assistant superintendent, which is estimated to be \$10,000.00 per year including the sum of \$800.00 to pay for worker's compensation insurance, disability insurance and such other costs as may be required.

4. Heating and Hot Water

No sum has been budgeted for heating and air conditioning of units. Heat and air conditioning is provided by split HVAC units located within each unit. Each Unit Owner will pay for electricity allocated to his, her or their Unit which will be separately metered and billed.

Hot water for the building is provided by a gas fired boiler. Sponsor has consulted with DHD, an Architectural firm whose address is 200 Park Avenue South, New York, NY 10003, and was advised by letter dated November 8, 2014, that they estimate that the gas system installed in the

premises for cooking and hot water for the premises will cost approximately \$7,500.00 for the Condominium's first year of operation based upon the rate of \$1.25/therm.

Estimated Cost of Gas for Cooking and Hot Water

Cooking	2500 therms	
Hot Water	3500 therms	
Total therms/per year		6,000
TOTAL ANNUAL GAS USAGE	6,000 x \$1.25	<u>\$7,500.00</u>

Sponsor has listed the cost for the first year of operation at a higher figure \$8,625.00 in an attempt to cover the possibility of gas cost increases. Although this estimate is a good faith estimate on the part of the Sponsor, the effect of inflation, fuel shortages, the level of consumption and other factors may raise the costs of gas substantially higher than the current projected amount.

5. Utilities (Electricity)

Electricity includes common electrical charges for public areas only. Sponsor has consulted with DHD, an Architectural firm, and was advised by letter dated November 8, 2014 that they estimate that the total annual cost for electric will be approximately \$7,500.00 for the Condominium's first year of operation based upon the rate of \$0.22/kwh.

Estimated Cost of Electricity for common areas

Lights/Appliances/Elevator	35,000 kw	
Total KW/hr per year		35,000
TOTAL ANNUAL ELECTRIC	35,000 x \$0.220	<u>\$7,700.00</u>

Sponsor has listed the cost for the first year of operation at a higher figure \$8,625.00 in an attempt to cover the possibility of increases in the cost of electricity.

Each Unit Owner will pay for electricity allocated to his, her or their Unit which will be separately metered and billed.

ALTHOUGH THE ABOVE IS A GOOD FAITH ESTIMATE, SUCH ELECTRICITY CHARGES WHEN BILLED BASED UPON THE ACTUAL CONSUMPTION MAY BE GREATER THAN THE ESTIMATE HEREIN.

6. Water Charges and Sewer Rents

Water charges and sewer rent will be computed by a common water meter installed at said premises. Sponsor has consulted with DHD, and Architectural firm, and was advised by letter dated November 8, 2014 that they estimate that the total annual cost for water and sewer charges will be approximately \$9,500.00 for the Condominium's first year of operation based upon the following:

Estimated Cost for Water and Sewer

Water use per day (low volume fixtures):	400 gallons or 53 cubic feet per day per unit @ \$1.52 per 100 cubic feet of water	
Sewer	\$2.42 per 100 cubic feet of water consumed	
TOTAL ANNUAL WATER/SEWER CHARGES		\$9,500.00

Sponsor has estimated the cost for the first year of operation at a higher figure \$10,925.00 in an attempt to take into account the uncertainty of water and sewer charges measured by a meter.

ALTHOUGH THE ABOVE IS A GOOD FAITH ESTIMATE, SUCH WATER CHARGES AND SEWER RENT WHEN BILLED BASED UPON THE ACTUAL CONSUMPTION OF WATER AS MEASURED BY A WATER METER MAY BE GREATER THAN THE ESTIMATE HEREIN.

7. Service Contracts

Based on Sponsor's previous management experience, Sponsor estimates the cost of the following service contracts:

Annual cost for the elevator service contract is estimated to be \$3,600.00 for the first year of operation.

Annual cost for the telephone service for the fire alarm/central station monitoring estimated to be \$1,500.00 for the first year of operation..

Annual cost for the telephone service for the elevator and fire alarms estimated to be \$1,500.00 for the first year of operation.

8. Repairs, Maintenance & Supplies

This figure which includes but is not limited to interior and exterior (walls, foundations, windows, doors, locks, etc.) repairs to the building, plumbing, electrical and maintenance (snow removal), janitorial supplies and painting of common elements, applies to the Common Elements only, and excludes painting and repair of units, which will be assumed by the respective Unit Owners. Sponsor anticipates the cost of Backflow RPZ inspections to be \$1,000.00 per year, supplies to be \$2,400.00 per year and maintenance to be \$2,400.00 per year. This estimate is based on the Sponsor's previous management experience. .

9. Insurance

A special multi-peril insurance policy will be placed upon the property and delivered to the Board of Managers at the time of the closing. It will provide for the following coverage:

Building Limit	\$3,000,000.00	Special Form, Agreed Amount Replacement Cost
Comprehensive General Liability	\$1,000,000.00	Bodily Injury & Property Damage

Water Damage	Included	Legal Liability
Rent Loss	12 Months	Blanket up to one year
Equipment Breakdown	Included	
Directors & Officers Liability	\$1,000,000.00	
Deductible	\$2,500.00	

The cost of the insurance is eight thousand dollars (\$8,000.00) per annum. In recent years, premiums for insurance (especially fire and liability insurance) have increased greatly. It is not possible to predict whether and to what extent future insurance premiums will increase. The projected insurance premium for the Condominium's first year of operation assumes (but does not guarantee) that there will be no increase in the premium quoted by the insurance broker.

The insurer will be Aspen American Insurance Co., or similar, the insurance broker J Zamzok & Associates, Inc., has advised by letter dated November 10, 2014 that, in its opinion, the amount of coverage is an adequate amount to rebuild the structure if totally destroyed by fire or other insured perils. This is an agreed amount value policy, which waives the standard co-insurance clause. The policy will not be canceled without notice to the Board of Managers and it will waive subrogation against the Unit Owners. The amount of fire insurance is related to the replacement cost of the Building and does not reflect the equity of a Purchaser in a particular Unit. It is desirable that individual Purchasers of Units obtain their own insurance policies, at their own cost and expense, to insure them for such risks as fire and casualty losses to their Unit and its contents as well as liability coverage.

The Condominium at some future date may decide to increase insurance coverage to insure the total acquisition cost.

IT SHOULD BE NOTED THAT IN THE EVENT THE PROPERTY IS TOTALLY DESTROYED BY FIRE OR OTHER CASUALTY, THE INSURANCE COVERAGE AS STATED HEREIN DOES NOT COVER THE FULL INVESTMENT OF THE UNIT OWNERS. HOWEVER, THE AMOUNT OF INSURANCE WHICH WILL BE IN EFFECT AT THE TIME OF FIRST CLOSING SHOULD BE SUFFICIENT TO PREVENT THE IMPOSITION OF ANY CO-INSURANCE FACTOR IN THE EVENT OF A PARTIAL LOSS.

Fire, casualty and general liability insurance will be on terms which provide that: (i) each Unit Owner is an additional insured; (ii) there will be no cancellations without notice to the Board of Managers and Unit Owners; (iii) waive subrogation; (iv) waive invalidity because of the acts of the insured and Unit Owners; and (v) there is a waiver of pro-rata reduction if unit owners obtain additional coverages.

The following additional coverages are available:

Workers Compensation -- coverage for a part-time superintendent is available for approximately \$4.00/\$100 payroll per annum.

\$50,000 Blanket Fidelity Bond -- available at a yearly cost of \$350.00.

Excess Liability -- available for an estimated \$300 per \$1,000,000 coverage per year.

Unit Contents -- coverage is available for individual Unit Owners, and is priced in accordance with values.

Owners are advised of the desirability of obtaining additional insurance at their cost to cover such risks as fire and casualty losses to unit contents, replacements, fixtures, additions and improvements, and liability coverage for occurrences within the Unit or where applicable, on the common elements.

10. Management Fees

It is assumed that the Board of Managers will manage the Building and, accordingly, no amount was included in the budget for a management fee. Management services will include paying bills, collecting maintenance, obtaining insurance, hiring and supervising workmen, creating a budget, etc. Should the Board of Managers decide to hire a managing agent, the budget and hence the monthly common charges will increase by approximately six (6%) percent.

11. Legal Fees and Audit Fees

Most of the budgeted amount for legal and accounting fees will be used to pay fees to an accountant in connection with the preparation of the Condominium's first year financial statement. A small allowance of \$850.00 is provided for miscellaneous minor legal services, in the event the Board of Managers determines to engage an attorney. The Sponsor has estimated the cost for accounting fees of \$650.00 based upon a letter dated November 8, 2014 from Robert J. Spontak, CPA's which includes the tax return and an audited annual financial statement.

12. Contingency

The contingency fund is intended to provide for unanticipated expenses or unanticipated increases in the projected expenses. No representation is made that such amount will be sufficient to meet unanticipated expenses or unanticipated increases in projected expenses.

13. Reserve

This amount is to be used for future capital replacements.

14. Other

This includes expenses such as municipal permits and miscellaneous expenses not provided for elsewhere. No representation is made that such amount will be sufficient to meet all such expenses that may be incurred by the Condominium.

SCHEDULE B-1

Projected Schedule of Utility Cost
for each Unit for First Year of Operation

Heating and Air Conditioning are provided by multi-zone split HVAC units located within each unit. The Sponsor has estimated the cost of electric as set forth below based upon the estimate made by DHD, an Architectural firm, whose address is 200 Park Avenue South, New York, NY 10003 pursuant to their letter dated November 8, 2014.

The annual electric usage and expenses for each unit is estimated as follows:

Usage (Kilowatt House)					
Unit	Lights/Appliances	HVAC	Total	Price/KWH	Estimated Annual Charge
1	12000	7500	19500	0.19	\$3,705.00
2F	9500	4000	13500	0.19	\$2,565.00
2R	9500	4000	13500	0.19	\$2,565.00
3F	9500	4000	13500	0.19	\$2,565.00
3R	9500	4000	13500	0.19	\$2,565.00
4F	9500	4000	13500	0.19	\$2,565.00
4R	9500	4000	13500	0.19	\$2,565.00
5F	9500	4000	13500	0.19	\$2,565.00
5R	9500	4000	13500	0.19	\$2,565.00
6F	9500	5000	14500	0.19	\$2,755.00
6R	9500	5000	14500	0.19	\$2,755.00

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i)(iv)

RITA KNOX REALTY INC.
LICENSED REAL ESTATE BROKER
417 FIRST STREET
BROOKLYN, NY 11215
718 965-2722/917 796-2225 ritaknoxrealty@aol.com

536 E 13 LLC>
316 East 22nd Street, #7
New York, NY 10010

Re: 536 EAST 13TH STREET CONDOMINIUM
 536 East 13th Street, New York, NY 10009

Dear Sir:

We have reviewed the percentage of common interest for the Units shown in the schedule entitled "Offering Prices & Related Information - Schedule A" for inclusion in the above referenced Offering Plan. The respective Common Interest of each Unit is based, pursuant to section 339(i)(iv) of the Real Property Law, upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

In our opinion, the percentage of common interest as set forth in the offering plan is in compliance with Real Property Law Section 339(i)(1)(iv).

This firm is a licensed real estate broker. We have had experience with Offering Plans and with selling comparable condominium units for more than twenty (20) years. This firm has been actively engaged in real estate business since 1994, and has managed similar projects during that time.

We have no financial or other beneficial interest in the Sponsor, or in the profitability of the conversion. We are neither the selling agent nor the proposed managing agent for the property.

You have advised us of your intention to incorporate this letter into the Plan and we hereby consent to such incorporation.

Very truly yours,
RITA KNOX REALTY INC.

BY: 
 RITA KNOX

CHANGES IN PRICES AND UNITS

Sponsor reserves the right, at any time and from time to time before and after the recording of the Declaration, without prior notice and without the consent of any Board, Unit Owner or mortgagee, to change the price, including, without limitation, the manner of payment thereof and other terms of sale of any Unit.

An amendment will be filed 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 Unit. Prices and specified terms of sale are negotiable and the Sponsor may enter into an agreement with an individual Purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment.

No change will be made in the size or number of Units and/or their respective percentages of common interest and 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.

Unless an affected Purchaser consents, no material change will be made in Unit size, layout, or percentage of common interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default.

No material change will be made in the size and no material adverse change will be made in the quality of Common Elements unless Purchasers not in default either consent to such change or receive a right to rescind their Purchase Agreements. Such change will be disclosed in an amendment to the offering plan. Purchasers will receive not less than fifteen days notice after the presentation of the amendment to exercise such rescission. Sponsor will return any downpayment, plus interest earned, if any, to Purchasers who rescind pursuant thereto.

In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective Purchasers, or for any other reason, Sponsor for itself and its designees, reserves the right (except to the extent prohibited by law) at any time and from time to time, before and after the recording of the Declaration, without prior notice and without the consent of any Board, or Unit Owner, to (i) change the layout of, or number of rooms in, any Unsold Unit, (ii) change the use of any Unsold Units (including changing the use of certain Units from residential to professional or commercial, so long as same is a legal and permissible use), or change the size and/or number of Unsold Units by subdividing one or more such Units into two or more separate Units, combining separate Unsold Units (including those resulting from such sub-division or otherwise) into one or more Units, altering any boundary walls between one or more Unsold Units, or otherwise and (iii) if appropriate, reapportion among the Unsold Units affected by any such change, their Common Interests. In the event of any change pursuant to either subparagraph (ii) or (iii), such change shall be disclosed in a duly filed amendment to this Plan. No such change will be made with respect to any Unit for which a Purchase Agreement is then in effect and with respect to which the Purchaser is not in default unless the Purchaser reasonably consents thereto or unless such change will not alter the Common Interest of such Unit. The Common Interest of a Unit may change if there is change in the ratio of the floor area of such Unit to the total floor area of all Units, reflecting, however, the substantially exclusive

advantages, if any, enjoyed by one or more but not all Units in a part or parts of the Common Elements.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid, or otherwise, nor may the Common Interest of any Unit be changed, or the amount or quality of Common Elements directly affecting or serving a Unit be changed, unless in each such event the Declaration and Floor Plans are each amended and such amendments are duly recorded. However, no change in a Unit's Common Interest after the recording of the Declaration will be made without obtaining the prior reasonable consent of all Unit Owners affected by such change and in addition, any such amendment to the Declaration and Floor Plans will be disclosed in a duly filed amendment to the Plan. As more particularly provided in the Declaration, Sponsor or its designee will have the right to, or to cause the Board of Managers to, so amend the Declaration and Floor Plans, to the extent required, in order to reflect any such change affecting Unsold Units.

Provided that the layout and dimensions of a Unit conform substantially to the Floor Plans, a Purchaser will not be excused from purchasing his, her or their Unit for such reason and will not have any claim against Sponsor as a result of such deviation. All material changes from the Floor Plans will be disclosed by a duly filed amendment to this Plan.

INTERIM LEASES

The Sponsor may, at its sole discretion, grant a Purchaser the right to take possession of a vacant Unit prior to closing of said Unit, provided that:

1. Such Purchaser(s) has executed a Purchase Agreement for said Unit and is not in default of such Agreement;
2. Such Purchaser(s) accepts the Unit in its then "as is" condition;
3. An "Interim Lease" Agreement is entered into between the purchaser(s) and the Sponsor, satisfactory to all the parties, pursuant to which the purchaser(s) agrees to pay to the Sponsor a "use and occupancy" fee from the date of said Interim Lease to the date of closing of said unit. Such fee shall be in a sum acceptable to all parties to the Agreement and shall not exceed the maximum rental that may be legally collectible. Such Unit will usually not be subject to the Rent Stabilization Law if the legal rental is \$2,000.00 or more. Sponsor may not grant an Interim Lease to any Purchaser for a Unit that would be subject to the Rent Stabilization Law. The Agreement will provide, among other things, that the purchaser(s) in possession shall from the date of said Interim Lease, in addition to the use and occupancy fee, pay all utility costs and make all repairs the purchaser(s) would be obligated to make to the unit as the owner of the unit.
4. Sponsor may hold a Purchaser in default under the Interim Lease if the Purchaser fails to comply with all the terms and conditions of his, her or their obligations under the Purchase Agreement. Sponsor may hold a Purchaser in default under the Purchase Agreement if the Purchaser has entered into an Interim Lease with Sponsor and has failed to comply with all the terms and conditions of such Interim Lease. The down payment paid upon the execution of a Purchase Agreement shall stand to guarantee rent due under the Interim Lease. In the event a Purchaser refuses or fails to pay any occupancy fee due under an Interim Lease, such occupancy fee, at Sponsor's option, may be paid from the down payment paid on the Purchase Agreement. Unless the Purchaser voluntarily vacates the Unit, the Sponsor may only gain possession of the Unit upon default by order of eviction or other judgment from a court after written demand for payment and after notice of default has been served upon the Purchaser at least 30 days after default had occurred..
5. It should be noted that until a Purchaser takes title to his, her or their Unit and becomes its owner, no Purchaser will be able to claim the income tax deductions for real estate taxes described in the Offering Plan.
6. No portion of the use and occupancy fee will be applied to the purchase price of the respective Unit.
7. The use and occupancy fee due under an Interim Lease Agreement will be adjusted between the Purchaser and Sponsor at the closing of the purchase of said Unit.

8. The Agreement shall also provide that if the Purchaser(s) defaults under the Purchase Agreement, or if the Purchase Agreement is rescinded pursuant to any right to do so, the Purchaser's right to occupy the Unit shall terminate and the Unit must be vacated within thirty (30) days immediately after notice to vacate is mailed to the Purchaser, by certified mail, return receipt requested. The Sponsor may not enforce such requirement to vacate unless Sponsor has first obtained an order of eviction or other judgement or order from a court or agency of competent jurisdiction against the Purchaser. It shall also provide that if the Plan is abandoned, the Purchaser shall retain his, her or their rights to occupy the Unit pursuant to the terms of the Interim Lease, and any other applicable laws and regulations.
9. No occupancy shall be granted pursuant to an Interim Lease prior to the Building obtaining a temporary, partial or permanent Certificate of Occupancy.
10. The Agreement will be subject to applicable laws, if any.

PROCEDURE TO PURCHASE

Sponsor represents that Sponsor intends in good faith to sell the Units in the Building in a timely manner. Sponsor reserves the right however to rent rather than sell Units. Sponsor may rent unsold Units. Purchasers should be aware that Sponsor can declare the plan effective upon signing Purchase Agreement for fifteen (15%) percent of the Units in the Building in which event Owner-Occupants may not gain effective control until more Units are sold. It is not anticipated that this will happen. Sponsor has obtained construction financing with Banco Popular North America whose address is located at 120 Broadway New York, NY 10271. There is no restriction on the number of Units the Sponsor must sell.

IN THE EVENT SPONSOR RENTS RATHER THAN SELLS UNITS, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. (SEE SPECIAL RISKS SECTION OF THE PLAN.)

A person desiring to purchase a Unit will be required to execute a Purchase Agreement in quadruplicate in the form set forth in Part II of the Plan. Purchase Agreements will not be binding on Sponsor until approved and executed by Sponsor and a copy so executed is returned to Purchaser. Sponsor will have twenty (20) days within which to accept or reject such Purchase Agreements. If no action is taken by Sponsor within such twenty (20) day period, Purchaser's offer will be deemed rejected. If Sponsor rejects the Purchase Agreement the deposit will be promptly refunded to Purchaser. No Purchaser shall execute a Purchase Agreement unless Sponsor has given such Purchaser at least a three (3) business day period within which time Purchaser can review the Plan and all filed amendments thereto. There are no "time of the essence provisions".

The Sponsor anticipates that the first closing will be held by July 1, 2015. In the event the projected commencement date of the first year of Condominium operation differs by six (6) months or more from the anticipated date of the first closing, the Plan will be amended to include a revised budget disclosing the then current budget projections. If the Common Charges in the revised budget projections exceed the earlier projections by twenty-five (25%) percent or more, the amendment will provide all Purchasers with the right to rescind their Purchase Agreements and have their down payments, plus interest earned, if any, promptly refunded to them. If the first closing is delayed 12 months or more beyond July 1, 2015, Purchasers will be offered rescission.

At the time a Purchase Agreement is executed, a Purchaser is required to make a down payment by check drawn to " ALLEN, MORRIS, TROISI & SIMON LLP, AS ESCROW AGENT" in an amount equal to the sum of ten (10%) percent of the purchase price or such lesser sum that Sponsor may agree to ("Down payment") but not less than one thousand (\$1,000.00) dollars. The actual amount of the down payment shall be determined by Sponsor but within the guidelines set forth above. The balance of the purchase price shall be payable simultaneously with the delivery of the deed to the Unit.

In the event that the originally scheduled Closing Date set by Sponsor shall be adjourned at the Purchaser's request (or at the request of Purchaser's attorney, lender or representative) as

aforesaid, (1) all adjustments shall be made as of the originally scheduled Closing Date and (2) Purchaser shall pay interest on the unpaid balance of the total purchase price to Sponsor from the originally scheduled Closing Date until the actual Closing at the rate of fifteen (15%) percent per annum computed on a per diem basis.

After the plan has been declared effective the Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on the Purchaser stating the date of the first closing and setting such Purchaser's closing date. Such notice will be served in compliance with Section 20.1(d)(1) of the regulations no less than thirty (30) days before the date set for the closing of the units. Purchasers may waive this thirty (30) day provision.

At the closing, the Sponsor will execute and deliver to the Purchaser a Unit Deed, as contained in this offering (see page C1)

At the closing of title each purchaser is required to execute a Power of Attorney in favor of the Board of Directors. Failure to execute the Power of Attorney and deliver same will result in the cancellation of the closing of title.

Neither the Plan nor the Purchase Agreement contain, nor will they be amended to contain, a provision waiving purchaser's rights or abrogating Sponsor's obligations under Article 23-A of the General Business Law (GBL).

Risk of loss from fire or other casualty remains with the Sponsor until the Purchaser(s) takes actual possession of the Unit pursuant to a written agreement with the Sponsor, or legal title to the Unit has been conveyed to the Purchaser whichever occurs first. Any persons who take possession of a Unit pursuant to an Interim Lease prior to closing assume the risk of losses not covered by insurance.

The Purchase Agreement, together with the provisions of this Plan, set forth, in detail, the terms of sale with respect to each Unit and in connection therewith both documents should be read carefully by each prospective purchaser. Purchaser(s) may seek to finance the purchase of a Unit. Banks, Savings & Loan Associations and Mortgage Bankers routinely make such loans. If a Purchaser seeks to finance his, her or their purchase they will have to seek their own financing. Sponsor has made no arrangements for financing any Unit in the building. The Purchase Agreement is contingent on financing. The Purchaser must make a bona fide application to a lending institution within five (5) business days of the date of the Purchase Agreement. The purchaser has forty (45) days to secure financing and, in the event the purchaser notifies the Sponsor within five days after the expiration of said forty-five (45) day period, by certified mail, return receipt requested, of his, her or their inability to secure the financing provided for, then the Purchase Agreement shall be null and void and the down payment shall be promptly returned to the purchaser plus interest earned, if any. Purchaser's financing commitment may expire or the terms of the commitment may change prior to actual closing. In the event the Closing is adjourned by the Sponsor to a date beyond which the Purchaser is able, at his, her or their sole cost and expense, to extend his, her or their commitment at the lender's then prevailing rate of interest, then, upon written notice, by Certified Mail, Return Receipt Requested, to the Sponsor, c/o Sponsor's attorney, within ten days of Purchasers receiving notice from their lender of lender's unwillingness to extend the commitment at the

lenders then prevailing rate of interest, Purchaser may cancel the Purchase Agreement in which event, the down payment paid hereunder, plus interest earned, if any, shall be returned to Purchaser and this Purchase Agreement shall be null and void.

From and after the closing of title to each Unit, the Purchaser(s) will become obligated for the payment of Common Charges assessed against his, her or their Unit; real estate taxes and assessments with respect to his, her or their Unit; and all other expenses with respect to his, her or their Unit whether or not he, she or they has taken possession of the Unit and whether or not all work required to be performed by Sponsor or anyone else in or to his, her or their Unit or the Building has been completed. See "Rights and Obligations of Unit Owners" in Part I of the Plan.

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

In the event that any Purchaser(s) wishes work to be performed in the Unit not provided for in the Offering Plan, at Sponsor's option, the Purchase Agreement may provide for such work and for payment of an agreed upon sum for such work, to be paid at such time as provided for in the Purchase Agreement, in addition to the purchase price provided set forth in the Offering Plan. Such work and additional payment shall not require an amendment to the Offering Plan. All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account.

All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account. However, Purchasers should note as a special risk, that such funds may be released from the escrow account by the Escrow Agent as long as the Sponsor uses the funds for such upgrades or extras, or if paid for by Sponsor to reimburse Sponsor therefore. As a result, the Purchaser will not receive a refund of any funds used for upgrades or extras upon default. If Sponsor abandons the offering plan, Sponsor will refund the upgrade funds to Purchaser.

Purchaser shall accept the Unit without abatement of, or credit against, the Purchase Price or any provisions for escrow deposits on the Closing Date notwithstanding the failure to complete construction called for by the Offering Plan or the Purchase Agreement of (a) minor details of the Unit or the Building, (b) other Units or (c) the public areas of the Building which do not prevent Purchaser's use of the Unit. Purchaser shall be given a reasonable opportunity to examine the Unit prior to the Closing Date and shall make a careful inspection of the Unit at such time. On the Closing Date Purchaser shall sign and deliver to Sponsor an inspection statement prepared by Sponsor and Sponsor shall give to Purchaser its written agreement to complete all such construction or repair called for by the Offering Plan or the Purchase Agreement within a reasonable period of time.

Sponsor reserves the right but is not obligated to negotiate with Purchasers all aspects of the purchase price of a Unit and other matters including but not limited to: renovations or improvements to the Unit or the fixtures or equipment contained therein or credits or allowances therefor; extension of period to secure financing; maintenance subsidies or rebates as credit against the purchase price or payable on a periodic basis or any other manner, application of interim rent toward purchase price; payment of all or part of Purchaser's financing costs such as

closing costs, attorneys' fees, origination fees, commitment fees; and any and all other costs relating to the cost of acquiring title to the Unit and other details of closing such as closing date.

Purchaser(s) may seek to finance the purchase of a Unit. Banks, Savings & Loan Associations and Mortgage Bankers routinely make such loans. If a Purchaser seeks to finance his, her or their purchase they will have to seek their own financing. Sponsor has made no arrangements for financing any Unit in the Building.

The Purchase Agreement nor the Plan contain nor will either be modified to contain a provision waiving Purchaser's rights or abrogating Sponsor's obligation under Article 23-A of the General Business Law (GBL).

The Escrow Agent:

The law firm of Allen, Morris, Troisi & Simon LLP, with an address at 112 East 19th Street, New York, NY 10003, telephone number (212) 353-0040, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Bernd H. Allen and Michael E. Troisi. 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 Signature Bank, located at 200 Park Avenue South, Suite #501, New York, NY 10003, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Allen, Morris, Troisi & Simon LLP Offering Plan Escrows Attorney Trust 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. Additionally, the deposit hereunder will be added to any other deposits of the purchaser at Signature Bank to determine the insurance limit so that all or some of the deposit hereunder may not be federally insured.

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

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

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

The Purchase Agreement:

The Purchase Agreement is attached hereto as page A1 in Part II of the Plan. The relevant

escrow trust fund provisions are included in Paragraph 39 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.

In the event Sponsor elects to transfer funds or create a new escrow account, or if the escrow agent is replaced, the plan will be amended to provide the same full disclosure with respect to the new account, the escrow agent and the escrow agreement as provided herein. A bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law approves in writing the use of such alternate form of security.

Provided that the Purchaser furnishes his, her or their taxpayer I.D. number at the time the down payment is tendered, the down payment shall be placed in an interest-bearing account. Any interest earned on the down payment shall be paid or credited to Purchaser. The interest rate paid by Signature Bank on October 1, 2014 was at the rate of .30% per annum.

Nothing contained herein shall diminish or impair the Sponsor's statutory obligation to each Purchaser pursuant to GBL 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 GBL 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.

Since all Purchase Agreements are contingent upon the plan's becoming effective, under no circumstances shall Sponsor apply for release of the escrowed funds of a defaulting Purchaser until after consummation of the plan. Consummation of the plan does not relieve the Sponsor

of its obligations pursuant to GBL Section 352-h.

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

Part II page I1 of this Offering Plan contains a copy of the escrow agreement which incorporates the terms of the Attorney General's regulations.

The Escrow Agent will maintain all records concerning the escrow account for seven years after the release of funds.

FINANCING

Availability of financing from institutional lenders:

Generally, savings and commercial banks, as well as savings and loan associations, are authorized to finance and grant mortgages on condominium units. Some of these institutions have advertised that they are making this type of loan.

The Sponsor is not obligated to obtain financing on behalf of any Purchaser and is not acting as agent for any lender which may extend financing for the purchase of any Unit. Consequently, each person who desires to obtain a mortgage to purchase a Unit is solely responsible for obtaining a commitment for such financing in his, her or their favor from the lender of his, her or their choice. Accordingly, Purchasers should inquire about the availability, terms, cost, and Purchaser's eligibility for such financing before signing and returning the Purchase Agreement.

Each institution has its own lending policies and credit requirements.

Each Purchaser(s) should expect to pay his, her or their attorney a legal fee and, if he, she or they obtains financing, any charges imposed by Purchaser's lending institution, including but not limited to an application fee, origination fee ("points") and lending institution's attorney's fee. As these charges vary from lending institution to lending institution and change from time to time, Purchasers are advised to consult with the lending institution of his, her or their choice as to current charges.

Purchasers should note that many lenders have minimum sales requirements and the Condominiums failure to satisfy such requirements will affect Purchasers ability to obtain financing at such time as the Unit Owner sells his, her or their unit. The Purchase Agreement provides in part for a financing contingency for a period of forty five (45) days unless such period is extended by Sponsor. Sponsor may extend the contingency period or not at Sponsors sole discretions. If the Purchaser is unable to secure financing and notifies Sponsor of such inability within fifty (50) days then Purchaser will be entitled to cancel the Purchase Agreement and the downpayment plus interest earned, if any, will be promptly returned to Purchaser. See paragraph 18 of the Purchase Agreement for further details.

NO REPRESENTATION OR WARRANTY IS MADE THAT INSTITUTIONAL FINANCING WILL BE AVAILABLE TO ANYONE WHO PURCHASES A UNIT UNDER THE PLAN OR AS TO THE TERMS, COSTS AND CONDITIONS UPON WHICH SUCH FINANCING MAY BE GRANTED OR THE COST TO OBTAIN SAME.

ASSIGNMENT OF PURCHASE AGREEMENTS

Purchaser does not have the right to assign the Purchase Agreement without the prior written consent of Sponsor, which consent shall be at the sole discretion of Sponsor. Any purported assignment by Purchaser in violation of this Section will be voidable at the option of Sponsor. 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. Under no circumstances will Sponsor consent to an assignment of a Purchase Agreement in which Purchaser will receive consideration. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, then Purchaser shall be required to pay a fee to Sponsor's attorneys of \$800.00, in advance, for preparation of an assignment and assumption agreement. Any purported assignment by Purchaser in violation of this Section shall be a default by Purchaser, entitling Sponsor to the remedies set forth in the Section entitled "Procedure to Purchase," and shall be voidable at the option of Sponsor.

Notwithstanding anything to the contrary contained above, if Purchaser has signed the Purchase Agreement in an individual name (and not in the name of an entity), then Purchaser shall have a one time right to assign Purchaser's rights under the Purchase Agreement, in whole, but not in part, to an entity "controlled" (as such term is defined below) by Purchaser (the entity to which the rights are assignable may be a trust, limited liability company or a corporation) or to member(s) of Purchaser's immediate family, provided that (i) Purchaser designates such assignee at least 10 business days prior to the Closing Date; (ii) Purchaser delivers to Sponsor's counsel a fee in the amount of \$800.00 for its services required in connection with the preparation of the assignment and assumption agreement; (iii) the Closing will not be delayed as a result of such assignment; (iv) the assignee of the Purchase Agreement assumes in writing, by an instrument prepared by Sponsor's counsel, the obligations of Purchaser under the Purchase Agreement, (v) the assignment is made without consideration. As used in this paragraph, the term "control" shall mean the control, either directly or indirectly, of at least fifty one (51%) percent of the voting shares or equity interest of such assignee, together with the authority to direct and manage the affairs of such assignee, which shall include Purchaser, being the managing general partner of such partnership or the principal manager or managing member of such limited liability company. Any obligations of Purchaser may be performed by such assignee, and Sponsor agrees to accept such performance as if it were the performance of Purchaser. No such assignment shall modify Purchaser's obligations under the Purchase Agreement, including without limitation, Purchaser's indemnity obligations contained in the Purchase Agreement or reduce or limit any liability or obligation of Purchaser who shall remain primarily liable notwithstanding any liability assumed by assignee. Unless Purchaser complies with the provisions of this paragraph, any purported assignment by Purchaser shall be null and void and of no effect as against Sponsor.

EFFECTIVE DATE

The Sponsor's offer to sell Units is contingent on the Plan being declared effective in accordance with the terms of the Plan. The Plan may not be declared effective unless bona fide Purchasers, including investors, have signed Purchase Agreements for at least fifteen (15%) percent of the Units offered under the Plan. The plan must be declared effective when Purchase Agreements have been accepted by Sponsor for eighty (80%) percent or more of the Units offered under the Plan. A Unit shall be deemed "sold" when a Purchase Agreement for it has been signed by a bona fide Purchaser, accepted by the Sponsor and the down payment has been paid and "cleared".

The plan will be declared effective by notice. The notice will be served by personal service on each Purchaser or by commencement of service by regular mail. The notice of effectiveness will state the date of effectiveness, the percentage used to declare the plan effective and a list of the units being counted to meet the minimum percentage under the terms of the plan to declare it effective.

Before this Plan may be declared effective, at least two (2) Purchasers of a Unit in the Building shall have executed a Purchase Agreement. The Sponsor must declare the Plan effective after Purchase Agreements have been executed for eight (8) of the Units.

The Plan will be declared effective by personal service of written notice on all Purchasers or by regular mail addressed to the Purchaser(s) at his, her or their last known address stating that the Plan has been declared effective.

The plan will not be declared effective based on Purchase Agreements: (i) signed by Purchaser who have been granted a right of rescission that has not yet expired or been waived other than a mortgage contingency; or (ii) if the Purchaser(s) was not afforded at least three (3) business days to review the plan and all amendment thereto ; or (iii) with any Purchaser who is the Sponsor, the selling agent, or the managing agent or is a principal of the Sponsor, the selling agent or the managing agent or is related to the Sponsor, the selling agent or the managing agent or to any principal of the Sponsor or the selling agent or the managing agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a Purchaser(s) other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Office of the Attorney General establishing that the Purchaser(s) is bona fide.

An Amendment to the Plan will be submitted to the Department of Law within five (5) days thereafter to confirm that the Plan has been declared effective on a specified date. No closing will be scheduled unless and until such amendment has been accepted for filing by the Department of Law.

The Sponsor may, at its option, declare the Plan abandoned for any reason whatsoever before it is declared effective or before eight (8) Units are sold and, if so abandoned, all down payments paid by Purchaser pursuant to a Purchase Agreement shall be refunded within five (5) days thereafter after the abandonment amendment is filed with the Department of Law, with interest, if any. In the event the plan is abandoned, the Sponsor will file an amendment so stating and

will also file an RS-3 with the Department of Law. The funds must be returned within five (5) days after the amendment abandoning the plan has been accepted for filing.

Once the Plan has been declared effective or eight (8) Units are sold, the Plan may not be abandoned except for: i) a defect in title which cannot be cured without litigation or cannot be cured for an amount which is greater than one-half of one percent of the total offering amount, or (ii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for an amount which is greater than one-half of one percent of the total offering amount, or (iii) the taking of any material portion of the property by condemnation or eminent domain. Sponsor must provide that any stated dollar amount relied upon as basis for abandonment after effectiveness must exclude any attorneys fees or any such title defects or determinations of any authority or regulatory association which exist 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

Each Purchaser of a Unit will, at closing, be given a bargain and sale deed with covenants against grantor's acts duly executed and acknowledged in proper recordable form (the form of deed can be found in Part II of the Plan).

Title to each Unit and its appurtenant interest in the Common Elements will be conveyed at closing free and clear of all liens, encumbrances and title exceptions other than those described herein and the proposed Unit Deed also enclosed herein.

The Permitted Encumbrances are the following:

1. Building restrictions, zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.
2. Any covenants, easements or restrictions of record.
3. State of facts shown in the survey of the land and building made by Empire State Land Surveyor, P.C. on March 21, 2014, and any additional state of facts which a subsequent survey or personal inspection thereof would show provided such additional facts would not prevent the use of the premises for dwelling purposes or render title unmarketable..
4. Any state of facts which an accurate survey of the Unit would show provided such state of facts would not prevent the use of the Unit for dwelling purposes or render title unmarketable.
5. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the By-Laws and the Rules and Regulations, the Power of Attorney from the Purchaser(s) to the Board of Managers and the Floor Plans; as all of the same may be amended from time to time.
6. Consents by Sponsor or any former owner of the land for the erection of any structure or structures on, under or above any street or streets on which the land may abut.
7. Any easement or right of use in favor of any utility company for construction, use, maintenance, or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles, and other equipment and facilities on, under, and across the land and building.
8. Revocability of licenses for vault space, if any, under the sidewalks and streets.
9. Encroachments of stoops, areas, cellar steps, or doors, trim, copings, retaining walls, bay window, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the property or the street or sidewalks abutting the property and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the property and retaining walls and the like, if any.

10. Leases and service, maintenance and license agreements, if any.
11. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.
12. The lien of any unpaid assessment payable in installments (other than assessments levied by the Board of Managers) except that Sponsor shall pay all such assessments due prior to the Closing Date and the Purchaser(s) shall pay all assessments due from and after such date (however, the then current installment shall be adjusted at Closing Date).
13. Any other declaration or other instrument affecting the property which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.
14. Standard exceptions contained in the form of title insurance policy then issued by First American Title Insurance Company (or such other title insurance company insuring the Purchaser's title to a Unit).
15. Any encumbrances as to which such company which insures the Purchaser's title to the Unit would be willing, in a fee policy issued by it to the Purchaser, to insure the Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien.
16. Any other encumbrance against the property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.
17. Any Interim Lease covering the Unit made from Sponsor to the Purchaser.

The Sponsor will obtain a permanent, temporary or partial Certificate of Occupancy for this Building prior to the closing of the first Unit. If a permanent Certificate of Occupancy has not been obtained prior to the closing of the first Unit, the Sponsor will hold in escrow in a special escrow account at Signature Bank, 200 Park Avenue South, Suite 501, New York, New York, entitled Allen, Morris, Troisi & Simon LLP, Offering Plan Escrows, Attorney Trust Account. As shall be retained in the account, required by Section 352-e(2)(b) of the New York General Business Law all deposits or funds unless the Sponsor's architect, engineer or another qualified professional certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent Certificate of Occupancy, in which case the sum exceeding the amount so certified by the Sponsor's architect, engineer or another qualified professional may be released from the special escrow account. No closing will be held for any Unit for which a partial, temporary or final Certificate of Occupancy has not been issued. The Department of Buildings advises Purchasers who close their Units with a temporary Certificate of Occupancy in place to consult with their Attorneys and/or engineers to assure that sufficient funds are escrowed or otherwise secured for Sponsor to obtain a permanent or final Certificate of occupancy. This sum to be held in escrow will not be released until a permanent Certificate of Occupancy is issued, which the Sponsor undertakes to obtain prior to the expiration of the

temporary or partial Certificate of Occupancy, unless extended, but in no event later than two years after the Closing Date. Withdrawals from such account will be made only by Bernd H. Allen or Michael E. Troisi, partners in the firm of Allen, Morris, Troisi & Simon LLP. Sponsor shall guarantee to perform any work necessary within said two year period of time to obtain a permanent Certificate of Occupancy. Purchaser's may not make any changes to their Unit(s) which would compromise Sponsor's obligations to obtain a Permanent Certificate of Occupancy. In said event, the Board of Managers, Managing Agent, if any, and Unit Owners will be obligated to cooperate with Sponsor to assure that Sponsor can meet it's obligation to secure a permanent Certificate of Occupancy. Alternatively, Sponsor must deposit with an escrow agent an unconditional, irrevocable letter of credit, post a surety bond in the amount so certified, or provide other collateral acceptable to the Office of the Attorney General.

It has been customary for units in newly constructed co-ops and condos to close after a Temporary of Partial Certificate of Occupancy covering such units has been issued. Sponsor will send closing notices for units covered by Temporary of Partial Certificate of Occupancy's and Purchasers will be required to close with a Temporary of Partial Certificate of Occupancy, rather than a permanent Certificate of Occupancy in place. Temporary of Partial Certificate of Occupancy's are issued for three (3) months at a time. The NYC Department of Buildings advises Purchasers who close their Units with only a Temporary of Partial Certificate of Occupancy in place, to consult with their Attorneys and/or engineers to assure that sufficient funds are escrowed or otherwise secured for Sponsor to obtain a permanent or final Certificate of Occupancy. It is strongly recommended that buyers consult the "DOB Website/Consumers Tips" for its recommendation when buying units in a building that does not have a Final Certificate of Occupancy.

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 the Sponsor, is included in the conveyance unless specifically excepted. Any furniture or furnishing in a "Model" Unit shall be deemed to be personal property and will not be included in the sale of a Unit.

The by-laws and floor plans for the Condominium and such other documents, as required by law, will be recorded or filed prior to the first conveyance of title to a Unit in accordance with the New York Condominium Act or applicable state and local law; in the Office of the Register in the County of New York, City and State of New York.

Each Purchaser(s) should be aware that the Sponsor will provide and the Unit will contain only the equipment and fixtures which are contained in the section of the Plan entitled "Description of Property and Building Condition".

If any existing mortgage shall not be satisfied at or prior to the Closing Date, at the time of conveyance of the first Unit, each mortgagee will either: (a) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium units; (b) subordinate the lien of its mortgage to the Declaration of Condominium; or (c) release its lien on the condominium Unit being conveyed.

The risk of loss or damage to the Unit or the personal property included in this sale, by fire or

other casualty, until the earlier of the Closing or possession of the Unit by Purchaser(s), is assumed by Sponsor, but without any obligation of Sponsor to repair or replace any such loss or damage unless Sponsor elects to do so as hereinafter provided. Sponsor shall notify Purchaser(s) of the occurrence of any such loss or damage to the Unit or the personal property included in this sale within 10 days after such occurrence or by the date of Closing, whichever first occurs, and by such notice shall state whether or not Sponsor elects to repair or restore the Unit and/or the personal property, as the case may be. If Sponsor elects to make such repairs and restorations, Sponsor's notice shall set forth an adjourned date for the Closing, which shall be not more than 60 days after the date of the giving of Sponsor's notice. If Sponsor either does not elect to do so or, having elected to make such repairs and restorations, fails to complete the same on or before said adjourned date for the Closing, Purchaser(s) shall have the following options:

1. To declare the Purchaser(s) Agreement cancelled and of no further force or effect and receive a refund of the Downpayment in which event neither party shall thereafter have any further rights against, or obligations or liabilities to, the other by reason of the Purchase Agreement; or
2. To complete the purchase in accordance with Purchase Agreement without reduction in the Purchaser Price, except if Sponsor carries hazard insurance covering such loss or damage, Sponsor shall turn over to Purchaser at the Closing the net proceeds actually collected or to be collected by Sponsor under the provisions of such hazard insurance policies to the extent that they are attributable to loss of or damage to any property included in this sale, less any sums theretofore expended by Sponsor in repairing or replacing such loss or damage or in collecting such proceeds; and Sponsor shall assign (without recourse to Sponsor) Sponsor's right to receive any additional insurance proceeds which are attributable to the loss of or damage to any property included in this sale.

If Sponsor does not elect to make such repairs and restorations, Purchaser may exercise the resulting option under (1) or (2) above only by notice given to Sponsor within 10 days after receipt of Sponsor's notice. If Sponsor elects to make such repairs and restorations and fails to complete the same on or before the adjourned closing date, Purchaser may exercise either of the resulting options within 10 days after the adjourned closing date.

In the event of any loss of or damage to the Common Elements which materially and adversely affects access to or use of the Unit, arising after the date of the Purchase Agreement but prior to the Closing, Sponsor shall notify Purchaser of the occurrence thereof within 10 days after such occurrence or by the date of Closing, whichever occurs first, in which event Purchaser shall have the following options:

1. To complete the purchase in accordance with the Purchase Agreement without reduction in the Purchase Price; or
2. To adjourn the Closing until the first to occur of (a) completion of the repair and restoration of the loss or damage to the point that there is no longer a materially adverse effect on the access to or use of the Unit or (b) the 60th day after the date of the giving of

Sponsor's aforesaid notice. In the event Purchaser elects to adjourn the Closing as aforesaid and such loss or damage is not so repaired and restored within 60 days after the date of the giving of Sponsor's aforesaid notice, then Purchaser shall have the right either to complete the purchase in accordance with the Purchase Agreement without reduction in the Purchase Price or declare the Purchase Agreement cancelled and of no further force or effect and receive a refund of the Downpayment, in which latter event neither party shall thereafter have any further rights against, or obligations or liabilities to, the other by reason of the Purchase Agreement.

In the event of any loss of or damage to the Common Elements which does not materially and adversely affect access to or use of the Unit, Purchaser shall accept title to the Unit in accordance with the Purchase Agreement without abatement of the Purchase Price.

CLOSING COSTS AND ADJUSTMENTS

As more particularly set forth in the Purchase Agreement, the purchaser will pay the following estimated closing costs at the time of Closing of Title of the purchaser's Unit. These estimates are based on current costs and charges, which are subject to change:

- a. If a Purchaser elects to obtain owner's (fee) title insurance, the Purchaser will pay the premium therefore which will vary depending upon the Purchase Price of the Unit. Most lenders require Purchasers to obtain mortgage title insurance, the cost of which will also vary based on the amount of the mortgage. Title insurance charges are set in accordance with the schedule of rates set by the Title Insurance Rate Service Association Inc. (TIRSA) and filed with the New York State Insurance Department. The current rates for title insurance are as follows:

From	To	Owner's Policy	Loan Policy
	\$35,000 or less	\$402.00	\$344.00
For each \$1,000.00 or part thereof add			
\$35,001.00	\$50,000.00	\$6.67	\$5.55
\$50,001.00	\$100,000.00	\$5.43	\$4.54
\$100,001.00	\$500,000.00	\$4.36	\$3.64
\$500,001.00	\$1,000,000.00	\$3.98	\$3.31
\$1,000,001.00	\$5,000,000.00	\$3.66	\$3.05

If the Purchaser obtains a simultaneously issued fee and mortgage policy the premium for the mortgage policy is calculated at 30% of the regularly scheduled rate set forth above. If the Condominium contains more than ten (10) Units or more a Purchaser will be entitled to a reduced rate of 70% of the regularly scheduled rate for the fee policy and 21% of the regularly scheduled rate for the mortgage policy if both policies are issued simultaneously. Lenders frequently require various title insurance endorsements which may cost an additional approximately \$100.00 to \$200.00. In addition various "departmental searches" are usually required which may cost an additional approximately \$275.00 to \$400.00.

- b. Fees for recording the deed and Unit Power of Attorney in favor of the Board of Managers. The current fee is \$75.00 per document, plus \$5.00 per page plus a charge for filing the New York City Real Property Transfer Tax Return. Title companies frequently add service charges to these amounts. The projected cost for recoding a deed for a residential unit is \$275.00.
- c. Most lending institutions require the borrower to obtain searches of various municipal agencies having jurisdiction of the premises, commonly known as departmental searches. These searches are paid for by the Purchaser. If there is

no lending institution the Purchaser may want to obtain such searches.

- d. If the Purchaser obtains a mortgage loan from a bank, the Purchaser will pay a mortgage tax, which is currently 1.80% of the principal amount of the mortgage (not including the .25% of mortgage tax paid by an institutional lender) if under \$500,000.00 and 1.925% of the principal amount if the mortgage is \$500,000.00 or more less a credit of \$30.00 on the first \$10,000.00 of indebtedness. If a mortgage tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, such credit will inure to the benefit of the Sponsor. Accordingly, at closing, each purchaser electing mortgage financing will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. The Sponsor, at Closing, will be reimbursed to the extent of any mortgage tax credit allowed.
- e. All legal costs, fees and expenses charged by the Purchaser's attorney and the mortgage lender and its attorney, if any, will be the sole responsibility of each purchaser;
- f. New York City Real Property Transfer Taxes currently 1% of the consideration if \$500,000.00 or less and 1.425% if the consideration is more than \$500,000.00, will be the sole responsibility of the Purchaser. When the Purchaser pays the New York City Real Property Transfer Tax or the New York State Real Estate Transfer Tax, the amount of the taxes are added to the gross consideration subject to each transfer tax.
- g. New York State Documentary Stamp taxes presently \$4.00 per \$1,000.00 of the Purchase Price of a Unit, will be the responsibility of the Purchaser; When the Purchaser pays the New York City Real Property Transfer Tax or the New York State Real Estate Transfer Tax, the amount of the taxes are added to the gross consideration subject to each transfer tax; and,
- h. If the consideration is \$1,000,000.00 or more the Purchaser is obligated to pay the New York State Mansion Tax of 1% of the consideration. The amount of any New York City and New York State Transfer Taxes is added to the Purchase Price to determine consideration.
- i. Each Purchaser will be required to make a contribution to the Working Capital Fund in an amount equal to two (2) month's estimated Common Charges for such purchaser's Unit. See "Schedule A" for the estimate of such amounts.
- j. All costs with regard to any mortgage that the purchaser will place on his, her or their Unit.
- k. Purchaser will be charged the following closing fees by the attorneys for the Sponsor in connection with the closing of sales of Units:
 - i. \$2,000.00 for preparation of documents.

- ii. \$200.00 for each closing where the Purchaser receives financing from an institutional or other lender, for services in connection with coordinating the closing.
- iii. \$250.00 attendance fee if at the request of Purchaser or his, her or their lender the closing is held other than at the office of Sponsor's attorney, but in the Borough of Manhattan. There will be an additional fee charged based on distance and time if at the request of Purchaser or Purchaser's lender or attorney a closing is held outside of Borough of Manhattan.
- iv. \$150.00 if the closing is adjourned by other than the Sponsor or Sponsor's attorney within forty-eight (48) hours of the time said closing has been scheduled, or \$250.00 if the Sponsor's attorney or its representative attends the Closing and the Closing is adjourned.
- v. \$250.00 if a default notice is sent to Purchaser pursuant to the terms of an executed Purchase Agreement.
- vi. \$800.00 if the Purchase Agreement is permitted to be assigned pursuant to the terms of the Offering Plan for processing the assignment and the documents relating thereto.
- vii. \$350.00 if the Purchaser requests an Interim Lease for the preparation of such document, if granted, payable to the attorneys for the Sponsor, which shall be payable at the execution of such Lease.

The above closing fees are cumulative to the extent applicable to an individual closing.

- 1. Purchasers cost and expenses for a typical Unit purchased at a price of \$1,200,000.00 and an institutional mortgage of \$960,000.00 are estimated as follows:

\$5,240.00	Fee and Mortgage Title insurance
\$500.00	Recording Deed and Power of Attorney and Mortgage
\$18,450.00	Mortgage tax
\$500.00	Departmental Charges
\$17,412.00	New York City Real Property Transfer Tax
\$4,888.00	New York State Real Property Transfer Tax
\$12,219.00	Mansion Tax
\$2,000.00	Preparation of documents

\$908.00	Contribution to Working Capital Fund
\$1,000.00	Miscellaneous
\$63,117.00	

Please note these are estimates and the final expenses may be more or less than estimated. Common Charges assessed during the period in which closing occurs, shall be adjusted as of the day of closing for each Unit. The Board of Managers will fix the amount of such Common Charges to be assessed against each Unit. It is estimated that the Common Charges for the first year of operation of the Building will not exceed the amounts for each Unit set forth in "Schedule A" in Part I of the Plan, but such amounts may vary to the extent that the costs of services change and/or to the extent the Board of Managers decides to provide increased services or discontinue any present services within the framework of the By-Laws (see "BY-LAWS", beginning on page F1 in Part II of the Plan).

Real estate taxes for each Unit for the tax year in which title to a Unit closes and the estimated Common Charges and Expenses for each Unit (as shown in "Schedule A" in Part I of the Plan) for the month in which a closing occurs, will be apportioned between the Sponsor and the Purchaser of each Unit as of the Closing Date. In the event that a Unit has not been separately assessed for real estate tax purposes prior to the closing of title to the first unit, Sponsor may place in escrow, in the name of the board of managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six (6) month period following the first closing. Alternatively, the 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 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. No escrow will be required if the condominium by-laws include as part of the common expenses, real estate taxes on the property until the units are separately assessed and after assessment unit owners will be reimbursed for any overpayment of taxes or assessed for an underpayment.

The following items will be apportioned between the Sponsor and the Board of Managers on behalf of the Unit Owners as of the First Closing of Title to a Unit (hereinafter referred to as the "Adjustment Date"):

1. Water and Sewer charges;
2. Charges for electricity and other utilities, if any, for the Common Elements;
3. Charges and receipts in connection with service and maintenance and concession contracts, if any;
4. Wages and payroll expenses, if any;

5. Deposits with utility companies, if any, and fees for assignable permits and leases;
6. Cost of building supplies on hand, if any, (plus sales tax); and,
7. Other customary adjustments.

If any of the foregoing items to be apportioned cannot be adjusted as of the Closing Date because they are not fully ascertainable, they shall be apportioned and adjusted on the Closing Date to the extent reasonably possible and the balance as soon thereafter as the undetermined amounts are ascertained.

At the closing of the first Unit any closing adjustments Sponsor owes the Board of Managers will be paid by the Sponsor into the Condominium's Working Capital Fund. Any closing adjustments the Board of Managers owes the Sponsor will be paid by the Board of Managers from the Condominium's Working Capital Fund. However, the closing adjustment to be paid by the Board of Managers to the Sponsor at the First Closing shall not reduce the Working Capital Fund below two thousand five hundred (\$2,500.00) Dollars on the Closing Date. Should the net closing adjustments result in a credit to Sponsor in an amount that would reduce the working capital fund below two thousand five hundred (\$2,500.00) Dollars, then said excess shall be paid to Sponsor in twelve (12) equal monthly installments during the Condominium's first year of operation. Common charges may be increased by the Board of Managers to pay the monthly installments due Sponsor.

RIGHTS AND OBLIGATIONS OF SPONSOR

The Sponsor is using its own capital and borrowed funds including the proceeds of a construction loan which has been firmly committed to complete its obligations under this Plan and has adequate resources to complete same.

Sponsor agrees to pay all common charges, special assessments and real estate taxes with respect to unsold Units. No bond or other security has been furnished to secure Sponsor's obligations.

The 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. On December 23, 2013 Sponsor obtained a Land Loan in the sum of \$428,860.00, a Building Loan in the sum of \$3,785,140.00 and a Project Loan Mortgage in the sum of \$1,536,000.00 from Banco Popular North America to provide the necessary funds to construct the Condominium. The loan which bears an interest rate of LIBOR Rate plus 4% provides in part that upon sale, Units may be released from Mortgage upon payment of 92% of the gross sales or one thousand (\$1,000.00) dollars per square foot of such unit. The loan has no restriction on the number of sales or percentage of Units required to declare this plan effective, the minimum number of sales to grant releases or any restrictions upon renting Units. In the event the sale of the first Unit results in proceeds insufficient to pay all the above loans, Sponsor has sufficient resources to pay any balances due.

The Sponsor's shall build and complete the condominium in accordance with the plans filled with the New York City Buildings Department. Sponsor reserves the right to substitute equipment or materials and make modifications of 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 building or Units other improvements or Common Elements if such changes affect the percentage of common interests or materially and 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. The construction of the common areas including the public portions of the building will be substantially completed before the closing of the first unit.

Sponsor intends to sell all units listed on Schedule A in good faith and in a timely manner. Notwithstanding the aforesaid, Sponsor is retaining the unconditional right to rent unsold Units after consummation of the Plan if there is a significant decline in market prices of ten (10%) percent or more or otherwise in the event it becomes inconvenient to sell units. Once the market recovers, Sponsor will promptly resume selling units. Because of such unconditional right Sponsor makes no commitment to sell more than the fifteen (15%) percent of the Units to declare the plan effective and owner occupants may never gain effective control and management of the Condominium.

All representations under the offering plan, all obligations pursuant to the GBL, and such additional obligations under the offering plan which are to be performed subsequent to the closing date will survive delivery of the deed.

In the event the work on the Building as set forth herein is not fully completed at the time the Building becomes occupied, the Sponsor will have the right to enter the Premises to complete work the Sponsor deems necessary to fulfill its obligations under this Plan. Any such entry shall be conducted in such a manner as to produce a minimum of discomfort to the Unit Owner, and may do so provided: (i) such work is performed in Common Areas and vacant Units only between 8 A.M. and 10 P.M. on any day; (ii) such work is performed in any occupied Unit only between 8 A.M. and 6 P.M. on non-holiday weekdays; (iii) any damage created by virtue of such work whether to the Common Areas or any Unit is repaired in a good and workmanlike manner.

The Sponsor shall procure fire and casualty insurance pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance, as reflected in Schedule B.

The Federal Lead Paint Law (Residential Lead-Based Paint Hazard Reduction Act of 1992) requires before a contract sale or lease, Seller or Landlord must give an EPA approved information pamphlet ("Protect Your Family From Lead In Your Home") (see page A13 and an attachment which includes a Lead Warning Statement and confirm that Seller or Landlord has complied with all notification requirements (see Page A12).

The New York City Lead Paint Hazard Reduction Law (Local Law 1 of 2004) requires:

- (1) Annual notification to all occupants or at commencement of occupancy if there are children under 7 years of age residing in the Unit of Owners responsibility and must provide a pamphlet (see above);
- (2) Owners must investigate annually Units where children under 7 years of age (and all Units whose occupants do not respond to determine if a child under 7 years of age resides in the Unit). As well as all common areas to find peeling paint, chewable surfaces, deteriorated sub surfaces and friction and impact surfaces;
- (3) Remediation of Lead Hazards;
- (4) Use safe work practices for all repairs and renovations in all Units where a child under 7 years of age resides and in common areas of buildings with such Units.

At or prior to the closing of the Unit, Sponsor will assign any manufacturer's warranties with respect to equipment and appliances installed in a 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.

The Sponsor agrees to deliver a set of "as-built" plans to the Board of Managers.

In the event of the dissolution or liquidation of the Sponsor or the transfer of ten (10) or more Units or twenty percent (20%) or more of the total number of Units in the condominium, whichever is less, 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.

The Sponsor will defend any law suits or proceedings arising out of Sponsor's acts or omissions and will indemnify the Board of Managers and all Unit Owners, as to any liability that might result therefrom.

In the event that there are any violations of record affecting the Building at the time of the first closing of title, Sponsor shall, at its sole cost and expense, cause such violations to be remedied and removed of record, except that Sponsor shall have no obligation to remove any such violations if the same cannot be removed for a sum equal to one-half of one (1%) percent of the offering under this Offering Plan in the aggregate. The Sponsor will deliver dismissal thereof to the Board of Managers within six months after the first closing. In the event that the aggregate cost of removing such violations exceeds a sum equal to one-half of one (1%) percent of the offering under this Offering Plan and Sponsor elects not to remove same, Sponsor shall abandon the Plan and promptly return all down payments, with interest if earned, to the Purchaser within ten (10) days, except for Purchaser then in default under their respective Purchase Agreements beyond any applicable grace period. However, Sponsor shall have no right to abandon the Plan pursuant to the preceding sentence if all Purchaser (based upon the aggregate Common Interests appurtenant to the Units to be purchased by such Purchasers) having Purchase Agreements then in effect and which are not then in default elect to waive Sponsor's obligation to remove such violations. Purchaser's election to waive Sponsor's obligation to remove such violations must be made within twenty (20) days after receipt by such Purchaser of notice of Sponsor's election to abandon the Plan.

The Sponsor gives no warranty as to materials or workmanship that shall survive the transfer of the Units or of the Common Elements. Sponsor, however, shall assign to each Unit's Purchaser all warranties, if any, in Sponsor's possession at the closing for the Unit. All warranties, if any, in Sponsor's possession as of the first closing which relate to Common Elements will be assigned to the Condominium at the first closing. The Sponsor will not indemnify the Condominium Board except as specifically stated herein. Each prospective Purchaser may have the Building and Units therein inspected by an architect or engineer of his, her or their choosing to determine the quality of materials and workmanship.

The Sponsor makes no warranties, express or implied, and all such other warranties are excluded except as otherwise provided below in sections (1) and (2) of this paragraph: (1) The Housing Merchant Implied Warranty, as defined in Section 777-a of the New York State General Business Law, will apply to this offering, and (2) The Sponsor warrants that to the full extent permitted by law, this warranty specifically excludes and is subject to the following: (a) No steps taken by Sponsor to correct a defect shall act to extend the warranty period; (b) Sponsor accepts no responsibility for any warranty obligation for incidental or consequential damage caused by any defect; (c) except as otherwise provided by law, these warranties are extended to initial Purchasers only and are not extended to any subsequent Purchaser or mortgage lender who takes possession of a Unit; (d) these warranties shall be void if Purchaser misuses, abuses or otherwise interferes with or changes Sponsors original construction or installations; (e) Sponsor is not responsible for any work or material ordered directly by Purchasers from Sponsor's subcontractors or suppliers; (f) In no event shall the Sponsor be responsible for the partial or total death of any trees, shrubs bushes or other landscape

improvements, if any, damage to walkways or other concrete areas caused by the application of salt or de-icers, nail pops, ridging, normal lumber shrinkage, normal settlement or any consequential damage resulting therefrom, normal plumbing and heating noises or carpet stretching, normal settlement cracks on concrete foundations, patios, sidewalks and other flat work, basement leaks resulting from acts of God or alteration of landscaping or grading, leakage resulting from "ice dams" forming on roofs, spalling or flaking of concrete surfaces if ice melting compounds have been used, scuffing on kitchen cabinets or vanities, minor chips (nicks) to Formica tops, cultured marble floors, top and tubs, edges and surfaces, shading variations of the exterior siding staining (on the surface or grooves), and shading variations on fascias from staining. Subsequent to the conveyance of title to a Unit, the Sponsor shall not be responsible for paint touch-ups, repair of dented appliances, porcelain or Formica chips and scratches in tubs, vanities or countertops. The provisions of this paragraph shall survive the closing.

Notwithstanding any provision to the contrary contained in the Plan or any Purchase Agreement, Sponsor shall not be obligated to correct and will not be liable to any Purchaser or the Condominium as a result of (i) any insubstantial variations from the Plans and Specifications or the description of the Building or a Unit set forth in the Plan or (ii) variations from the Plans and Specifications or the description of the Building or a Unit set forth in the Plan which are neither in violation of applicable building codes, nor require the approval of any governmental authority having jurisdiction, provided such variations are of equal or better quality than as set forth in the Plans and Specifications or description and that such variations shall be set forth in the "as built" drawings. Any such variation which is substantial will be disclosed in a duly filed amendment to the Plan. In addition, Sponsor may not, (i) substitute equipment or materials of lesser quality or design, or (ii) change the size or location of Units, other improvements, or Common Elements if such changes affect the Common Elements 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 in the case of either (i) or (ii) all affected Unit Owners consent thereto in writing to such change and unless all affected contract vendees are given the right to rescind and receive any deposit or previously made down payment.

If a Purchaser's Unit is damaged from a casualty or other cause occurring before title passes to Purchaser, Sponsor will have the right, but will not be obligated, to repair the damage. If the damage is not repaired by Sponsor or the Condominium Board (if the first closing of a Residential Unit has occurred and the Board is responsible to repair) and Purchaser is not responsible to repair as provided below, the Purchase and Sale Agreement will be cancelled and the Deposit returned to Purchaser together with any earned interest and any Net Refundable Special Work Payment (if and to the extent applicable). Purchaser shall not have the right to cancel the Purchase and Sale Agreement or recover the Deposit if Sponsor or the Board repairs the damage or if Purchaser is given possession of the Unit prior to Closing of Title pursuant to an Interim Lease, or Purchaser is at fault for causing the loss or damage.

The Sponsor will obtain a permanent, temporary or partial Certificate of Occupancy for this Building prior to the closing of the first Unit. If a permanent Certificate of Occupancy has not been obtained prior to the closing of the first Unit, no closing will be held for any Unit for which a partial or temporary Certificate of Occupancy has not been issued, and the Sponsor will hold in escrow in a special escrow account at Signature Bank, 200 Park Avenue South, Suite 501, New York, New York, entitled Allen, Morris, Troisi & Simon LLP, Offering Plan Escrows,

Attorney Trust Account , required by Section 352-e(2)(b) of the New York General Business Law all deposits or funds unless the Sponsor's architect, engineer or another qualified professional certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent Certificate of Occupancy, in which case the sum exceeding the amount so certified by the Sponsor's architect, engineer or another qualified professional may be released from the special escrow account. Purchasers who close their Units with a temporary Certificate of Occupancy should consult with their Attorneys and/or engineers to assure that sufficient funds are escrowed or otherwise secured for Sponsor to obtain a permanent of final Certificate of occupancy. This sum to be held in escrow will not be released until a permanent Certificate of Occupancy is issued, which the Sponsor undertakes to obtain prior to the expiration of the temporary or partial Certificate of Occupancy, unless extended, but in no event later than one year after the Closing Date. Withdrawals from such account will be made only by Bernd H. Allen or Michael E. Troisi, partners in the firm of Allen, Morris, Troisi & Simon LLP. Sponsor shall guarantee to perform any work necessary within said one year period of time to obtain a permanent Certificate of Occupancy. Purchaser's may not make any changes to their Unit(s) which would compromise Sponsor's obligations to obtain a Permanent Certificate of Occupancy. In said event, the Board of Managers, Managing Agent, if any, and Unit Owners will be obligated to cooperate with Sponsor to assure that Sponsor can meet it's obligation to secure a permanent Certificate of Occupancy. Alternatively, Sponsor must deposit with an escrow agent an unconditional, irrevocable letter of credit, post a surety bond in the amount so certified, or provide other collateral acceptable to the Office of the Attorney General.

The foregoing sets forth the entire obligations of Sponsor hereunder and none other shall be implied. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures other than as set forth in this Plan. Except as expressly provided to the contrary herein, the obligations of Sponsor under this section shall not survive the delivery of the deeds to the respective Units. Sponsor shall not be liable for or obligated to defend any suits or claims with respect to any Unit arising out of any occurrence taking place on or after the date of the closing of title to such Unit or the leasing thereof to any Purchaser except suits or claims arising out of acts of Sponsor or representations made by Sponsor in this Plan. Suits affecting the common elements after the first closing of a Unit pursuant to this offering plan may be maintained by the Board of Managers.

NO UNIT OWNER MAY INDIVIDUALLY MAINTAIN AN ACTION WITH RESPECT TO COMMON ELEMENTS AFTER THE EXPIRATION OF SPONSOR'S CONTROL PERIOD EXCEPT AS TO THE ESCROWING OF CERTAIN FUNDS. SPONSOR HAS NOT FURNISHED ANY BOND OR OTHER SECURITY FOR THE PERFORMANCE OF ITS OBLIGATIONS UNDER THE PLAN.

CONTROL BY THE SPONSOR

As set forth in the By-Laws, the Condominium's affairs will be managed by a Board of Managers. At the time of the first closing there will be two (2) Managers designated by the Sponsor.

The Initial Control Period shall be a period of two (2) years after the closing of the first Unit or whenever the Unsold Units constitute less than fifty (50%) percent of the Common Elements, whichever is sooner.

Within approximately ninety days after the first closing the first annual meeting of the Board of Managers will be convened. During the Initial Control Period the Board of Managers shall consist of two (2) persons. A meeting of the Unit Owners will be held to elect new board members within thirty(30) days of the expiration of the Initial Control Period. From and after that meeting the Board of Managers shall consist of five (5) persons.

Sponsor shall have the right to designate members of the Board in relation to the Common Interests attributable to Unsold Units. As long as there is at least one Unsold Unit, the Sponsor or its designee shall be entitled to designate at least one Member of the Board of Managers. The number of Members of the Board of Managers may not be increased without the consent of Sponsor.

The By-Laws of the Condominium do not include a provision that, after an initial Sponsor voting control period expires, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals.

The By-Laws provide that for a period ending not more than two years after the closing of the first Unit or whenever the unsold Units constitute less than twenty-five per cent of the common interest, whichever is sooner, the Board of Managers may not, without Sponsor's prior written consent (i) make any addition, alteration or improvement to the Common Elements unless required by law; (ii) hire any employee in addition to the number of employees referred to in Schedule B in Part I of the Plan; or (iii) enter into any service or maintenance contract for work not covered in said Schedule or (iv) otherwise provide services in excess of those contemplated by such Schedule or elsewhere in the Plan. Nevertheless, the Sponsor may not exercise veto power over expenses described in Schedule B, or over 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.

All members of the Board of Managers shall serve without pay or other compensation. Members of the Board of Managers may be removed only with cause.

See the By-Laws in Part III of the Plan, for a more complete description of the Board of Managers and its membership.

BOARD OF MANAGERS

As set forth in the By-Laws, the Condominium's affairs will be managed by a Board of Managers. At the time of the first closing there will be two (2) Managers designated by the Sponsor.

The Initial Control Period shall be a period of two (2) years after the closing of the first Unit or whenever the Unsold Units constitute less than fifty (50%) percent of the common interests, whichever is sooner.

Within approximately ninety (90) days after the first closing the first annual meeting of the Board of Managers will be convened. During the Initial Control Period the Board of Managers shall consist of two (2) persons. A meeting of the Unit Owners will be held to elect new board members within thirty(30) days of the expiration of the Initial Control Period. From and after that meeting the Board of Managers shall consist of five (5) persons. At all times all members of the Board of Managers and all officers will serve without compensation.

After the expiration of the Initial Control Period and at all times thereafter Sponsor may be able to elect members of the Board as a result of its ownership of or interest in the Unsold Units. Sponsor shall have the right to designate members of the Board in relation to the Common Interests attributable to Unsold Units. As long as there is at least one Unsold Unit, the Sponsor or its designee shall be entitled to designate at least one Member of the Board of Managers regardless of the number of Unsold Units and the number of Members of the Board of Managers may not be increased without the consent of Sponsor.

The initial Managers will be Harold Einhorn and Yiannes Einhorn (principals of Sponsor).

There is no provision in the By Laws that a majority of the Board of Managers must be owner-occupants or members of an owner-occupants household who are unrelated to the Sponsor and its principals after the end of the Initial Control Period.

Purchasers for their own occupancy may never gain control of the Board of Managers under the terms of this plan.

The President of the Board of Managers will be the Superintendent for the building. His or her duties will include taking out the trash, changing light bulbs, cleaning and vacuum the common areas. Supervise the assistant superintendent and arranging with professionals for more complex matters.

The Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium over which they have jurisdiction. As more fully set forth in the By-Laws, all determinations required to be made by the Board of Managers shall be by majority of the votes cast at any meeting at which a quorum is present. Any dispute among the Board members shall be settled by arbitration in the manner provided in the By-Laws which provide that a single arbitrator selected by the American Arbitration Association shall make the determination. The unsuccessful party shall pay the cost of this arbitration.

A Member of the Board of Managers other than the representative of Sponsor (or its designee) shall be an owner of a Unit in the condominium or the representative of a fiduciary or entity if the Unit is owned by a fiduciary or entity.

A Manager or Officer may be removed by the Board of Managers only with cause. Board members designated by Sponsor may not be removed without cause.

The Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status, or other grounds prohibited by law.

The Board of Managers shall meet immediately after the Annual Meeting of Unit Owners without notice and also whenever called together by any Manager of the Condominium or upon the written request of any three (3) Manager then holding office, upon notice given to each Manager, by delivering personally, mailing, faxing or emailing the same to him or her at least two (2) days prior to such meeting at the last address furnished by him or her to the Condominium. Regular meetings may be held without notice at such times and places as the Board of Managers may determine.

At Condominium meetings where a vote is required each Unit Owners will have one (1) vote regardless of the variation among Unit Owners as to square footage, purchase price and common interest.

The Annual Meeting of the Unit Owners of the Condominium, for the election of the Board of Managers and for such other business as may properly come before such meeting, shall be held in the Boroughs of Manhattan, City of New York, at such time and place, each year as may be designated by the Board. Special meetings of the Unit Owners, other than those the calling of which is regulated by statute, may be called at any time by the President or Secretary or by a majority of the Board of Managers. It shall also be the duty of the Secretary to call such meetings whenever requested in writing so to do by Unit Owners owning at least thirty (30%) percent of the Common Interest of the Condominium.

At all Unit Owners meetings, the presence in person or by proxy of Unit Owner's owning more than fifty (50%) percent of the Units shall constitute a quorum and, except as otherwise provided in the By-Laws or Declaration, a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Unit Owners.

At all meetings, each Unit Owner (or his, her or their proxy) entitled to vote thereat (including Sponsor or its designee with respect to Unsold Units) shall be entitled to cast one vote for his, her or their Unit. The principal officers of the Condominium shall be a President, a Secretary and Treasurer.

The Condominium Board does not have the right to approve or disapprove Purchasers. The sole right of the Condominium Board is to exercise its Right of First Refusal. Any Unit Owner, other than the Sponsor or Sponsor-designee, who receives a bona fide offer for the sale of his, her or their Unit together with: (i) the undivided interest of the Common Elements and any Limited Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit

Owners, or the proceeds of the sale or lease thereof, if any; (iii) the interest of such Unit Owner in any other assets of the Condominium, as defined in the Declaration (hereinafter collectively called the "Appurtenant Interests"), or a bona fide offer for a lease of his, her or their Unit (hereinafter called an "Outsider Offer"), which he, she or they intends to accept, shall give notice by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed Purchaser of the Unit, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to first sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the Owners of all other Units, on the same terms and conditions as contained in such outside offer. The Unit Owner wishing to sell or rent his, her or their Unit(s) shall be entitled to vote to determine whether the Board of Managers should exercise its right to purchase or rent the Unit(s). The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of the other Unit Owners, that such Unit Owner believes the outside offer to be bona fide in all respects. Within thirty (30) days after receipt of such notice, the Board of Managers may elect, by notice given within five (5) days after making such election, and in any event, within said thirty (30) day period, to such Unit Owner, by certified or registered mail, to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the outside offer and as stated in the notice from the offering Unit Owner. The Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

Acquisition or lease of Units by the Board of Managers, or its designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the possession of the Board of Managers, or, if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner, other than the offering Unit Owner, in proportion to his, her or their ownership in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article VI, or, the Board of Managers, in its discretion, may borrow money to finance the acquisition or lease of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired by the Board of Managers. Notwithstanding the above, no assessment may be levied against any mortgagee who has acquired title to a Unit, whether by foreclosure or deed in lieu hereof.

There is no limit on the number of Owners who may purchase for investment rather than for personal occupancy and that there may always be a substantial percentage of Owners who are non-residents. It is however expected that most Owners will purchase their respective Units for occupancy. Owner-occupants and non-resident Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e. purchase of a home as opposed to an investment.

The members of the Condominium Board shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad

faith. Board members have a fiduciary duty to Unit Owners and may be charged with self-dealing if they contract with Sponsor and affiliated entities of Sponsor in bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Condominium Board against all contractual liability to others arising out of contracts made by the Condominium Board on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of the By-Laws. It is intended that the members of the Condominium Board shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Condominium Board, who are designated by the Sponsor, to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Condominium Board shall be limited to such proportion of the total liability thereunder as his, her or their interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Condominium Board or by the Managing Agent or by the Manager on behalf of the Condominium shall provide that the members of the Condominium Board, or the Managing Agent, or the Manager, as the case may be, are acting only as agent for the Unit Owners in the Common Elements. Every agreement made by the Condominium Board or by the Managing Agent or by the Manager on behalf of the Condominium shall provide that the members of the Condominium Board, or the Managing Agent or the Manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his, her or their interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Generally, subject to certain exceptions concerning, among other things, rights of Sponsor or Holders of Unsold Units, any provision of the Declaration, By-Laws or Rules and Regulations may be amended, modified, added to or deleted by affirmative vote of at least 66-2/3% in number and in Common Interest of all Unit Owners.

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

Sales and Leases of Units:

Any Unit Owner (other than the Sponsor or its Designee) who receives a bona fide offer for the sale of his, her or their Unit together with: (i) the undivided interest of the Common Elements and any Limited Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; (iii) the interest of such Unit Owner in any other assets of the Condominium, as defined in the Declaration (hereinafter collectively called the "Appurtenant Interests"), or a bona fide offer for a lease of his, her or their Unit (hereinafter called an "Outsider Offer"), which he, she or they intends to accept, shall give notice by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed Purchaser of the Unit, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to first sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the Owners of all other Units, on the same terms and conditions as contained in such outside offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of the other Unit Owners, that such Unit Owner believes the outside offer to be bona fide in all respects. Within thirty (30) days after receipt of such notice, the Board of Managers may elect, by notice given within five (5) days after making such election, and in any event, within said thirty (30) day period, to such Unit Owner, by certified or registered mail, to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the outside offer and as stated in the notice from the offering Unit Owner.

In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or a lease shall be executed at the office of the attorneys for the Condominium in accordance with the terms of such offer but in no event less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner, if such Unit together with the Appurtenant Interests is to be sold, shall convey the same to the Board of Managers, or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner shall execute and deliver to the Board of Managers, or to its designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or its designee, as tenant, covering such Unit, for the rental and term contained in such outside offer.

In the event the Board of Managers or its designee fails to notify the offering Unit Owner of its decision to accept such offer within thirty (30) days after receipt of notice as aforesaid or notify the offering Unit Owner within said period of its decision not to accept such offer, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests,

or to lease such Unit, as the case may be, within thirty (30) days after the expiration of the period in which the Board of Managers or its designee might have accepted such offer, to the outside offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such outside offer. Any such deed to any outside offeror shall provide that acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with the By-Laws and shall provide that it may not be modified, amended, extended or assigned without the prior consent in writing of the Board of Managers, and that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, and that the Board of Managers shall have power to terminate such lease and/or bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. Except as hereinbefore set forth, the form of any such lease for Residential Units shall be in a form approved by the Board of Managers. In the event the offering Unit Owner shall not, within such thirty (30) day period, contract to sell such Unit to the outside offeror on the terms and conditions contained in the outside offer, or if the Unit Owner shall so contract to sell or lease his, her or their Unit within such thirty (30) day period, but such sale or lease shall not be consummated pursuant to the terms of such contract, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the same or another outside offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of the By-Laws.

Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed such Unit Owner's (i) undivided interest in the Common Elements, (ii) undivided interest in any Unit or Units acquired by the Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit) and (iii) undivided interest in any assets of the Board.

The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners and the unanimous consent of the Sponsor or its designee. The Board of Managers may use the Unit in any manner as long as such use is in conformity with all applicable laws, regulations and provisions and the By-Laws particularly Article VI, Section 12 of the By-Laws.

Subject to the provisions described above requiring the Board of Managers to obtain the consent of unit owners and the consent of the Sponsor or its designee, acquisition of units by the Board of Managers may be made from the working capital and common charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each unit owner in proportion to his/her ownership in the common elements, as a common charge, or the Board of Managers, in their discretion, may borrow money to finance the acquisition of such unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the unit to be acquired by the Board of Managers. While any such Unit is owned by the Board of Managers, it may be sold or leased on such terms as the Board of Managers may determine and the proceeds thereof deposited in the general operating funds of the Condominium.

The Board of Managers may not discriminate against any person on the basis of race, creed,

color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by law.

The restrictions upon the sale and lease of Residential Units shall not apply to Sponsor or its designee with respect to any Unsold Units or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure; in such cases they shall be free to sell or lease such Units without first offering to sell or lease to the Board of Managers. Such restrictions shall also not apply to the transfer from one spouse or life partner to another, from parent to child or vice versa, among siblings or from or to a trust, family partnership or other entity solely controlled by the Unit Owner.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Board of Managers.

Mortgage of Units by Unit Owners:

No Unit Owner shall mortgage his, her or their Unit, except by a first and/or second mortgage made to a bank, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender or a purchase money mortgage made to the Sponsor or its Designee, or to the seller of the Unit. A mortgage may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor or its Designee, prior to the Sponsor or its Designee's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor or its Designee or the Board of Managers as the case may be. Prior to or simultaneously with the closing of any mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges or assessments and discharge any liens therefore.

As more particularly set forth in "Amendments to Condominium Documents" in "Rights & Obligations of Board of Managers/Summary of By-Laws" in Part I of the Plan, in certain instances the consent of the Mortgage Representative is necessary in order to amend the Declaration, By-Laws and Rules and Regulations.

Common Charges: Determination and Assessment:

Common Expenses, which are payable by all Unit Owners and included in their Common Charges, are allocated among the Unit Owners in proportion to the respective Common Interest of all Unit Owners. Common Expenses include, among other things, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements, water charges and sewer rents, unless separately assessed to individual Units, insurance premiums, and may include amounts for certain other items as the Board may deem proper, such as amounts for reserves or in connection with the purchase or lease by the Board of any Unit.

At least annually, the Board of Managers will prepare a budget for General Common Expenses and allocate and assess such Common Charges among the Unit Owners according to the common interests in the Common Elements. The Board will furnish copies of the budget on which Common Charges are based to all Unit Owners and advise such Unit Owners of the amount of charges payable by them.

Common Charges: Collection and Lien for Non-Payment:

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

On a resale of a Unit, the Purchaser thereof will be liable for the payment of Common Charges accrued and unpaid against such Unit prior to his, her or their acquisition. In the event of a foreclosure by the Board of its lien on any Unit for unpaid Common Charges, if the net proceeds of the foreclosure sale shall be insufficient for the payment of such unpaid charges or if a Unit is acquired by a mortgagee or in foreclosure, the Unit Owner will remain liable for the unpaid balance. The Board will have the right to assess such unpaid balance as a Common Charge among all Unit Owners.

Under the provisions of Section 339-z of the Condominium Act and the By-Laws, the Board, on behalf of all Unit Owners, will have a lien on each Unit for its unpaid Common Charges, together with interest thereon assessed against such Unit. All such liens, however, to the extent permitted by applicable law, will be subordinate to liens for real estate taxes on the Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after filing of a verified notice thereof in the City Register's Office and shall continue until all sums secured thereby with interest accrued thereon 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 (6) year period), whichever shall be sooner. Such liens may be foreclosed by a suit brought in the name of the Board in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Board to recover unpaid Common Charges without foreclosing the lien. The Sponsor will cause the Board to file a lien on Units for which Sponsor is more than thirty (30) days in arrears of common charges provided that at that time Sponsor is in Control of the Board.

While the Sponsor is in control of the Board of Managers the Sponsor will cause the Board of Managers to file a lien as provided in Section 339-aa of the Real Property Law on Units in which Sponsor is more than 30 days in arrears in the payment of common charges.

Pursuant to Section 339-kk of the Real Property Law, all rental payments from the tenant of a Unit being rented by a non-occupying Unit Owner shall be made payable to the Condominium in the event the non-occupying Unit Owner fails to make payments for common charges, assessments or late fees within sixty (60) days of the expiration of any grace period after they are due. The Board of Managers shall provide written notice to the tenant and the non-occupying Unit Owners that all subsequent rental payments are to be payable to the Condominium and delivered to the address listed on the notice. When payments are once again current, notice shall be given to the tenant and non-occupying Unit Owner within three (3) business days and all subsequent rent payments shall be payable to the non-occupying Unit Owner.

Repairs to and Maintenance of Units and Common Elements:

Generally, the expense of all painting, decorating, maintenance, repairs and/or replacements required to be made to the Common Elements, whether structural or non-structural will be charged to all Unit Owners as a Common Expense. Generally, the expense of all painting, decorating, maintenance, repairs and/or replacements required to be made to or in any Unit will be the responsibility of the Unit Owner of the affected Unit.

The Federal Lead Paint Law (Residential Lead-Based Paint Hazard Reduction Act of 1992) requires before a contract sale or lease, Seller or Landlord must give an EPA approved information pamphlet ("Protect Your Family From Lead In Your Home")(see page A13 and an attachment which includes a Lead Warning Statement and confirm that Seller or Landlord has complied with all notification requirements (see Page A12).

The New York City Lead Paint Hazard Reduction Law (Local Law 1 of 2004) requires:

- (1) Annual notification to all occupants or at commencement of occupancy if there are children under 7 years of age residing in the Unit of Owners responsibility and must provide a pamphlet (see above);
- (2) Owners must investigate annually Units where children under 7 years of age (and all Units whose occupants do not respond to determine if a child under 7 years of age resides in the Unit). As well as all common areas to find peeling paint, chewable surfaces, deteriorated sub surfaces and friction and impact surfaces;
- (3) Remediation of Lead Hazards;
- (4) Use safe work practices for all repairs and renovations in all Units where a child under 7 years of age resides and in common areas of buildings with such Units.

The By-Laws require that each Unit and all portions of the Common Elements be kept in first-class condition (and with respect to any roof or other part of the property exposed to the elements, reasonably free of snow, ice and accumulation of water) by the Unit Owner or Board, whichever is responsible for the maintenance thereof. In the event that any Unit Owner fails to keep his, her or their Unit in such condition, the Board may, after giving notice and a five (5) day period to remedy such failure, at the expense of such Unit Owner, enter such Unit and perform such acts as are necessary to cure such default (See "Rights of Access" in this section of the Plan).

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

All normal maintenance, repairs and replacements of any terrace, balcony, deck, roof or yard shall be made by the Unit Owner having exclusive use of such terrace, balcony, deck, roof or yard at his, her or their own cost and expense, but any structural or extraordinary repairs or replacements to such terrace or balcony (including any leaks which are not caused by the

negligence of the Unit Owner having access to the same) will be made by the Board.

Alterations and Improvements of Units and Common Elements:

No Residential Unit owner may make any alteration, addition or improvement in or to his, her or their Unit or any terrace, balcony, roof or yard appurtenant thereto without the prior written approval of the Board of Managers after the FCO has been issued. This provision does not apply to Sponsor, or its designee. Except as otherwise permitted in the By-Laws, no Unit Owner may make any alteration, addition, improvement or repair in or to the Common Elements without the prior written approval of the Board.

Generally, all alterations, additions or improvements in or to the Common Elements will be made by the Board of Managers and the cost and expense thereof will be charged to all Unit Owners.

Insurance:

The Board of Managers shall obtain and maintain, to the extent obtainable and to the extent determined by the Board of Managers to be appropriate or relevant: (1) fire insurance, with extended coverage, vandalism and malicious mischief endorsements insuring the Building and Units (but not including furniture, furnishings or other personal property supplied to or installed by Unit Owners), together with all service machinery contained therein (collectively, the "Insured Property"), covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the insured property without deduction for depreciation; (2) machinery insurance; (3) water damage legal liability insurance; (4) such other insurance as the Board of Managers may determine. Each of the 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 in the event of casualty or condemnation.

Unit Owners are advised of the desirability to carry casualty insurance protection for their furniture and the interior of their Units and for personal liability coverage for their own benefit at their own expense, provided that 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 other insurance carried by a Unit Owner.

See Schedule B for the details of the insurance coverage.

Use of Units:

Units shall be used solely as a residence (except as described below). Not more than one (1) family may occupy a Unit at one time. A Unit owned or leased by an individual, corporation, partnership, fiduciary or any other entity may only be occupied by said individual, or an officer, director, stockholder or employee of such corporation, or a partner or employee of such partnership, or the fiduciary or beneficiary of said fiduciary, or a principal or employee of such other entity, respectively, or by members of the immediate family or guests of any of the foregoing. No portion of a Unit other than the entire Unit may be leased and no transient tenants may be accommodated therein. A Unit may be used for home occupation or as a professional office or for any other lawful purpose, provided such use is (1) permitted by law,

(2) does not violate the then existing Certificate of Occupancy or legal use covering such Unit and, (3) the Unit Owner complies with all applicable governmental regulations. Without limiting the foregoing, Unit Owners shall be responsible for all maintenance, repairs and replacements of heating and cooling systems in their respective Units. In addition, the Rules and Regulations require that at least eighty (80%) percent of the floor area of Units (except for kitchens, bathrooms, closets and foyers) be covered with rugs, carpeting or equally effective noise reducing material.

Further restrictions on the use and leasing of Units are set forth in the By-Laws and in the Rules and Regulations.

No nuisance, immoral, improper, offensive or unlawful use shall be allowed in any Unit in the Building. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the property, shall be complied with at the sole expense of the respective Unit Owners or Board, whoever shall have the obligation to maintain or repair such portion of the property. The Rules and Regulations concerning the use of Residential Units may be amended from time to time by the Board provided that copies thereof are furnished to each Unit Owner prior to the time that they become effective except that no amendment thereof affecting any Unsold Residential Units

Repair or Reconstruction after Fire or Other Casualty:

In the event that the Building or any part thereof is damaged, destroyed by fire or other casualty, the Board of Managers with respect to any damage to or destruction of the Common Elements, will, except as set forth below, arrange for the prompt repair and restoration thereof (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit). If the insurance proceeds are insufficient to cover the cost of repairs or restorations, Unit Owners may be assessed for deficits, if any, in insurance proceeds. Any surplus insurance proceeds shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid out of his, her or their share of such funds, such amounts as may be necessary to reduce unpaid liens on his, her or their Unit, other than Permitted Mortgages, in the order of priority of such liens.

If seventy-five (75%) percent or more of the Building is destroyed or substantially damaged and if seventy-five (75%) percent or more in Common Interest of all Unit Owners do not duly resolve within sixty (60) days from the date of such damage or destruction to proceed with the repair or restoration thereof, the Building will not be repaired and shall be subject to any action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interest, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of his share of funds, such amounts as may be necessary to discharge all unpaid liens on his Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens.

In the event of damage to the Common Elements or to any Unit in the Building occasioned by the negligence of the Owner of any Unit in the Building, the Board of managers shall repair said damage and bill the Unit Owner having, by his, her or their negligence caused such damage as

additional common charges. In the event the damage is caused to another Unit Owner in the Building then the Board of Managers may repair the damage and bill the Unit Owner having by his, her or their negligence, caused the damage. The Board of Managers shall have the right of access, by force or otherwise, to enter any Unit in the Building to prevent or stop any act, occurrence or situation that may cause or be causing damage to the Common Elements or any other Unit in the Building.

Units Acquired by the Board of Managers:

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

Liability of Boards and Unit Owners:

The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of the By-Laws. Board members have a fiduciary duty to Unit Owners and may be charge with self-dealing if they contract with Sponsor or affiliates of Sponsor, or otherwise act in bad faith. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers, who are designated by the Sponsor or its Designee, to contract with the Sponsor or its Designee and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers shall be limited to such proportion of the total liability thereunder as his, her or their interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the Managing Agent or by the Manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the Managing Agent, or the Manager, as the case may be, are acting only as agent for the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the Managing Agent or by the Manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the Managing Agent or the Manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his, her or their interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Reports to Unit Owners:

An annual report of the receipts and expenditures certified by an independent certified public accountant, shall be submitted by the Board of Managers to all Unit Owners within four (4) months after the end of each fiscal year.

Amendments to Condominium Documents:

Generally, subject to certain exceptions concerning, among other things, Sponsor or Unsold Units, and provided that required consents of the Residential Mortgage Representatives, if any, are obtained, any provision of the Declaration, By-Laws or Rules and Regulations may be amended, modified, added to or deleted by affirmative vote of at least sixty six and two-thirds (66-2/3%) percent in number and in Common Interest of all Unit Owners.

Sponsor or its Designee may amend the declaration provided such amendment affects only Units owned by Sponsor or its Designee or Units which are owned or under a Purchase Agreement with another party and has granted Sponsor or its Designee the right to make such amendment.

Mechanic's Lien:

Under the provisions of the New York Condominium Act, no lien of any nature may arise or be created against the Common Elements except with the unanimous consent of all Unit Owners. Liens may arise or be created against only the individual Units and their respective Common Interests. Labor performed on, or materials supplied to, a Unit may not be the basis for a mechanic's lien against the Unit or a Unit Owner not expressly consenting to or requesting such work, except in the case of emergency repairs. No labor performed on, or material furnished to, the Common Elements shall be the basis for a lien thereon but all Common Charges received by the Board shall constitute trust funds for the purpose of paying the cost of labor performed or materials furnished at the request or with the consent of the Board of Managers or the Managing Agent.

Termination of Condominium:

The Condominium shall continue (unless terminated by casualty loss, condemnation or eminent domain as provided in the By-Laws) until such time as the property shall be withdrawn from the provisions of the New York Condominium Act as a result of the vote to do so of at least eighty (80%) percent in number and in Common Interest of all Unit Owners. In addition, the written consent of the Mortgage Representatives, if any, shall be required before such vote is effective. Sponsor or its designee will not vote its interest appurtenant to Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in Common Interest of all other Unit Owners elect to withdraw, at which time Sponsor or its designee may choose to vote either in favor of or against withdrawal from Condominium ownership, as it sees fit. In the event of withdrawal, the property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his Unit, in the order of priority of such liens.

Easements and Name of Condominium:

In order to facilitate the operation and maintenance of the Building (and particularly Common Elements) and the sale or leasing of Units therein, each of the Units will be subject to certain easements including easements in favor of other Unit Owners, Sponsor and the Board of Managers. These easements, which are more particularly set forth in Article 14 of the Declaration, include an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace Common Elements and generally, an easement of support and

necessity in favor of all Units and the Common Elements. These easements shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of any Unit.

Rights of Access:

As more fully set forth in the By-Laws, the Board and any managing agents, managers, superintendents and other persons authorized by the Board will have a right of access to any Unit under their respective jurisdiction for the purpose, among others, of (a) making inspection of, or removing violations of governmental laws or regulations against, any part of the property, (b) curing defaults under the By-Laws, Declaration or Rules and Regulations by the Owner of such Unit, (c) correcting any conditions originating in any Unit and threatening another Unit or any Common Element, or (d) for ingress and egress by all persons in the Building in case of fire or other emergency. Each Unit Owner shall be subject to and shall have an assessment in common with all other Unit Owners to inspect, maintain, repair, replace or alter all Common Elements located in any of the other Units or elsewhere on the property which serves his, her or their Unit.

In the event that the Board or any Unit Owner fails to maintain or repair parts of the Building required to be maintained or repaired by the Board or Unit Owner, or in the event of any breach of the Declaration, the By-Laws or the Rules and Regulations, then, as set forth in the By-Laws, the Board of Managers shall have certain rights to perform such maintenance or repairs or cure such breach.

Sponsor or its Designee and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor or its Designee's obligations hereunder and performing alterations and repairs in or about Unsold Units.

EACH UNIT OWNER MUST STRICTLY COMPLY WITH THE PROVISIONS OF THE DECLARATION, THE BY-LAWS, THE RULES AND REGULATIONS, AND ANY OTHER REQUIREMENTS OF THE BOARD OF MANAGERS. THE BY-LAWS, TOGETHER WITH THE RULES AND REGULATIONS, WILL BE RECORDED WITH THE DECLARATION IN THE CITY REGISTER'S OFFICE. SEE BY-LAWS IN PART 11 OF THE PLAN FOR MORE INFORMATION.

REAL ESTATE TAXES

This is an estimate of real estate taxes for the Condominium's first year of operation, assumed to be July 1, 2015 through June 30, 2016 based on the estimate of The Mazursky Group dated May 13, 2014.

The property is currently assessed in Tax Class 2A. After completion of construction and the establishment of the Condominium, the Units will be assessed in Tax Class 2 under the classification system adopted by the State Legislature in its revision of the Real Property Tax Law (Section 305, Article 1802 and Section 581, applicable to the assessment of cooperative apartments and condominiums).

Class 2 is comprised of primarily residential rental, cooperatives and condominiums containing more than ten units. The City's assessment ratio policy for tax class 2, is to assess at 45% of market value based upon the value as an income-producing property. Increased to value are unlimited but except for increases due to physical changes, are -I. The taxable value is the lower of the actual or transitional values.

The 2013/2014 Class 2 tax rate is \$13,145 per \$100. Sponsor estimates the tax rates for 2014/15 and 2015/16 and 2016/17 at \$13.30 per \$100.

The recent history of assessed valuation of 124 West 16th Street is as follows:

2012/13	Land	Total
Actual:	\$193,950.00	\$193,950.00
Transitional:	\$223,348.00	\$223,348.00
2013/14	Land	Total
Actual:	\$200,538.00	\$200,538.00
Transitional:	\$223,856.00	\$223,856.00
2014/15	Land	Total
Actual:	\$200,538.00	\$200,538.00
Market Value:		\$445,641.00

After the construction is completed, the assessed values are estimated as follows;

2015/16	Land	Total
Actual:	\$200,000.00	\$1,000,000.00
Transitional:	\$200,000.00	\$1,000,000.00
2016/17	Land	Total
Actual:	\$200,000.00	\$1,150,000.00

Transitional: \$200,000.00 \$1,150,000.00

The tax liability during the first year of operation is estimated at \$133,000.00 and \$152,950.00 respectively. The calculations are as follows:

<u>First Year of Operation</u>			
<u>7/1/15 - 6/30/16</u>			
\$ 1,000,000.0 ¹	x	.133 ²	= \$133,000.00
<u>Second Year of Operation</u>			
<u>7/1/16 - 6/30/17</u>			
\$ 1,150,000.0 ³	x	.133 ²	= \$152,950.00

¹ Estimated 2015/16 Taxable Assessed Value

² Estimated Tax Rate

³ Estimated 2016/17 Taxable Assessed Value

Each unit will be given a separate tax lot number. Individual tax liability may be estimated by the total tax among the unit owners in accordance with their percentages of common interest.

The co-op/condominium real estate tax abatement law, that over the past few years has had a favorable effect on the real estate tax burden of residential co-op and condominium unit owners, has recently been extended. The Legislature indicated its intention in passing this law was to address the disparity between the tax burden of one to three family homeowners and that of residential co-op and condominium unit owners. If the abatement is granted to this condominium, the law will allow up to a 17.5% abatement of the real estate tax bill of a unit owner who owned fewer than four units on the city's taxable status date of January 5, 2016. Excluded from receiving the abatement benefits are co-ops and condominiums that receive tax exemption benefits.

DUE TO POSSIBLE FURTHER INCREASES IN THE 2015/16 and 2016/17 TAX RATES AND/OR POSSIBLE FURTHER INCREASES IN THE PROPERTY'S NON-EXEMPT ASSESSED VALUATION, REAL ESTATE TAXES MAY BE HIGHER THAN AS SET FORTH ABOVE, FOR THE FIRST YEAR OF OPERATION AND IN FUTURE YEARS.

Upon closing Sponsor will make all tax benefit documents available to the board of managers for inspection and copying for the life of the benefits. Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

PURCHASERS SHOULD CONSULT WITH THEIR OWN ATTORNEYS BEFORE SIGNING A PURCHASE AGREEMENT.

Since benefits may not be in place when unit closings take place, Unit Owners may have to pay their share of the then real estate taxes computed based upon their percentage of common interest until the benefits are received.

After the Plan has been declared effective and shortly before title to one of the Units is conveyed to a Condominium Purchaser, Sponsor will submit an application to the appropriate City agency to have each of said Units designated as a separate tax lot, each with its own Assessed Valuation. The City will not split a tax lot while it has only one owner. In addition, until the Units are separately assessed, each Unit Owner will pay his, her or their pro rata share (in the proportion that its Common Interest bears to the Common Interests of all Units) of all real estate taxes with respect to the Building. Each Unit Owner will be entitled to a deduction for Federal, New York State and New York City income taxes with respect to such amount to the same extent as if such Unit Owner had paid such taxes directly to the taxing authority, provided said Owner was normally entitled to deduct such real estate taxes from his, her or their income tax. At such time as the Unit is separately assessed, its Owner will pay such taxes directly to the taxing authority. The tax assessment for each unit may be allocated on a basis that differs from the allocation of common interest. After individual tax lots have been issued, the Unit Owner will not be responsible for the payment of, nor will the Unit Owner be subject to any lien arising from non-payment of tax on other Units.

Until the Units are separately assessed, each Unit Owner will pay his, her or their pro rata share (in the proportion that its Common Interest bears to the Common Interests of all Units) to the Board of Managers of all real estate taxes with respect to the Building. Each Unit Owner will be entitled to a deduction for Federal, New York State and New York City income taxes with respect to such amount to the same extent as if such Unit Owner had paid such taxes directly to the taxing authority, provided said Owner was normally entitled to deduct such real estate taxes from his, her or their income tax. At such time as the Unit is separately assessed, its Owner will pay such taxes directly to the taxing authority. After the Condominium is divided into individual tax lots, each Unit Owner will be taxed as separate tax lot for real estate purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to any lien arising from the non-payment of taxes on other Units. The tax assessment for each unit may be allocated on a basis that differs from the allocation of common interests. The Board of Managers may act on behalf of all Unit Owners to challenge the assessed valuation of Units (see By-Laws (page G15) for further details).

Prior to dividing the Condominium into separate tax lots each Unit Owner will pay his, her or their proportionate share of real estate taxes to the Condominium and the Condominium will pay the real estate taxes to the City of New York. After the Condominium is divided into individual tax lots each Unit Owner will pay his, her or their real estate taxes directly to the City and will no longer be subject to any lien from the Condominium arising from non-payment of real estate taxes on other Units.

PURCHASERS SHOULD CONSULT WITH THEIR OWN ATTORNEYS BEFORE SIGNING A PURCHASE AGREEMENT.

INCOME TAX DEDUCTIONS TO UNIT OWNERS
AND TAX STATUS OF CONDOMINIUM

The following discussion provides a summary of certain significant Federal income tax consequences of, or relating to, the ownership of a Unit and the Federal income taxation of the Condominium. No income tax rulings will be requested from the Internal Revenue Service ("IRS") or any other administrative agency with respect to any of the income tax consequences attributable to the Condominium's activities or ownership of a Unit. Although the Sponsor will receive an opinion from Allen, Morris, Troisi & Simon LLP included herein (hereinafter referred to as the "Opinion" or "Counsel") with respect to the includability of Common Charges in the gross income of the Condominium and with respect to the deductibility of mortgage interest and real estate taxes with respect to the Units, such opinion is not binding on the IRS. Each Purchaser should consult with his, her or their own tax counsel as to the tax consequences of the Plan and of Unit ownership.

The statements set forth herein are based upon an analysis of the Internal Revenue Code of 1986, as amended (the "Code"), New York State Tax Law, the Administrative Code of the City of New York, the applicable regulations promulgated or proposed thereunder, the current position of the applicable administrative agency, in particular, the position of the IRS stated in published Revenue Rulings and Revenue Procedures, and judicial decisions. It is emphasized, however, that legislative, judicial or administrative changes may be made which would require modification of such statements or that the IRS or other applicable administrative agency may disagree with Counsel's interpretations and conclusions.

Each Unit Owner will own his, her or their Unit and an undivided interest in the Common Elements in fee simple. Each Unit will be a separate tax lot for purposes of real estate taxes and assessments. Since each Unit Owner owns his, her or their Unit in fee simple, he, she or they may mortgage his, her or their Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

Unit Owners who itemize their deductions should, for Federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid or accrued, under Sections 163 and 164 of the Code, provided the Unit is utilized as either a primary or secondary residence or in the production of income. These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Opinion. Each individual 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.

The Condominium will be governed by a Board of Managers. The Board of Managers will assess and collect Common Charges from the Unit Owners and will have certain discretionary powers over the operating expenses and the application of the assessments. While there is presently no direct authority as to the tax status of the Condominium for Federal Income Tax purposes, Sponsor's Counsel is of the opinion that the Condominium will be treated as an association taxable as a corporation. As a result, the Condominium will be subject to Federal Corporate Income Tax and New York State Corporation Franchise Tax and New York City Corporate Income Tax to the extent of its taxable income, if any.

The Condominium will be deemed to be a management association in the business of rendering services to the members of its organization. As such, its receipt of assessments for operating expenditures will constitute gross income. The Condominium will be entitled to offset against this income the expenses incurred in providing such services. However, it will be deemed to have taxable income to the extent that the Common Charges for operating expenditures exceed the expenses of the management association. Furthermore, any interest earned from the temporary investment of the Common Charges will be taxable income to the Condominium.

Under certain circumstances, excess assessments (assessments collected by the Condominium in excess of the actual requirements for the years' operating expenditures) and special assessments may not be includable in the income of the Condominium. Excess assessments will not be included when the management association has no discretion as to the application of the excess funds. See Counsel's Tax Opinion for instances in which the IRS has determined that special assessments and excess assessments were not includable in the Condominiums taxable income.

Furthermore, if the Condominium satisfies the requirements of Section 528 of the Code, and if it has filed a timely election to have this section apply, the Condominium should be exempt from Federal income taxes on the Common Charges and will be taxed on its other non-exempt income at the rate of thirty (30%) percent. The general requirements which must be met for Section 528 to apply are the following:

- a. The Condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance, and care of association property;
- b. Sixty (60%) percent or more of the gross income of the Condominium management association must consist of assessments from Residential Unit Owners;
- c. Ninety (90%) percent of the expenditures of the Condominium management association must be for the acquisition, construction, management, maintenance, and care of the Condominium management association's property;
- d. No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the Condominium management association's property; and,
- e. Substantially all of the Units must be used as residences.

Under the Treasury Regulations issued pursuant to Code Section 528, a Condominium management association must qualify annually for the election under Code Section 528 and make a separate election for each taxable year. Since the qualification of the Condominium as a management association eligible to elect the benefits of Code Section 528 depends upon future facts and circumstances, Counsel for the Sponsor cannot, at this time, render an opinion with respect to the Condominium's qualification as a homeowners association within the meaning of Code Section 528.

EACH PURCHASER SHOULD CONSULT WITH HIS, HER OR THEIR OWN TAX EXPERT AS TO THE TAX CONSEQUENCES OF THE PLAN AND OF UNIT OWNERSHIP.

NEITHER THE SPONSOR NOR COUNSEL FOR THE SPONSOR NOR THE SELLING AGENT MAKES ANY WARRANTY THAT THE UNITED STATES TREASURY DEPARTMENT OR THE NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE OR THE DEPARTMENT OF FINANCE OF THE CITY OF NEW YORK WILL ALLOW THE DEDUCTIONS, OR EXEMPTIONS OR THAT THE TAX LAW OR THE REGULATIONS OR RULINGS ISSUED THEREUNDER , OR ANY JUDICIAL INTERPRETATION THEREOF, UPON WHICH COUNSEL TO THE SPONSOR BASES ITS OPINION, WILL NOT CHANGE SO AS TO DISALLOW THE DEDUCTIONS OR EXEMPTIONS IN WHOLE OR IN PART.

PURCHASERS SHOULD BE AWARE THAT LEGISLATION MAY BE INTRODUCED WHICH MAY SUBSTANTIALLY ALTER THE TAX STATUS SET FORTH HEREIN.

A copy of "COUNSEL'S TAX OPINION" is set forth below.

INCOME TAX OPINION OF SPONSOR'S COUNSEL

ALLEN, MORRIS, TROISI & SIMON LLP

ATTORNEYS AT LAW

112 EAST 19th STREET
NEW YORK, NY 10003
TEL: (212) 353-0040
FAX: (212) 505-8652

BERND H. ALLEN
MELVIN S. MORRIS (deceased)
MICHAEL E. TROISI
STANLEY R. SIMON

August 28, 2014

536 E 13 LLC
316 East 22nd Street, #7
New York, NY 10010

Re: OFFERING PLAN FOR 536 EAST 13TH STREET CONDOMINIUM
Premises: 536 East 13th Street, New York, NY 10009

Gentlemen:

In connection with the offering of Condominium Units pursuant to a Plan entitled OFFERING PLAN FOR 536 EAST 13TH STREET CONDOMINIUM (the "Plan"), you have requested our opinion concerning the deductibility and treatment for Federal, New York State, and New York City income tax purposes (but not for purposes of the New York City earnings tax on non-residents) of certain payments made or borne by Residential Unit Owners under the Plan. Specifically, you have asked whether payments of mortgage interest and real estate taxes will be deductible for income tax purposes.

We have prepared the Plan and, in connection with our opinion, we have reviewed relevant sections of the Internal Revenue Code of 1986, as amended (the "Code"), the New York State Tax Law, the New York City Administrative Code, and such other material as we deemed relevant.

We note that pursuant to the Plan each Residential Unit Owner will hold title to his, her or their Residential Unit and an undivided interest in the Common Elements in fee simple and each Residential Unit Owner may individually place a mortgage on his, her or their Residential Unit, thereby incurring direct liability for the interest or finance charges attributable thereto. Under New York State Law, each Residential Unit and its interest in the Common Elements will be taxed as a separate parcel for real estate tax purposes. N.Y. Real Prop. Law 339-y (McKinney 1976).

We further note that the respective Common Interest of each Unit, as determined by Sponsor, is based, pursuant to section 339(i)(1)(iv) of the Real Property Law upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

Based upon the foregoing, we are of the opinion that under present law interest on a mortgage placed on a Residential Unit that is the primary residence of the Unit Owner and real estate taxes on a Residential Unit which are paid or accrued by a Residential Unit Owner will be deductible by such Residential Unit Owner for Federal Income tax purposes in the appropriate year according to his, her or their method of accounting and provided that he, she or they itemizes his, her or their deductions, and provided that he, she or they uses said Residential Unit as a primary or secondary residence (Rev. Rul. 64-31, 1964-1 C.B. 300). Mortgage interest deductions are limited, however, by section 461(g) of the Code which disallows a deduction by a cash method taxpayer for interest paid but not accrued (other than "points" paid with respect to a mortgage incurred to purchase the taxpayer's principal residence when the payment of points is an established business practice in the area, and such points do not exceed the amount generally charged). Mortgage interest and real estate tax deductions will similarly be available for New York State and New York City income tax purposes. N.Y. Tax Law 615 (McKinney 1981); N.Y. City Administrative Code T 46-115.0 (Williams Supp. 1981).

If the Condominium (Board of Managers) meets the requirement of Internal Revenue Code Section 528 and elects to be exempt from federal income taxes on certain common charges collected from Unit Owners, such common charges will not be subject to income taxation. The requirement of Section 528 to be exempt from income taxation or certain common charges are as follows:

- (1) The term "homeowners association" means an organization which is a condominium management association or a residential real estate management association if -
 - (A) such organization is organized and operated to provide for the acquisition, construction, management, maintenance, and care of association property,
 - (B) 60 percent or more of the gross income of such organization for the taxable year consists solely of amounts received as membership dues, fees, or assessments from -
 - (i) owners of residential units in the case of a condominium management association, or
 - (ii) owners of residences or residential lots in the case of a residential real estate management association.
 - (C) 90 percent or more of the expenditures of the organization for the taxable year are expenditures for the acquisition, construction, management, maintenance, and care of association property,
 - (D) no part of the net earnings of such organization inures (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any private shareholder or individual, and

- (E) such organization elects (at such time and in such manner as the Secretary by regulations prescribes) to have this section apply for the taxable year.
- (2) The term "condominium management association" means any organization meeting the requirement of subparagraph (A) of paragraph (1) with respect to a condominium project substantially all of the Units of which are used by individuals for residences.

There are no percentage of common interests allocated in this plan to non residential Units.

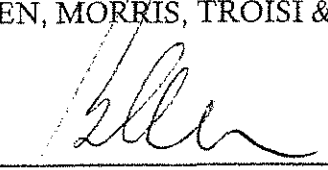
Under section 57 of the Code, an individual taxpayer's itemized deductions, including itemized deductions for mortgage interest (but excluding certain deductions such as medical expenses, casualty losses, and state and local taxes), will be considered an "item of tax preference" to the extent that the amount of such itemized deductions exceeds sixty (60%) percent of such individual taxpayer's adjusted gross income, after reduction by such excluded deductions. Such excess itemized deductions, as an item of tax preference, may, in certain circumstances, be subject to the "alternative minimum tax" under section 55 of the Code. In addition, such deductions may also affect a Residential Unit Owner's liability for minimum tax under Section 56 of the Code. New York State and New York City also impose minimum taxes based on certain Federal tax preference items, including such excess itemized deductions, and New York State has a provision for a maximum tax on personal service income which is adversely affected by such a tax preference. See N.Y. Tax Law 601A, 603A, 622 (McKinney Supp. 1981); N.Y. City Administrative Code T 46-101.1, T 46-122.0 (Williams Supp. 1981).

The foregoing opinion only deals with limited, specific tax consequences of ownership of a Residential Unit. We therefore strongly recommend that each person contemplating the acquisition of a Unit under the Plan consult his, her or their own tax advisor with respect to the particular Federal, State, and local tax consequences to him or her of the ownership of a Residential Unit.

There can be no assurance that the federal, state and city tax laws or regulations (or the rulings and decisions thereunder) upon which our opinion is predicated will not be changed or amended subsequent to the date of this opinion. In addition, no opinion is being rendered with respect to any legal or tax consequences except as set forth above, and, in particular, no opinion is expressed as to the tax treatment of the Condominium itself.

We consent to the filing of this opinion as an exhibit to the Plan and to the reference to our name under the caption "Certain Income Tax Aspects" in the Plan.

Very truly yours,
ALLEN, MORRIS, TROISI & SIMON LLP

BY: 
BERND H. ALLEN
BHA/dk



**Real Estate Tax Estimate
for
536 East 13th Street
New York, New York**

**Prepared for:
536 E 13 LLC
c/o Allen, Morris, Troisi & Simon
112 E 19th Street
New York, N.Y. 10003**

May 13, 2014

May 13, 2014

536 E 13 LLC
c/o Allen, Morris, Troisi & Simon
112 E 19th Street
New York, N.Y. 10003

Attention: Bernd Allen, Esq.

Re: 536 East 13th Street
New York, New York

I, JEROME MAZURSKY, CERTIFY:

THAT I am a real estate appraiser and have many years of experience in the assessment of real estate for tax purposes both as an Assessor in the Borough of Manhattan and as the Department of Finance's Assistant Commissioner of the Real Property Assessment Division;

THAT I have been retained by the sponsor, to estimate for inclusion in an Offering Plan to be submitted to the Attorney General, the assessed valuation of the above-captioned property after completion of construction of a 6-story condominium;

THAT in estimating the assessed valuation of the property, I am aware of the construction costs, rental values and offering prices of the units;

THAT I have consulted with personnel in the Property Division of the Department of Finance regarding the current practice in assessing newly constructed residential condominiums. Specifically, discussions centered around appropriate land and building factors and income projections for properties similar to the subject in type and location.

I have discovered the following:

- 1) The subject property is located at 536 East 13th Street in the East Village section of the borough of Manhattan. The sponsor is in the process of constructing a 6-story condominium on this site. After completion, the building will contain eleven (11) residential units. Prior to construction, the property was vacant and unimproved.

The site has 25' frontage on the southerly side of East 13th Street and extends 103.25' in depth. It is rectangularly-shaped and contains 2,581 square feet of ground area. The property is currently identified on the city's tax records as Block 406, Lot 23.

- 2) After completion of construction, scheduled for February 2015, the building will contain the following approximate net square foot areas and uses:

<u>FLOORS</u>	<u>AREA</u>	<u>USE</u>
Cellar	1,782	Mechanical and Meter Rooms, Storage Units
1	1,269	1-2BR Apartment w/Home Office
2-5	6,140	8-1BR Apartments w/Home Office
6	1,535	2-1BR Apartments w/Home Office
PH	1,782	Recreation Areas, Bulkhead, Hot Water, Storage

- 3) The property is currently assessed in Tax Class 2A. After completion of construction and the establishment of a condominium, the units will be assessed in Tax Class 2 under the classification system adopted by the State Legislature in its revision of the Real Property Tax Law (Section 305, Article 1802, and Section 581, applicable to the assessment of cooperative apartments and condominiums).

Tax Class 2 is comprised of primarily residential rental, cooperatives and condominiums containing more than ten units. The City's assessment ratio policy for properties in Tax Class 2 is to assess at 45% of market value based upon value as an income-producing property. Increases to value are unlimited, but except for increases due to physical changes, are required to be phased-in over a five-year period. The taxable value is the lower of the actual or transitional values.

The 2013/14 Class 2 tax rate is \$13.145 per \$100. I estimate the tax rate for tax years 2014/15, 2015/16 and 2016/17 at \$13.30 per \$100.

- 4) The recent history of assessed valuation of 536 East 13th Street is as follows:

<u>2012/13</u>	<u>Land</u>	<u>Total</u>
Actual:	\$193,950	\$193,950
Transitional:	\$223,348	\$223,348

<u>2013/14</u>	<u>Land</u>	<u>Total</u>
Actual:	\$200,538	\$200,538
Transitional:	\$223,856	\$223,856

<u>2014/15</u>	<u>Land</u>	<u>Total</u>
Actual:	\$200,538	\$200,538
Market Value:		\$445,641

- 5) It is my judgment that during, and after construction is completed, the property will be assessed as follows:

<u>2015/16</u>	<u>Land</u>	<u>Total</u>
Actual:	\$200,000	\$ 1,000,000
Transitional:	\$200,000	\$ 1,000,000

<u>2016/17</u>	<u>Land</u>	<u>Total</u>
Actual:	\$200,000	\$ 1,150,000
Transitional:	\$200,000	\$ 1,150,000

- 6) The tax liability during the first and second years of operation is estimated at \$ 133,000 and \$152,950, respectively. The calculations are as follows:

First Year of Operation

$$\begin{array}{l} \text{7/1/15-6/30/16} \\ \$ 1,000,000^1 \times .133^2 = \$ 133,000 \end{array}$$

Second Year of Operation

$$\begin{array}{l} \text{7/1/16-6/30/17} \\ \$ 1,150,000^3 \times .133^2 = \$ 152,950 \end{array}$$

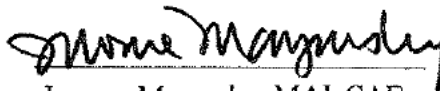
-
1. Estimated 2015/16 Taxable Assessed Value
 2. Estimated Tax Rate
 3. Estimated 2016/17 Taxable Assessed Value

6) continued

Each unit will be given a separate tax lot number. Individual tax liability may be estimated by apportioning the total tax among the unit owners in proportion to their percentage of common interest as indicated in the Offering Plan.

- 7) The co-op/condominium real estate tax abatement law, that over the past few years has had a favorable effect on the real estate tax burden of residential co-op and condominium unit owners, has recently been extended. The Legislature indicated its intention in passing this law was to address the disparity between the tax burden of one to three family homeowners and that of residential co-op and condominium unit owners. If the abatement is granted to this condominium, the law may allow up to a 17.5% abatement of the real estate tax bill of a unit owner who will own fewer than four units on the city's taxable status date of January 5, 2016. Excluded from receiving the abatement benefits are co-ops and condominiums that receive tax exemption benefits.
- 8) This estimate of the assessed valuation has been prepared for inclusion in the Offering Plan, and I consent to its use for this purpose. Although the aforesaid estimate of the Actual Assessed Valuation is a good-faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, when actually made, may be lesser or greater based on our interpretation of the administrative code and the applicable rules and regulations of the City of New York. Although I believe my opinions are well-founded, they are not intended, and should not be construed as warranties as to future assessed valuations of the property under discussion.

In no event will this firm, the Sponsor, the Sponsor's counsel or any other person be liable if the assessed valuation, when actually made, is lesser or greater than that estimated above, or if the administrative code and the applicable rules and regulations of the City of New York are changed in the future, or if the facts as represented prove to be untrue.


Jerome Mazursky, MAI, CAE



JEROME MAZURSKY, MAI, CAE
President

NYS Certified General R.E. Appraisers
 # 46000001594

QUALIFICATIONS

EDUCATION

N.Y.U. School of Commerce - B.S.
 Real Estate Courses

Appraising I, II	CUNY
Advanced Assessing	Cornell University
Appraising Problems	University of Connecticut
Computerized Mass Assessing	I.A.A.O.
Various Appraisal Courses	Appraisal Institute

PROFESSIONAL DESIGNATIONS EARNED

MAI	(Member of the Appraisal Institute)
CAE	(Certified Assessment Evaluator, IAAO)
IAO	(Institute of Assessing Officers, NYSAA)

EMPLOYMENT

Assessor - Manhattan
 Interim Acting Tax Commissioner for Staten Island
 Assistant Commissioner (in charge of the Real Property Assessment Division
 of the Department of Finance)
 Real Estate Tax Consultant/Fee Appraiser

MEMBERSHIPS HELD IN PROFESSIONAL ORGANIZATIONS

International Association of Assessing Officers
 N.Y.S. Association of Assessors
 Appraisal Institute
 American Arbitration Association

ARTICLES PUBLISHED

"The Future of Assessed Valuations in New York City"

Assessment Digest

The Valuer's Line

Book Review of "You Can Get Your Real Estate Reduced"

Real Estate Review

"Reflections of an Acting Tax Commissioner"

Real Values

"Real Estate Taxes and the Review Process"

C.P.A. Journal

"The New Real Estate Tax in New York City"

C.P.A. Journal

"Battling Taxes From a Different Vantage Point"

Real Estate Weekly

"Forecast of Real Estate Taxes in NYC"

Real Estate Weekly

"Real Estate Tax Burden Shifting in New York"

REW - Review & Forecast

SCOPE OF APPRAISAL EXPERIENCE

Over a period of twenty-five years, I have valued thousands of properties of almost every conceivable type in New York City. Some of the more notable properties for which I have performed tax projections for offering plans are:

The Plaza Hotel Condominium

500 West End Avenue

350 West 42nd Street

The Corinthian Condominium

Trump Parc Condominium

The Stanhope Condominium

330 East 72nd Street

823 Park Avenue

123 West 44th Street

WORKING CAPITAL

Each Purchaser will be required to make a contribution to the Working Capital Fund in an amount equal to two (2) month's estimated Common Charges for such Purchaser's Unit. See "Schedule A" for the estimate of such amounts.

In addition Sponsor will contribute to the capital of the Board of Managers, as a Working Capital Fund, the sum of ten thousand (\$10,000.00) dollars at the time of the Condominium's first closing of title to a Unit.

At the first closing of title, Sponsor and the Board of Managers will apportion the following items as of midnight of the date preceding said closing:

1. employees' wages, vacation and severance pay, pension and welfare benefits and all other payments or obligations relative to the employees of the Building, if any;
2. fees for assignable permits and licenses, if any;
3. cost of fuel, if any;
4. charges for electricity for the Common Elements;
5. payments under service, maintenance and concession contracts, if any;
6. water charges and sewer rents (unless separately assessed to individual Units);
7. cost of supplies on hand at Sponsor's cost (plus sales tax); and
8. premiums for transferrable insurance policies.
9. Deposit(s) with utility companies.

The Working Capital Fund will be used to pay the net closing adjustments, if in favor of Sponsor, at the first closing of title and the balance of such fund may be held for working capital and repairs with respect to the Common Elements and for other appropriate purposes as determined by the Board. If the net closing adjustments are in favor of Sponsor to such extent that payment thereof would reduce the Working Capital Fund by more than (\$2,500.00) two thousand five hundred dollars, then payment of such net closing adjustment in excess of (\$2,500.00) two thousand five hundred dollars shall be paid to Sponsor in twelve (12) equal monthly installments during the Condominium's first year of operation. If the net closing adjustments are in favor of the Board of Managers, the amount thereof will be added to the Working Capital Fund.

The Board will be able to utilize the money in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. In addition, within three (3) months following the end of the Initial Control Period, Sponsor shall deliver to the Board a statement

from a member of Sponsor, certifying in reasonable detail as to any changes in the amount of Working Capital Fund which have occurred since the first closing of title.

While the Sponsor is in control of the Board of Managers, the Working Capital Fund shall not be used to reduce the estimated common charges.

No representation or warranty is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, including repairs or replacements, and if additional funds are required over and above the Working Capital Fund, it may be necessary to increase Common Charges.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

RESERVE FUND

The amount established, equal to ten (10%) percent of the Budget, is to be used for future capital expenditures. The building is new construction and thus no major repairs or replacements are anticipated within the next five (5) years. No assurance can be given that the Reserve Fund will be adequate to pay for capital expenditures, and if additional monies are required over and above the Reserve Fund, it may be necessary to increase common charges or levy a special assessment against the owners.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

There are no management arrangements that will be binding on the Board of Managers.

ELEVATOR MAINTENANCE

The estimated cost of the elevator maintenance service contract is based upon Sponsor's previous management experience.

FIRE ALARM/CENTRAL STATION MONITORING

The estimated cost of the Fire Alarm/Central Station Monitoring contract is based upon Sponsor's previous management experience.

TELEPHONE SERVICE FOR ELEVATOR AND FIRE ALARM

The estimated cost of the telephone service for the elevator and fire alarm is based upon Sponsor's previous management experience.

IDENTITY OF PARTIES

SPONSOR AND SELLING AGENT

The Sponsor is 536 E 13 LLC. Its business address is 316 East 22nd Street, #7, New York, NY 10010. The following parties are the sole principals thereof:

YIANNES EINHORN who is a developer and home inspector, whose business address is 55 East 73rd Street, New York, New York. He has been a Sponsor or a principal of Sponsor and Selling Agent in connection with the following cooperative or condominium offerings within the past five (5) years.

<u>PROPERTY</u>	YEAR PROPERTY FIRST BECAME AVAILABLE TO COOPERATORS OR CONDOMINIUM PURCHASERS FOR OCCUPANCY
225-227 East 24 th Street, New York, NY	2007
316 East 22 nd Street, New York, NY	2008
55 Havemeyer Street, Brooklyn, NY	2009
33 St. Marks Avenue, Brooklyn, NY	2011
307 7 th Street, Brooklyn, NY	2006

HAROLD EINHORN who is an architect and home inspector, whose business address is 55 East 73rd Street, New York, New York. He has been a Sponsor or a principal of Sponsor and Selling Agent in connection with the following cooperative or condominium offerings within the past five (5) years.

<u>PROPERTY</u>	YEAR PROPERTY FIRST BECAME AVAILABLE TO COOPERATORS OR CONDOMINIUM PURCHASERS FOR OCCUPANCY
107-109-111 North 9 th Street, Brooklyn, NY	1988
904 Union Street, Brooklyn, NY	1982
225-227 East 24 th Street, New York, NY	2007
316 East 22 nd Street, New York, NY	2008

55 Havemeyer Street, Brooklyn, NY	2009
33 St. Marks Avenue, Brooklyn, NY	2011
307 7 th Street, Brooklyn, NY	2006

AW3 LLC. is a limited liability company, whose business address is c/o Law Offices of Lawrence E. Fabian, 437 Fifth Avenue, Suite 801, New York, NY 10016. It has not been a Sponsor or a principal of Sponsor and Selling Agent in connection with any cooperative, condominium or planned unit development offerings of real property within the past five (5) years.

AIDA WEDO 3 S.A. is sole member of AW 3 LLC, whose business address is c/o Law Offices of Lawrence E. Fabian, 437 Fifth Avenue, Suite 801, New York, NY 10016. It has not been a Sponsor or a principal of Sponsor and Selling Agent in connection with any cooperative, condominium or planned unit development offerings of real property within the past five (5) years.

LAWRENCE E. FABIAN, is the Authorized Agent of AIDA WEDO 3 S.A. His business address is Law Offices of Lawrence E. Fabian, 437 Fifth Avenue, Suite 801, New York, NY 10016. He has not been a Sponsor or a principal of Sponsor and Selling Agent in connection with any cooperative, condominium or planned unit development offerings of real property within the past five (5) years.

The Offering Plans for these buildings are on file with the Department of Law and are available for inspection.

Sponsor has the financial resources to enable it to meet its obligations with respect to unsold Units. The means by which Sponsor will fund its financial obligations to the cooperative is rental of apartments and income from projected sales. If such projected sales are not made, Sponsor will fund its obligations from other income and personal funds.

The Sponsor as holder of unsold shares of cooperatives or unsold apartments of condominiums or as a general partner of Sponsor or principal of Sponsor, is current in all his financial obligations in other cooperatives in which he owns shares and in condominiums in which he owns condominium Units.

No Sponsor, Selling Agent or Principal of any Sponsor or Selling Agent affiliate of any of them has any prior felon conviction, prior bankruptcy, injunction or judgement which may be material to this offering

ATTORNEY

ALLEN, MORRIS, TROISI & SIMON LLP, 112 East 19th Street, New York, New York, is the law firm engaged by the Sponsor to represent it in connection with all legal matters pertaining to the conversion of the premises herein to condominium ownership. This law firm represents the Sponsor and not the Board of Managers. Bernd H. Allen of said law firm

prepared this Offering Plan. The Condominium is not represented by any attorneys.

ARCHITECT

David Howell of DHD, whose business address is 200 Park Avenue South, New York, NY 10003 is the Architect that prepared the Description of the Property and Building Condition on behalf of the Sponsor. David Howell is an experienced Architect who has been involved in many new and renovated buildings in New York City and other jurisdictions. Except for the fee paid to prepare the Description of the Property herein, he has no financial interest in the property.

REPORTS TO UNIT OWNERS

The Board of Managers shall annually deliver to each Unit Owners the following:

1. By March 15 a financial statement of the Condominium prepared by a public accountant or certified public accountant. Such statement shall be certified during the period of Sponsor control;
2. Prior notice of not less than ten (10) days nor more than forty (40) days of the annual Unit Owners meeting; and
3. At least ten (10) days prior to the annual meeting a copy of the proposed annual budget of the Condominium. During the period of Sponsor control the proposed annual budget shall be certified.

DOCUMENTS ON FILE

The Sponsor shall keep copies of the Offering Plan and 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 for a period of six (6) years from the date of first closing at the offices of Allen, Morris, Troisi & Simon LLP, 112 East 19th Street, New York, New York, the Sponsor's attorney. 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 or within a reasonable time thereafter.

GENERAL

The Plan does not knowingly omit any material fact or contain any untrue statement of any material fact. Exact copies are contained in Part II hereof of the Purchase Agreement, Form of Unit Deed, Declaration of Condominium, and the By-Laws.

There are no lawsuits or other proceedings now pending, or any judgments outstanding against the Sponsor or any person or persons which might become a lien against the property or which may materially affect this offering, the property, or Sponsor's capacity to perform all of its obligations under the Plan.

No contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the Units offered in the plan prior to the date the plan is accepted for filing.

No deposits or advances of funds have been taken by or on behalf of Sponsor in connection with the reservation, sale or transfer of such Units prior to the date the plan is accepted for filing.

In accordance with the provisions of the laws of the State and City of New York, the Sponsor represents that the Sponsor, the Board of Managers and the Selling Agent will not discriminate against any person because of race, creed, color, sex, age, disability, marital status, national origin, ancestry or sexual orientation in the sale of Units offered by the Plan, or in the leasing of any Unit in the Building.

As of the date of first presentation of the Offering Plan, neither the Sponsor nor the Selling Agent, nor any representative or agent thereof, has raised funds or made any preliminary offering to or with any prospective Purchaser with respect to Units in the Building. To the best of Sponsor's knowledge, the property has not been the subject of any prior public offering.

No person has been authorized to make a representation which is not expressly contained herein. This Plan may not be changed or modified orally.

The Sponsor agrees to pay such interest on deposits as a court may consider just and proper as part of an order granted pursuant to Section 354 of the General Business Law.

In the event the Sponsor files an amendment to this offering that materially adversely affects a Purchaser, Sponsor shall grant Purchaser a right of rescission of not less than fifteen (15) days prior notice of the right to exercise such right. In the event a Purchaser elects to rescind in accordance with the aforesaid, then Sponsor will promptly return any down payment made pursuant to a Purchase Agreement, with interest, if any. In the event a Purchaser elects to rescind in accordance herewith and shall at that time be in occupancy of the Unit subject to the rescission pursuant to an Interim Lease, Sponsor shall not return the down payment made pursuant to a Purchase Agreement until said Purchaser delivers to Sponsor the Unit vacant with all "rent" fully paid and otherwise in accordance with the Interim Lease.

The Offering Plan and all documents related thereto will be available for examination for a period of six (6) years at the offices of Allen, Morris, Troisi & Simon LLP, 112 East 19th Street, New York, New York, the Sponsor's attorney.

SPONSOR'S STATEMENT OF BUILDING CONDITION

The Sponsor hereby adopts the Description of Property, Specifications, and Building Condition set forth in Part II, Section A of this Offering Plan. With reference to such material, it consulted with Eric Safyan, a registered Architect.

The Sponsor represents that it does not know of any defect or need for major repairs except as hereinafter set forth, and that to the best of Sponsor's knowledge, the following description accurately states the condition of the Building and its equipment (see "Description of Property, Specifications, and Building Condition" in Part II of Plan).

The property will be offered in its renovated condition as described in the "Description of Property and Building Condition". Neither the Sponsor nor the Condominium will have any obligation to make repairs or improvements except as set forth in this Plan. The Sponsor will eliminate all known dangerous and hazardous conditions, and comply with all work orders from mortgagees.

PART II

PURCHASE AGREEMENT

Date of Agreement: _____

Building Address: _____ Unit: _____

Purchaser(s): _____

Purchaser's address: _____

Purchaser(s)' Soc. Sec. # _____

Purchaser's Attorney: _____

Attorney address: _____

Attorney's Telephone: _____ Fax _____

Attorney's Email _____

Purchase Price: \$ _____

Down Payment: \$ _____

Balance: \$ _____

Mortgage Contingency Amount: \$ _____

Real Estate Broker(s): _____

1. THE PURCHASER RECEIVED THE PLAN, AS AMENDED, AT LEAST THREE (3) BUSINESS DAYS BEFORE EXECUTION HEREOF BY PURCHASER.

2. OFFERING PLAN READ. As Purchaser, I have received and read the Condominium Offering Plan - (the "Plan") for 536 EAST 13th STREET CONDOMINIUM (the "Property") dated () and the documents made a part thereof.

3. AGREEMENT TO PURCHASE. I hereby irrevocably agree to purchase, the above-stated Unit, at the Total Cash Purchase Price above, in accordance with the terms of the Plan.

4. CLOSING. If this Purchase Agreement is dated before the Plan is declared effective the Closing shall take place on the Closing Date to be set by the Sponsor which date shall be not earlier than the later of (a) thirty (30) days after the date on which notice of the Closing Date is sent or (b) ten (10) business days after the expiration of the mortgage contingency period as set forth in paragraph 18 hereof. If this Purchase Agreement is dated after the Plan is declared effective and the Declaration has been recorded, the Closing Date shall be the earlier of sixty calendar days after the date of this agreement or ten (10) business days after the Declaration has been recorded at 10:00 AM . The Closing shall take place at the office of the Sponsor's attorney. At Closing, Purchaser shall pay Sponsor the Balance due by official bank check drawn on a New York bank to the order of Sponsor, or such other payee as Sponsor may designate - (PLEASE NOTE - NO THIRD PARTY CHECKS WILL BE ACCEPTED) and Sponsor shall deliver to Purchaser the deed to the Unit. Purchaser shall be entitled to one or

more adjournments of the Closing Date not exceeding thirty (30) days in the aggregate. TIME SHALL BE OF THE ESSENCE as to such adjourned Closing Date. In the event that the originally scheduled Closing Date set by Sponsor shall be adjourned at the Purchaser's request (or at the request of Purchaser's attorney, lender or representative) as aforesaid, all adjustments shall be made as of the originally scheduled Closing Date.

The Selling Agent or the attorney for the Sponsor will give me prompt written notice when the Plan either becomes effective or is abandoned.

I will have the right to inspect my Unit and the Building within twenty-four (24) hours prior to the Closing Date for my Unit. Risk of loss to my Unit due to fire or other casualty shall remain with the Sponsor until Closing.

5. A. PAYMENTS HELD IN TRUST AT NAMED BANK. The down payment made hereunder will be deposited within five (5) business days with Signature Bank, 200 Park Avenue South, Suite 501, New York, New York, and will be held in trust in a special account under the name " Allen, Morris, Troisi & Simon LLP, Offering Plan Escrows, Attorney Trust Account " or similar name utilizing the social security number of Purchaser and withdrawals therefrom shall be made only by an attorney associated with the firm of Allen, Morris, Troisi & Simon LLP. The funds so deposited will be disbursed only on the Closing Date and only for the purposes of the consummation of this Plan or returned to me as herein provided. All interest earned on escrow monies described above shall be earned by Purchasers..

B. ALL FUNDS IN TRUST. The Sponsor will hold any monies received by it through its agents or employees in trust under New York General Business Law Section 352(h) and 352(e)2b until actually employed in consummation of the transaction. The parties acknowledge that, although Escrowee is holding the Downpayment for Sponsor's account, for all other purposes Escrowee is acting solely as a stakeholder at their request and for their convenience and that Escrowee shall not be liable to either party for any act or omission on its part unless taken or suffered in bad faith or in willful disregard of this contract or involving gross negligence on the part of Escrowee. Sponsor and Purchaser jointly and severally agree to defend indemnify and hold Escrowee harmless from and against all costs, claims and expenses (including reasonable attorneys' fees) incurred in connection with the performance of Escrowee's duties hereunder, except with respect to actions or omissions taken or suffered by Escrowee in bad faith or in willful disregard of this contract or involving gross negligence on the part of Escrowee. Escrowee may act or refrain from acting in respect of any matter referred to herein in full reliance upon and with the advice of counsel which may be selected by it (including any member of its firm) and shall be fully protected in so acting or refraining from action upon the advice of such counsel.

C. INSPECTION OF PROPERTY. I acknowledge that if available, I have inspected the said Unit and the property prior to signing this Purchase Agreement. My signing of this Purchase Agreement shall constitute my acceptance of said Unit in the condition in which it is at the time of closing, including the existing kitchen, bathroom and other appliances, if any, fixtures, equipment and installations owned by the Sponsor, subject to the requirements of the Plan. If the Unit is not substantially completed upon execution of this Purchase Agreement the Purchaser will inspect the Unit prior to closing and provide Sponsor with a "punch list" of items that are not in conformity with this offering. Sponsor shall solely determine which items on the punch list are Sponsors obligations and as to those items undertake to complete or repair them within thirty (30) days after closing. However, if on the

Closing Date, the Unit shall be substantially damaged or uninhabitable due to fire or the elements or acts which the Sponsor is reasonably unable to control (except if caused by me) then I shall have the right to cancel this Agreement, by notice given five (5) days prior to the Closing Date (or, if said event occurs within five (5) days of the Closing Date, then prior to the Closing Date), and this Agreement shall be cancelled and my deposit shall be promptly refunded to me, with interest, if any. (It is not anticipated that any interest will be earned).

D. ACCEPTANCE OF CONDITION OF PROPERTY. Purchaser shall accept the unit without abatement in, or credit against, the Purchase Price or any provisions for escrow deposits on the Closing Date notwithstanding the failure to complete construction of (a) minor details of the Unit or the Building, (b) other Units or (c) the public areas of the Building which do not prevent Purchaser's use of the Unit. Purchaser shall be given a reasonable opportunity to examine the Unit prior to the Closing Date and shall make a careful inspection of the Unit at such time. On the Closing Date Purchaser shall sign and deliver to Seller an inspection statement prepared by Seller.

6. A. THIS AGREEMENT IS CONTINGENT. It is agreed that this Purchase Agreement is contingent upon the Plan being declared effective and that the Plan shall not be declared effective except as provided in the Plan.

B. ABANDONMENT OF PLAN. The Plan may be abandoned at any time prior to its being declared effective and shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed by the Plan.

C. REFUND AND LIMITATION ON CLAIMS. If the Plan is abandoned or does not become effective, or if after being declared effective, the Plan shall not be consummated within the time set forth in the Plan except for Sponsor's willful default, then this Purchase Agreement shall be deemed cancelled and the Plan terminated, and I shall receive a refund in full, with interest, if any, within five (5) days after the amendment abandoning the plan has been accepted for filing, of all monies paid by me hereunder (except as provided in Paragraph 7 hereof), and, upon such refund, no party shall have any claim against the Sponsor, the Condominium or the Selling Agent, and all parties shall be released from all obligations hereunder.

7. DEFAULT AND LIQUIDATED DAMAGES. I agree that if I shall fail to pay the balance of the Total Cash Payment when due, as herein provided, or if I have entered into an Interim Lease for the said Unit and have failed to comply with all the terms and conditions of such Interim Lease, the Sponsor may elect to cancel this Purchase Agreement by written notice to me at the address stated below, by registered or certified mail, and at the expiration of thirty (30) days after the date of mailing thereof (unless I shall have theretofore cured such default) said notice shall be effective and this Purchase Agreement shall be deemed cancelled and all rights of the parties hereunder shall terminate except that the amounts theretofore paid hereunder shall be paid over to the Sponsor, as liquidated damages (not to exceed ten (10%) percent of the Total Cash Payment). In the event of such cancellation, the Sponsor shall have the right to sell said Unit to another Purchaser as though this Agreement had never been made.

8. ENTIRE AGREEMENT, OPPORTUNITY TO EXAMINE, NON-ASSIGNABILITY. The entire Agreement between the parties hereto is set forth herein and in the Plan. The only representations made to me are those contained herein and in the Plan. I have not relied upon any representations, statements or warranties, written or oral, to

any matter or estimate, that are not set forth herein and in the Plan; and I acknowledge that I have had full opportunity to examine all documents and investigate all facts referred to and stated herein and in the Plan.

9. IDENTIFICATION OF PURCHASER. I represent that I am a person over eighteen (18) years of age. The representations contained in this Paragraph will survive the Closing Date. The term "I" shall be read as "we" and "Purchaser" shall be read as "Purchasers" if more than one person are Purchasers, in which case our obligations shall be deemed joint and several.

10. REAL ESTATE BROKER. The Purchaser(s) represent(s) that the only broker who brought about this sale is the broker mentioned in the caption of this Purchase Agreement, if any, and the Sponsor agrees to pay said broker a fee as per a separate brokerage agreement. The Purchaser(s) hereby holds the seller free and harmless for any claim made by any other broker arising from Purchaser(s) acts.

11. CONDITIONS FOR BINDING AGREEMENT. This Purchase Agreement shall not be binding on me, the Sponsor or the Condominium until it is accepted, as evidenced by endorsement hereon, and a fully signed copy hereof shall have been delivered to me. If this Purchase Agreement shall not be accepted within twenty (20) days of the date hereof of the delivery to me of such endorsed and fully signed copy, it shall be deemed to be rejected and cancelled and my deposit shall be promptly refunded to me, with interest, if any. It is not anticipated that any interest will be earned.

12. NOTICES. Notices hereunder shall be delivered or mailed to the Sponsor, c/o Allen, Morris, Troisi & Simon LLP, 112 East 19th Street, New York, New York 10003 and to the Purchaser c/o the name and address as noted at the foot of this Agreement.

13. ASSIGNMENT OR CHANGES. This Purchase Agreement may not be assigned by me without the written consent of the Sponsor which consent may be arbitrarily withheld and may not be changed orally. Each of the parties hereby authorize their attorneys to agree in writing to any changes in dates and time periods provided for in this Purchase Agreement.

14. SECTION HEADINGS. All section headings are intended solely as introductory. This Purchase Agreement has been read in its entirety by the Purchaser.

15. CONFLICTS WITH THE PLAN. Any conflicts between this Purchase Agreement and the Plan shall be resolved in favor of the Plan. The Plan as referred to herein shall be construed to be the Plan and all its amendments.

16. FEES PAYABLE TO SPONSOR'S ATTORNEY. It shall be the sole responsibility of the Purchaser to pay a fee to the Sponsor's attorney of \$2,000.00 at closing for the preparation of closing documents. It shall be the sole responsibility of the Purchaser to pay a fee to the Sponsor's attorney of \$200.00 for a closing where the Purchaser receives financing from an institutional or other lender. If the closing is held at a place other than the office of the Sponsor's attorney or such other place as designated by the Sponsor (but within the Borough of Manhattan) there will be an additional fee of \$250.00 per Unit, which will be the responsibility of the Purchaser. There will be an additional fee charged based on distance and time if at the request of Purchaser or Purchaser's lender or attorney a closing is held outside of the Borough of Manhattan, which will be the responsibility of the Purchaser. If the closing is adjourned other than by Sponsor, there will be an additional fee of \$150.00 per Unit, payable to the

Sponsor's attorney, or \$250.00 if the Sponsor's attorney or its representative attends the Closing and the Closing is adjourned, which will be the responsibility of the Purchaser. There will be a fee of \$350.00 if the Purchaser requests an Interim Lease for the preparation of such document, if granted, payable to the attorneys for the Sponsor, which shall be payable at the execution of such Lease. There will be an additional fee of \$800.00 if the Purchase Agreement is permitted to be assigned under the terms of the Offering Plan for processing the assignment and the documents relating thereto.

17. REAL PROPERTY TRANSFER TAX RETURNS. At such time that Sponsor requests, I will complete, sign, have notarized and return to the Sponsor a Real Property Transfer Tax Return with regard to the New York City Real Property Transfer Tax and TP584 with regard to the New York State Transfer Tax. **I understand that I will be responsible for the payment of such taxes.**

18. FINANCING. This agreement is subject to the Purchaser obtaining a commitment for a loan in the amount set forth as the Mortgage Contingency Amount on the first page of this Purchase Agreement (or any lesser amount stated in Purchaser's loan application), at the prevailing rate of interest whether fixed or variable, for a period of at least twenty five (25) years. The Purchaser must make a bona fide application to a lending institution for the above loan within five (5) business days of the date hereof (time for the making of the application being "of the essence"). The Purchaser shall promptly provide any and all information and/or documents that may be requested by the lender. Purchaser shall promptly furnish Sponsor's attorney with a copy of said commitment, or the rejection letter, if any, upon receipt of same. The Purchaser shall have forty-five (45) days from the date of this agreement to obtain such commitment. In the event the Purchaser fails to obtain the commitment by said date then either the Purchaser or Sponsor shall have the right to cancel this agreement provided that the Purchaser notifies Sponsor, c/o Sponsor's attorney, by notice mailed by Certified Mail, Return Receipt Requested (time being of the essence), which notice is postmarked within fifty (50) days of the date hereof of his, her or their inability to obtain said commitment, and Purchaser's desire to cancel this agreement or Sponsor notifies Purchaser c/o Purchaser's Attorney by notice anytime after forty five (45) days from the date hereof, in which event, this agreement shall be null and void, and Purchaser shall then be entitled to the refund of his, her or their down payment. In the event the Closing is adjourned by the Sponsor to a date beyond which the Purchaser is able, at his, her or their sole cost and expense, to extend his, her or their commitment at the lender's then prevailing rate of interest, then, upon written notice, by Certified Mail, Return Receipt Requested, to the Sponsor, c/o Sponsor's attorney, within ten days of Purchasers receiving notice from their lender of lender's unwillingness to extend the commitment at the lenders then prevailing rate of interest, Purchaser may cancel the Purchase Agreement in which event, the down payment paid hereunder shall be returned to Purchaser and this Purchase Agreement shall be null and void. The down payment to be returned hereunder shall be returned with interest earned, if any. However, it is not anticipated that any interest shall be earned.

19. DELIVERY OF THE DEED AND POWER OF ATTORNEY TO THE RESIDENTIAL BOARD. At the closing of title, seller shall deliver to Purchaser a Bargain and Sale Deed without Covenant Against Grantor's Acts conveying title to the Unit to Purchaser, free and clear of all encumbrances other than those set forth on Schedule A annexed hereto and made a part hereof. The deed shall be prepared by seller and be substantially in the form set forth in Exhibit D1 in Part II of the Plan and shall be executed and acknowledged by seller and Purchaser, in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes and seller and Purchaser shall duly execute and swear to a New

York City Real Property Transfer Tax return and any other form then required by law, all of which shall be prepared by the seller.

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

The deed and power of attorney to the Board of Managers shall be delivered to the representative of the title company insuring Purchaser's title (or if no such representative is present, then to seller's attorney) for recording in the City Register's Office. After being recorded, the deed shall be returned to Purchaser and power of attorney shall be sent to the Board of Managers.

20. STATE OF TITLE. At the closing of title, seller shall convey to Purchaser good and insurable title in fee simple to the Unit, free and clear to all encumbrances other than those set forth in Schedule A annexed hereto and made a part hereof. Any encumbrance to which title is not to be subject shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or Purchaser's title insurance company, together with the recording or filing fee or (b) Purchaser's title insurance company will insure Purchaser that such objection will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien. Purchaser may use any title company they select. IT IS RECOMMENDED THAT PURCHASERS UTILIZE THE SERVICES OF PHILIP O'HARA ASSOCIATES INC., 55 WASHINGTON STREET, SUITE 557, BROOKLYN, N.Y. (TELEPHONE (718) 875-7506) TO INSURE PURCHASERS TITLE. Objections of title must be given to sponsor's attorney for timely clearance.

21. CLOSING ADJUSTMENTS. The following will be adjusted at closing:

- 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; and
- b. Common Charges for the month in which title closes; and
- c. accrued rent and any other charges pursuant to an Interim Lease, if any, covering the Unit; and
- d. Pay to Sponsor an amount equal to the credit to which the Purchaser would be entitled under Section 339-ee(2) of the New York Condominium Act by reason of the mortgage tax previously paid.

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. 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 assessment or anticipated assessment for the property and the percentage interest in the Common Elements appurtenant to the Unit.

If the Units have not been separately assessed prior to the Closing, Purchaser shall reimburse

Sponsor for unpaid real estate taxes levied against the parcel until the Units are separately assessed. Sponsor shall pay the real estate taxes when such taxes are due and payable. Purchaser shall promptly reimburse Sponsor for such payments even if they become due and are paid after closing. Any errors or omissions in computing apportionments shall be corrected and payment made to the proper party promptly after discovery. This paragraph shall survive closing.

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

22. CLOSING COSTS. Each Purchaser will be required to make a contribution to the Working Capital Fund in an amount equal to two (2) month's estimated Common Charges for such Purchaser's Unit. See "Schedule A" in the offering plan for the estimate of such amounts.

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

24. SELLER'S INABILITY TO CONVEY THE UNIT. If Seller is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Seller shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability, and in such case, if Seller notifies Purchaser of its refusal to cure such inability and if Purchaser is not in default hereunder, Purchaser shall have the option to (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 Seller for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Seller shall, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, and 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 option must be exercised by notice of Purchaser in writing to Seller within ten (10) days after giving of Seller's notice of refusal to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the first option above to acquire title subject to such inability.

25. FIXTURES, APPLIANCES AND PERSONAL PROPERTY. Only those fixtures, appliances and items of personal property which are described in the "Description of Property" Report as being a part of the Unit are included in the sale of the Unit pursuant to the provisions of this Agreement.

26. ACCEPTANCE OF CONDITION OF PROPERTY. Purchaser shall accept title without abatement in, or credit against, the Purchase Price or any provisions for escrow deposits at the closing of title notwithstanding the failure to complete construction of (a) minor details of the Unit or the Building, (b) other Units or (c) the public areas of the Building which do not prevent Purchaser's use of the Unit. Purchaser shall be given a reasonable opportunity to examine the Unit prior to the closing of title and shall make a careful inspection of the Unit at such time. At the closing of title Purchaser shall sign and deliver to Seller an inspection

statement prepared by Seller and substantially in the form set forth in Part II of the Plan.

27. JOINT PURCHASERS. The Term "Purchaser" shall be read as "Purchasers" if more than one person are Purchasers, in which case their obligations shall be joint and several.

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 conform or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

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 Seller to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Seller, notwithstanding any such failure shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

31. GOVERNING LAW. The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of law.

32. WAIVER OF JURY. Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement, or the relationship created thereby. 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, or move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

33. ENTIRE AGREEMENT. This Agreement supercedes any and all understandings and Agreements between the parties and constitutes the entire Agreement between them.

34. 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 provisions of this Agreement.

35. 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.

36. SUCCESSORS AND ASSIGNS. Subject to the provisions of Article 24 hereof, the provisions of this Agreement shall bind and inure to the benefit of Purchaser and his, her or their heirs, legal representatives, successors and permitted assigns and shall bind and inure to

the benefit of Seller and its successors and assigns.

37. NO ORAL CHANGES. This Agreement cannot be changed or terminated orally. Each of the parties hereby authorize their attorneys to agree in writing to any changes in dates and time periods provided for in this Purchase Agreement. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES.

38. ESCROWED FUNDS.

39.1. The law firm of Allen, Morris, Troisi & Simon LLP, with an address at 112 East 19th Street, New York, NY 10003, telephone number (212) 353-0040, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Bernd H. Allen and Michael E. Troisi. 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.

39.2. 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 the Purchase Agreement or otherwise concerning the maintenance of release of the Deposit from escrow.

39.3. The Escrow Agent has established the escrow account at Signature Bank, located at 200 Park Avenue South, Suite 501, New York, NY 10003, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Allen, Morris, Troisi & Simon LLP, Offering Plan Escrows, Attorney Trust 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.**

39.4. All Deposits received from Purchaser shall be in the form of checks, money orders or wire transfers, and shall be made payable to the order of Allen, Morris, Troisi & Simon LLP, as Escrow Agent.

39.5. 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.

39.6. 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 the 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.

39.7. 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.

39.8. 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.

39.9. 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 §§ 352-3(2-b) and 352-h.

39.10. The Escrow Agent shall release the Deposit if so directed:

- (a) pursuant to terms and conditions set forth in the Purchase Agreement in Paragraph 5 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.

39.11. 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.

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

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

39.14. Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under this Purchase Agreement and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

39.15. 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.

39.16. 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.

39.17. 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.

39.18. 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.

39. This Contract of Sale may be executed in counterparts and all such counterparts shall constitute on Contract binding on the parties, notwithstanding that the parties are not signatories to the original or same counterpart. Signatures by facsimile or PDF shall be deemed original for the purpose of this Contract.

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

below.

DATED:

Purchaser

Address

Purchaser

Address

APPROVED AND ACCEPTED:
536 E 13 LLC

By: _____

ESCROWEE
ALLEN, MORRIS, TROISI & SIMON LLP

By: _____
_____, Partner

SCHEDULE A

The Permitted Encumbrances are the following:

1. Building restrictions, zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.
2. Any covenants, easements or restrictions of record provided same do not render title uninsurable.
3. State of facts shown in the survey of the land and building of Empire State Land Surveyor, P.C. dated March 21, 2014 and any additional state of facts which a subsequent survey or personal inspection thereof would show provided such additional facts would not prevent the use of the premises for dwelling purposes.
4. Any state of facts which an accurate survey of the Unit would show provided such state of facts would not prevent the use of the Unit for dwelling purposes.
5. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the By-Laws and the Rules and Regulations, the Power of Attorney from the Purchaser to the Board of Managers and the Floor Plans; as all of the same may be amended from time to time.
6. Consents by Sponsor or any former owner of the land for the erection of any structure or structures on, under or above any street or streets on which the land may abut.
7. Any easement or right of use in favor of any utility company for construction, use, maintenance, or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles, and other equipment and facilities on, under, and across the land and building.
8. Revocability of licenses for vault space, if any, under the sidewalks and streets.
9. Encroachments of stoops, areas, cellar steps, or doors, trim, copings, retaining walls, bay window, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the property or the street or sidewalks abutting the property and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the property and retaining walls and the like, if any.
10. Leases and service, maintenance and license agreements, if any.
11. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.
12. The lien of any unpaid assessment payable in installments (other than assessments levied by the Board of Managers) except that Sponsor shall pay all such assessments due prior to the Closing Date and the Purchaser shall pay all assessments due from and after such date (however, the then current installment shall be adjusted at Closing Date).
13. Any other declaration or other instrument affecting the property which Sponsor

deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

14. Standard exceptions contained in the form of title insurance policy then issued by Fidelity National Title Insurance Company of New York (or such other New York Board of Title Underwriters member title insurance company insuring the Purchaser's title to the Unit).

15. Any encumbrances as to which such company which insures the Purchaser's title to the Unit would be willing, in a fee policy issued by it to the Purchaser, to insure the Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien.

16. Any other encumbrance against the property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

17. Any Interim Lease covering the Unit made from Sponsor to the Purchaser.

POWER OF ATTORNEY

Terms used in this Unit Power of Attorney which are used (a) in the Declaration (the "Declaration") establishing a plan for condominium ownership of the premises known as 536 East 13th Street, under Article 9-B of the Real Property Law of the State of New York, dated _____, and recorded in the New York County office of the Register of The City of New York on _____, as CRFN _____, or (b) in the By-Laws of 536 EAST 13TH STREET CONDOMINIUM (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this power of Attorney as in the Declaration or the By-Laws.

The undersigned _____, the owner of the Unit (the "Unit") known as Unit No. _____ in the Declaration and also designated as Tax Lot _____ in Block 406 of the New York County on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, does hereby nominate, constitute and appoint the persons who may from time to time constitute the Sponsor under the Offering Plan and Board of Managers, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, (1) (a) following due authorization by the Unit Owners, to acquire or lease any Unit, together with its appurtenant interests, from any Unit Owner desiring to sell, convey, transfer, assign, surrender or lease the same, upon such terms and conditions as shall be approved by a majority of Unit Owners, (b) to acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, on such terms and conditions as said attorneys-in-fact shall deem proper, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as said attorneys-in-fact may determine granting to said attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present, (2) to execute, acknowledge and deliver (a) any Declaration or other instrument affecting any Unit which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of any Unit or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium.

The acts of a majority of such persons constituting the Board of Managers shall constitute the acts of said attorneys-in-fact.

This Power of Attorney shall be irrevocable.

B2

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the _____ day of _____, 20__.

STATE OF NEW YORK
COUNTY OF NEW YORK

On _____ 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.

UNIT DEED

THIS INDENTURE, made as of _____, between 536 E 13 LLC, a corporation formed under the laws of the State of New York, having an office at 316 East 22nd Street, #7, the ("Grantor"), and _____ (the "Grantee").

WITNESSETH:

That the Grantor, in consideration of Ten and 00/100 (\$10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever: the Unit (the "Unit") known as Unit No. _____ in the premises known as and by the street number 536 East 13th Street, Borough of Manhattan, New York County, City and State of New York, said Unit being designated and described as Unit No. _____ in the declaration ("Declaration") establishing a Plan for condominium ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act"), dated _____, and recorded in the New York County office of the Register of The City of New York (the "City Register's Office") on _____, as CRFN _____, and also designated as Tax Lot _____ in Block 406 of 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 said Building, certified by _____ and filed in Real Property Assessment Department of the City of New York as Condominium Plan #____. The premises within which the Unit is located are more particularly described in Schedule A attached hereto and made a part hereof. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the By-Laws of The Condominium. (Said By-Laws, as the same may be amended from time to time, are hereinafter referred to as the "By-Laws").

Together with an undivided _____ % interest in the Common Elements;

Together with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws, all of which shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein;

Subject also to such other liens, agreements, covenants, easements, restrictions and other matters of record as pertain to the Unit and/or to the property.

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 or a commercial Unit as permitted by the By-Laws and the Declaration.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York covenants that the Grantor will receive the consideration for this conveyance and will hold

the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The term "Grantee" shall be read as "Grantees" wherever the sense of this indenture so requires.

This conveyance is made in the regular course of business actually conducted by the Grantor.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this Indenture as of the day and year first above written.

536 E 13 LLC, Grantor

By: _____
YIANNES EINHORN, Member

Grantee

Grantee

STATE OF NEW YORK
COUNTY OF NEW YORK

On _____ before me, the undersigned, personally appeared
YIANNES EINHORN, personally known to me or proved to me on the basis of
satisfactory evidence to be the individual whose name is subscribed to the within
instrument and acknowledged to me that he executed the same in his capacity, and that by
his signature on the instrument, the individual, or the person upon behalf of which the
individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK
COUNTY OF NEW YORK

On _____ 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

LEGAL DESCRIPTION OF SITE

ALL that certain piece or parcel of land, situate, lying and being in the Borough of Manhattan, City and State of New York, designated on the Tax Map of the City of New York, for the Borough of Manhattan, as said Tax Map was on August 29, 1978, Block 406, Lot 23, which said lot is more particularly bounded and described as follows:

BEGINNING at a point on the southerly side of East 13th Street, distant 195 feet westerly from the corner formed by the intersection of the southerly side of East 13th Street with the westerly side of Avenue B;

RUNNING THENCE southerly on a line parallel with the westerly side of Avenue B, 103 feet 3 inches;

THENCE westerly along a line parallel with the southerly side of East 13th Street, 25 feet;

THENCE northerly, and again parallel with the westerly side of Avenue B, 103 feet 3 inches to the southerly side of East 13th Street;

THENCE easterly along the southerly side of East 13th Street, 25 feet to the point or place of BEGINNING.

TOGETHER with the Benefits and Subject to the Burdens and Provisions of the Declaration of Condominium and of the By-Laws of the Condominium recorded in the Office of the Register of the City of New York, County of Kings, on ____/____/____ under CRFN _____, as the same may be amended from time to time by instruments in the Register's Office aforementioned, which shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit.

D1

DHD
200 PARK AVENUE SOUTH
NEW YORK, NY 10003

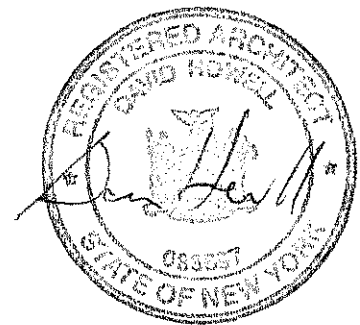
DESCRIPTION OF THE PROPERTY

FOR

536 EAST 13TH STREET
NEW YORK, NY 10009

BLOCK: 406
LOT: 23

THE REPORT WAS PREPARED ON 9/24/2013
AND AMENDED ON 11/8/2014



LOCATION AND USE OF PROPERTY

ADDRESS

536 EAST 13TH STREET, NEW YORK, NY 10009

BLOCK AND LOT

Block: 406

Lot: 23

ZONING AND PERMISSIBLE USE

The site is located in an R8B Zone as designated on Map 12C of the 1961 Zoning Resolution (ZR). This zone permits residential, commercial, and mixed use as-of-right.

FEMA ZONE

The building is located in a FEMA Zone X district. Zones X is determined to be outside the .2% annual chance floodplain.

ENERGY CONSERVATION CODE

To the best of my knowledge, belief and professional judgment, these plans and specifications are in compliance with the Energy Conservation Construction Code of New York State. The building is designed to meet 2004 IECC requirements in COMcheck version 3.5.1 and to comply with the mandatory requirements in the NYC DOB Requirements Checklists for energy conservation.

SITE PLAN

A site plan indicating the building as it relates to 13th street and the surrounding utilities can be found as an attachment to this narrative.

STATUS OF CONSTRUCTION

There will be one building comprised of eleven units, as per plans, which have been filed and approved by the New York City Department of Buildings. There shall be eleven residential units. The Class of Construction will be IIA (non-combustible) as described under the 2008 Administrative Building Code. There are no self-certified aspects on this project. The project is subject to a full plan examination and all associated filings will be subject to the Department of Buildings review and approval process. This is a quality housing project under Article 2, Chapter 8 of the NYC Zoning Resolution and all of the criteria have been met including the following:

- 28-22 Double Glazed Windows
- 28-23 Refuse Storage and Disposal
- 28-24 Laundry Facilities

The building is proposed construction, and a Certificate of Occupancy will be issued when the work is completed to the satisfaction of the Department of Buildings. Estimated date of completion is April 2015.

The NYC Department of Buildings Application # is: 104325650

SITE

SIZE

The site is located on the South side of East 13th Street, distance 193' west from the South-West corner formed by the intersection of East 13th Street and Avenue B. The site has a frontage of 25'

along East 13th Street and extends to a depth of 103'-3" perpendicular to East 13th Street. The site has an area of approximately 2,581 square feet.

STREETS AND SIDEWALKS

East 13th Street is a 60'-0" wide one-way Street. The streets beyond the lot lines are existing New York City sidewalks, curbs and roadways. The existing concrete sidewalks and curbs fronting the property will be repaired per ADA requirements as necessary when construction is near completion, as directed by the New York City Department of Transportation. The existing roadway fronting the property is asphalt paved. The roadway, fronting the property, will be repaired as necessary when construction is near completion, as directed by the New York City Department of Transportation. Catch basins are located along the roadway to drain the storm water run-off, into the existing New York City Sewer System. Catch basins are located along East 13th Street. Street lighting is provided by the City of New York, and consists of vertical stanchions surmounted with mercury arc lamps. Upon completion of the project, there will be no undesirable conditions such as tripping hazards, ponding, depressions, sinkholes, or negative grading around any of the foundation walls or sidewalk areas adjacent to the property. There are no sidewalk vaults within the sidewalk area adjacent to the property.

Pursuant to the NYC Department of Buildings Property Profile Overview "E" designation, there are no known noise or odor (bakery, laundry, etc.) emitting facilities within a radius of approximately 250'. Based on correspondence with the NYC E-Designation Program representatives, the "E" designation was not a result of a specific noise or odor emitting facility. Rather, in conjunction with the circa 2008 zoning change from R72 to R8B, the site was given an "E" designation to ensure a more appropriate acoustic and emission level was maintained within the community as a criterion for new developments. All "E" designation criteria are met in this project:

1. Windows with an OITC rating of 28 or better.
2. Mechanical ventilation for every unit
3. Combustion exhaust requirements

There are no easements associated with the property. Verizon has permission to distribute fiber optic service from the cellar of this building to other adjacent buildings through the rear yard.

UTILITIES

Water will be provided by the City of New York, and will be billed as a common charge. Natural Gas will be provided by Consolidated Edison Company for cooking and heating and shall be centrally metered. Electricity will be provided by the Consolidated Edison Company and each unit will be separately metered and billed directly. Telephone service, will be provided by the Verizon Company (or other carriers), and each unit will be billed directly. Sanitary waste and storm water runoff will be carried from the building into the New York City Sewer System.

SUB-SOIL CONDITIONS

No unusual sub-soil conditions are present. No unusual water conditions such as flooding, ponding, or wetness were observed in the area, and no water was apparent on the surface. The sub-soil was determined by the structural engineer of the project to be sufficient to support the building using the mat slab foundation system as specified. While conducting test pits and borings, water was encountered at approximately 9.5-10 feet below grade. Therefore, a 6" gravel drainage bed combined with an 18" mat slab was designed and installed above the water plane to prevent any water infiltration. No underground drainage system was specified or installed below the mat foundation system as it was designed to sit above any observed water conditions. The elevator pit

sits below the foundation level and is lined with "Grace Preprufe Plus Waterproofing Membrane System", or equal, and is outfitted with a back-up sump pump system in the event that water infiltrates. The pit has remained dry throughout construction. To negate ad-freezing the mat slab was installed below the frost line and the foundation walls have an air and drainage cavity. No insulation was specified or installed on the foundation walls. There is no apparent potential for mudslide or erosion in the area.

LANDSCAPING AND ENCLOSURES

There are no landscaped areas associated with the building. Landscaping of roof terraces shall be the responsibility of unit owners.

BUILDING SIZE

There will be one building, comprised of eleven residential units. The building shall have a cellar and six stories for a total of 6 floors above grade. The building will have a total height of approximately 60' measured from the adjoining grade to the top of the roof above the 6th floor with a parapet wall of approximately 42" above the roof level. The lowest level in the building will be the cellar with a floor to ceiling height of approximately 7'. The first floor through sixth floor will have a floor to ceiling height of approximately 9'. There will be no crawl spaces in the building. Equipment rooms exist in two locations as follows: Cellar – Gas, sprinkler, electric, low voltage, and trash. Roof Bulkhead – hot water heater room. The measurements (gross square footages) of each floor can be seen on the attached floor plans and elevations. Since this project is a six story building, it is not subject to Local Law 1198 which governs the periodic inspection of the exterior walls and appurtenances of Buildings greater than six stories in height.

STRUCTURAL SYSTEM

The structural system of the building shall consist of masonry load bearing walls supporting hollow core concrete plank. The foundations shall consist of a mat slab of reinforced concrete on earth, for support of masonry exterior walls. The foundation walls shall be of reinforced concrete. The foundation walls and mat slab were waterproofed using a trowel-on bitumene waterproofing system and subsequently lined with a drainage mat. The front and rear facades shall be brick while side exterior walls shall be stucco. Interior floor at the cellar will be a concrete slab on grade. The interior floor assembly at the upper floors will be hollow core concrete plank. Roofs are a PMMA rubberoid liquid applied type roof system manufactured by "Siplast". The roof system is inclusive of a tapered lightweight concrete installed atop the same floor assembly described above. All residential unit floors are to be sound insulated with "Keene Quiet Curl 55/025" sound control mat and "FirmFill 3310" poured gypcrete subfloor product. The construction classification of the entire building will be Non-Combustible Construction Class IIA, as per the N.Y. City Building Code. The Sponsor reserves the right to provide materials by different manufacturers, which are equal to or better than those listed above.

EXTERIOR OF BUILDING

Exterior front and rear facades shall be a brick veneer over rigid insulation (with a minimum R-value of 11) and concrete block as required for proper fireproofing and insulating purposes. Exterior wall waterproofing will be achieved through two primary means. On the front and rear walls, "AirBloc 31", a liquid emulsion vapor permeable air barrier membrane will be applied directly to the concrete masonry units along with the "Henry" waterproofing suite for all window and door openings as detailed in the subsequent sections of this report. On the exterior side walls as part of the "Parex EIFS system", "WeatherSeal" liquid applied waterproof membrane and air barrier will be applied directly to the concrete masonry units. There is no implicit manufacturer's warranty for the brickwork,

however the brick was manufactured by "Pacific Clay" and block was sourced from "Decorama Masonry Supply". As stated above, this building is not subject to Local Law 11/98 as it is six stories or fewer. The exterior side walls (East and West elevations) are finished with an drainage type EIFS stucco manufactured by "Parex", which carries a warranty of twelve years. With the exception of the East and West facing perimeter walls (which are finished with the EIFS system outlined above), all rooftop structures and interior parapet walls are finished with a "Parex Armourwall 300 Watermaster" hard stucco which carries a thirteen year warranty. Gypsum board shall be installed on the interior finish of the exterior walls. The exterior wall composition shall have a maximum thermal performance value of 0.215 to comply with Table 502.2 of the New York State Energy Conservation Construction Code. See below for the description of exterior wall types which all carry a minimum two hour fire rating:

Exterior Wall Type 1:

Single layer of 5/8" sheetrock over solid grouted and steel reinforced 8" thick concrete masonry unit, 3" EIFS stucco.

Exterior Wall Type 2:

Solid grouted and steel reinforced 8" thick concrete masonry unit, 3" EIFS stucco

Exterior Wall Type 3:

Single layer 5/8" sheetrock over solid grouted and steel reinforced 8" thick concrete masonry unit, 1"-3" rigid insulation, 3-5/8" brick.

Exterior wall type 4:

Solid grouted and steel reinforced 8" thick concrete masonry unit, "Watermaster" hard stucco.

The Sponsor reserves the right to provide different materials by different manufacturers, which are equal to or better than those listed above.

WINDOWS

Front and rear windows as well as terrace doors are double-glazed aluminum, as manufactured by "Reynaers". Infiltration rate of windows shall not exceed 0.3 cfm per square foot in compliance with Table 502.1.4.2 of the New York State Energy Conservation Construction Code. The manufacturer guarantees one year, parts and hardware, and one year on glazing. Window openings are treated throughout the building with "Henry flashing and waterproofing system" (Blueskin TWF, Blueskin SA, CIM 1000 TG) and will be caulked with "Pecora Corp 864 NST" caulk. The glazing package on all windows consists of 1-1/16" insulated double glazing units including 1/4" glass inside, 1/2" air space, and 5/16" glass outside. Tempered glass will be used in all locations required, specifically where glass is installed within 18" of any finished floor. Window sills are constructed of Bluestone. Lintels above window opening shall be of galvanized steel fabrication and waterproofed with "Henry TWF". Window and terrace door hardware will be provided as part of the window package as manufactured by "Reynaers". Lot line windows exist in all units. All lot line windows are manufactured by "Gamco", have tempered glass, and are protected by sprinkler heads. These windows do not provide legal light and air as the potential exists for the neighbor to build full to the lot line and obstruct said windows. In the event of said construction, individual unit owners would be responsible for removing and infilling their respective lot line windows. All residential unit windows and doors throughout the project are thermally broken. Each window has either a poured and debridged break or thermal strut to achieve thermal separation. Per the local law requirements, operable windows have been equipped with 4" limiting stops. All light and air requirements have been met. The Sponsor reserves the right to provide windows by different manufacturers, which are equal to or better than those listed above.

PARAPETS AND COPINGS

Parapets shall be constructed of masonry block with brick veneer and stucco and shall be 42" above finished roof level. There are two types of copings on the project; Bluestone, and "Kynar" coated aluminum.

CHIMNEYS AND CAPS

There is a single flue assembly for direct vent gas fired hot water equipment that shall be schedule 40 PVC and shall terminate at the roof. There are no fireplaces included in the project.

The Sponsor reserves the right to provide different materials which are equal to or better than those listed above.

BALCONIES AND TERRACES

The project includes balconies and terraces. Balconies shall be constructed of precast concrete, and terraces sit atop the building roof. The balconies shall be waterproofed where they meet the building structure with "CIM 1000 Trowel Grade, Corrosion Resistant, Urethane, Elastomeric Coating". The balconies shall then be fully coated with a "Sonoshield Sonoguard Polyurethane Waterproof Traffic Coating System". Terraces shall be finished with a drainage mat and concrete paver system atop pedestals. Terraces are to be protected at the perimeter by parapet walls of minimum height 42" above finished roof level. Balconies shall be outfitted with an aluminum and glass railing system in lieu of balustrades. Exterior metals and fasteners, shall be corrosion resistant, inclusive of coping and anchor materials which are made of a corrosion resistant aluminum finished with a "Kynar" paint. Drip edge grooves are to be provided at leading edge of each balcony. An integrated storm water drainage system shall be installed and shall consist of roof drains, leaders and scuppers. All balconies and terraces shall remain open as built.

There is one exterior soffit in the project which sits above the areaway at the primary entrance to the building on the ground floor. The soffit shall be insulated with R-12 batt insulation and enclosed with an exterior grade cement board and hard stucco finish.

Balcony access shall be provided through "Reynaers, model CS38" sliding doors that are constructed of thermally broken aluminum and tempered glass. Terrace access shall be provided through "Gamco" doors that are constructed of thermally broken aluminum and tempered glass. All door openings shall be flashed with "Henry flashing and waterproofing system" (Blueskin TWF, Blueskin SA, CIM 1000 TG) and frames will be caulked with "Pecora Corp 864 NST" caulk. All balcony and terrace doors throughout the project are thermally broken. Each door has either a poured and de-bridged break or thermal strut to achieve thermal separation.

The elevator machine room exterior stair and platform utilize a horizontal railing. Horizontal railing without protection for ladder effect pose a serious safety risk for children.

The Sponsor reserves the right to provide materials by different manufacturers, which are equal to or better than those listed above.

EXTERIOR ENTRANCES

There will be one residential exterior entry located at the front facade of the building at street level. The door will be manufactured by "AGM Deco" or equal and constructed of aluminum and glass. The door assembly shall include an electronically controlled magnetic lockset. The door frame shall be thermally broken and all door and hardware material shall be corrosion resistant. There is no vestibule in this project and as such there are no vestibule doors. There are no exterior stairs or

railings in the entrance area. The entrance will be located at sidewalk level at an elevation adequate to provide pitch to the street for drainage and to eliminate ponding. The entrance will fully comply with ADA requirements and will be constructed free of tripping hazards. The entrance will act as both a service and residential entry.

Mailboxes shall be provided within the lobby of the building and shall be "Florence Versatile" or equal.

The exterior entrance will be lit by recessed lights from the soffit above. Fixtures shall be capable of providing an aggregate illumination of one hundred and fifty (150) watts incandescent illumination or its equivalent. The above requirements shall be in compliance with the New York City Housing Maintenance Code and Multiple Dwelling Laws.

The Sponsor reserves the right to provide doors and lighting by different manufacturers, which are equal to or better than those listed above.

ROOF AND ROOF STRUCTURES

Roof areas shall be finished with a "Siplast" PMMA sheet and liquid applied roofing system. The system includes a pitched insulated lightweight concrete substrate, a torch down sheet applied layer, topped with a two-part cold liquid applied roof. The roof carries a 20 year NDL guaranty. All roof facing exterior walls are flashed with a three-way, two-part stainless steel through wall flashing. Roof assemblies shall have a minimum r value of 14.5 and a u value of .069. Penetration of ducts, pipes, skylights, etc. shall be properly flashed and waterproofed. "Kynar" coated aluminum coping shall be installed along the East and West parapets, and all bulkhead parapets. Bluestone coping will be installed atop the North and South parapets. All exterior metals, including fasteners shall be corrosion resistant. There shall be no roof mounted mechanical equipment and no dunnage. Equipment has been designed to be installed on vertical bulkhead walls or within dedicated mechanical structures. The Sponsor reserves the right to provide materials by different manufacturers, which are equal to or better than those listed above.

ROOF DRAINAGE

Each roof area shall be pitched at a minimum slope of approximately 1/4" per foot and drained to interior and/or exterior storm lines which lead to the sewer system for the building. All scuppers, gutters, and leaders are to be made of aluminum with a "Kynar" finish.

SKYLIGHTS

Skylights are to be installed on the roof level in order to provide legal light and air for the second bedrooms of the 6th floor units. Skylights, where specified, shall be manufactured by "Supreme" or equal and are aluminum and glass.

BULKHEADS

Stair and Elevator bulkheads are located atop the 6th floor and provide access to the roof level. Exterior walls shall consist of block finished with stucco and a roof assembly as detailed above. Interior finishes are painted gypsum board and wood trim. Flooring in bulkhead shall be the same as other corridors. Exterior aluminum terrace doors shall be manufactured by "Gamco" or equal. Exterior steel doors shall be manufactured by "LI Fireproof Door" or equal.

METAL WORK AT ROOF LEVELS

Roof perimeters shall be protected by aluminum capped parapets with a minimum height of 42" above the finished level. An exterior metal stair and platform provide access to the elevator machine room and are coated with a corrosion resistant paint.

YARDS AND COURTS

There will be one areaway located at the front entry of the building. Areaway will be approximately 4' in width measured perpendicular to and approximately 12' in length measured parallel to the facade of the building. Areaway shall be of poured concrete and block construction and properly pitched toward street drainage. There are no stairs or railings in the areaway.

There will be one yard, located at the ground floor rear of the building. Yard will be approximately 30' in width measured perpendicular to and approximately 25' in length measured parallel to the facade of the building. Yard shall be provided with drains. No specific landscaping is proposed at this time. Doors at this level shall be aluminum and manufactured by "Reynaers" or equal and shall carry the same thermal, waterproofing, and manufacturing material and criteria as the balcony doors outlined above. The yard shall be enclosed by a painted wooden stockade fence and the perimeter walls of the neighboring buildings. There are no Retaining walls in the yard. Lighting shall be provided in the form of wall mounted sconces on the rear facade. Each lighting fixture shall be provided with one or more lights, of a total of not less than sixty (60) watts. With regard to applicable zoning requirements for yards and areaways, the front area way is an as of right option exercised by the project and the rear yard satisfies the 30' rear yard zoning requirement.

INTERIOR STAIRS

There shall be one set of stairs located from the cellar level up through to the roof bulkhead. Stairs shall be constructed of precast concrete and steel. There shall be metal handrails provided as required by local ordinances. The stairway shall have a minimum 2 hour fire rating. The stairway enclosure will be constructed of grout filled concrete masonry units with a paint finish. The stair stringers are to be constructed of precast concrete, a non-combustible material. The stair treads are to be constructed of precast concrete, a non-combustible material. Guardrails are to be constructed of metal, a non-combustible material. Balustrades are to be constructed of metal, a non-combustible material and spaced approximately 4" on center per NYC building code. All metal shall receive a prime and two coat corrosion resistant paint finish. All stair-well doors shall be fireproof, self-closing, and shall be properly labelled. The Sponsor reserves the right to provide materials which are equal to or better than those listed above.

INTERIOR DOORS AND FRAMES

All apartment entry doors as well as interior doors to mechanical spaces and gas and electrical meter rooms are to be steel, fireproof, and self-closing. Self-closing hinges shall be manufactured by "Stanley" or equal and will be painted alongside the steel doors. Mortise locks shall be manufactured by "Marks" or equal and will have a brushed chrome finish. Doors within the units shall have solid wood stiles and rails and an MDF panel. Jambs and bucks shall be wood. All doors shall have a painted finish. Hinges shall be chrome four inches "Stanley" or equal. Locksets shall be chrome levers and provided by "Kwikset" or equal.

ELEVATORS

There shall be one passenger elevator in the building, which will be for both passenger and service requirements. The capacity shall be 2500 pounds and shall be rated for up to 13 persons. The elevator shall be installed by the "U TECH ELEVATOR COMPANY," located in Brooklyn, New York. The manufacturer of the motor shall be "TORINDRIVE INT.". The elevator shall have automatic operational controls with microprocessor controls. The elevator shall serve all floors from the cellar to the 6th floor. The elevator shall be overhead geared traction. The elevator doors shall be sliding doors. The elevator shall have an AC motor, manufactured by "TORINDRIVE INT". The elevator cab shall be manufactured by "Park Avenue Elevator Design". The floor shall be vinyl tile. Walls shall be plastic laminate and stainless steel. The ceiling is to be suspended plastic with lighting above. The elevator shall be equipped with an alarm system with controls in the cab. Alarm controls have battery-operation in the event of a power failure. The elevator is also equipped with a safety device to prevent the possibility of a runaway cab. The Sponsor reserves the right to provide elevator

equipment by different manufacturers, which are equal to or better than those listed above. (19.1) Sponsor will provide two years of quarterly service and two years of category one inspections via the elevator installation contract with "UTECH Elevator Company".

AUXILIARY FACILITIES

LAUNDRY ROOMS

Units shall be provided with a laundry closet/room within the unit, including a washing machine and electric dryer. Laundry closets shall be equipped with mechanical ventilation allowing proper exhaust to the building's exterior. Sponsor shall supply the following units:

Washer: Frigidaire model # FFFS5115P AWW, or equal

Dryer: Frigidaire model # FFSE5115P AWW, or equal

REFUSE DISPOSAL

Refuse disposal will be the responsibility of each individual unit's occupant. They will collect their own garbage and carry it to a trash room identified at the cellar level. Either a superintendent, if hired by the condominium board, or occupants of the building will be required to place refuse from the trash rooms to the outside curb, where it will be collected by the New York City Sanitation Department per current sanitation pickup schedules.

PLUMBING AND DRAINAGE

Water will be supplied to the units through connections to the New York City Water Distribution System. There shall be a new 2" copper water main supplied from street pressure, with a water booster pump coming in at the front of the cellar. The pump is rated at 25 gallons per minute at 30 feet. The water pressure booster pump shall have the capacity to provide 65 psi at 2000 gallons per hour. This pressure is normally adequate to meet peak hour demand of the building. Each unit is to be supplied with hot and cold water via minimum 1-1/2" copper risers. The main water shut off and backflow prevention device are located in the cellar within the plumbing and sprinkler room. All hot and cold water piping shall be insulated with 1/2" fiberglass pipe insulation or equal. Storage/heating tanks are installed to produce and provide domestic hot water for the building. The tanks are located in the mechanical room on the roof level and will be accessed through fireproof self-closing doors off of the bulkhead corridor. The structural plank at this level was designed to carry the loads of the storage tanks. The Sponsor reserves the right to provide different materials which are equal to or better than those listed above.

FIRE PROTECTION SYSTEM

There shall be a wet pipe sprinkler system installed in the building. The sprinkler system shall supply sprinkler heads throughout the public hall and stair areas, the cellar, as well as within all apartments as required by Department of Building's regulations. The system shall be inspected and approved by the Department of Buildings in conjunction with obtaining the new Certificate of Occupancy. Annual sprinkler inspections will be required after the initial installation. There is a Siamese connection as required by code. There is no specific water storage tank connected with the building.

SANITARY SEWAGE SYSTEM

The sanitary waste will be conveyed to the New York City sewer system via extra heavy, cast iron, sewer pipes located in the building, which lead to a house trap of extra heavy cast iron. The House trap will be located in the plumbing room on the cellar level. Beyond the house trap there will be an extra heavy, cast iron pipe conveying the sewage to an 8" sanitary drain. The 8" sanitary drainpipe will then be connected to an existing 36" combined sewer located in the roadway beneath East 13th Street.

STORM DRAINAGE SYSTEM

The storm drainage system will consist of internal cast iron drain pipes, exterior area drains, and below grade horizontal drains. The horizontal drain will lead to an existing 36" combined sewer, located in the roadway beneath East 13th Street.

DOMESTIC HOT WATER

Two indirect fired water heaters manufactured by "AO Smith" or equal will be installed for the production of domestic hot water." There is a separate circulator between the two water heaters. Storage capacity for each tank shall be at least 50 gallons with a recovery rate of at least 100 gallons per hour at 100 degrees. The Sponsor reserves the right to provide hot water heaters by different manufacturers which are equal to or better than noted above.

HEATING AND AIR CONDITIONING

Heating and Air Conditioning shall be provided by HVAC units located within each apartment. Interior air handlers shall be of the "slim duct" style units and shall be recessed in bathrooms, and closets located throughout the apartments. Interior units shall be manufactured by "Samsung", model number "DH105CAV". The system shall be controlled by thermostats located within the living areas of each apartment. System shall be sized to provide adequate heating and cooling for each residential unit and maintain a minimum sixty-eight degrees Fahrenheit indoor temperature at zero degree outdoor temperature. Compressors shall be mounted on the bulkhead wall at the roof level. Compressors shall be manufactured by "Samsung," model number "UH105CAV". HVAC equipment carries a limited 3 years parts and 5 year compressor manufacturer's warranty. All supply ductwork will be insulated with 1" "Manville Linacoustic RC Fiber Glass" duct liner which has an R-Value of 4.2. An HVAC operations and maintenance manual shall be provided by sponsor. Original balancing report shall be provided by sponsor. All exterior mechanical equipment is mounted to independent vertical bulkhead walls or within dedicated mechanical chases to prevent equipment vibration and noise from reverberating into the apartments below. All units will be mounted with vibration isolation equipment. All exterior mechanical equipment will be subject to section MC 926.1 of the NYC mechanical building code. All exterior metals, including fasteners shall be corrosion resistant. Rooftop piping shall be insulated with 1" thick "AP Armaflex" engineered foam pipe insulation.

The Sponsor reserves the right to provide heating and cooling equipment and materials by different manufacturers which are equal to or better than noted above.

GAS SUPPLY

Gas service will be provided by the ConEdison Company. This gas will be used for cooking and domestic hot water. All gas piping shall be of black iron. Meters will be located in the front section of the cellar.

VENTILATION

There shall be mechanical ventilation in each residential unit to provide ventilation for interior kitchens, as well as interior bathrooms, as required by code. Ventilation shall consist of roof fans for each bathroom line and kitchen line, and ductwork, terminating at the roof area. There shall be ventilation for laundry areas provided in each residential unit that shall terminate at the roof area. The minimum rate of exhaust ventilation shall be 50 cfm for interior bathroom areas, as required by the New York City Building Code. Exhaust equipment shall be New York City M.E.A. or B.S.A. approved. Fresh air shall also be supplied to corridors and residential units per applicable codes and the "E" designation criteria. Each bathroom shall have a ventilation fan which operates at a noise

emission rating of 1.3 sones. Ventilation risers for bathroom, kitchen, and trash areas, will be negatively pressurized through the use of in-line fans at the roof level. Each fan operates with a noise emission rating of approximately 15-23 sones.

The Sponsor reserves the right to provide materials and equipment, which are equal to or better than those listed above.

ELECTRICAL SYSTEM

Electrical service to the building is brought in from the terminal point of the Consolidated Edison Co. The main feed shall bring service to twelve separate meters in the front cellar of the building; one each for service to the individual units and one for the common areas. Each unit shall be supplied with a minimum of 100 Amps of electrical service. There will be a minimum of twelve main sub panels in the building, one for each unit and one for the common spaces. Sub-panel for the units shall be located in the mechanical closets within the apartments. Sub-panel for the common area shall be located in the cellar. There will be a minimum of 24 circuits equipped with circuit breakers for each unit; which will separate, air conditioning and heating equipment, laundry equipment, dishwasher, kitchen appliances, lights and outlets. Electrical wiring shall be standard metal shielded copper BX cable sized appropriately for each specified load. Arc Fault Circuit Interrupters and Ground Fault Circuit interrupters shall be provided as per the latest applicable NEC standards. Tamper-resistant receptacles shall be provided. Water-resistant receptacles shall be installed for exterior use. Three-way switching has been provided where appropriate within the residential units. The electrical system will be adequate for modern usage.

All recessed lights shall be the following model or equal:
Deep Roof Lighting: DN-3N with DT356W Trim

All Surface mount ceiling fixtures shall be the following or equal:
Quorum Lighting: 3505-13-65

All Exterior lights shall be the following or equal:
Access Lighting: 20296

All Sconces shall be the following or equal:
Kenroy Home: 90861SIL

The Sponsor reserves the right to provide materials by different manufacturers, which are equal to or better than those listed above.

INTERCOM AND TELEVISION RECEPTION FACILITIES

Each unit will be equipped with a video intercom system at the entrance connected to the unit panels, which will permit voice contact between the residential units and their entrances. The intercom shall be Model "GH" as manufactured by Aiphone. Intercom carries a five year parts warranty. The Sponsor reserves the right to provide equipment, which is equal or better than noted above.

TELEVISION RECEPTION FACILITIES

There will be no central television antenna in the building. Recessed wiring shall be provided for cable television throughout the apartments. The local cable service provider is Time Warner or Verizon FIOS

PUBLIC AREA LIGHTING

Lighting fixtures shall be provided in public stairways and hallways. Fixtures shall be capable of providing illumination of at least ten (10) watts per twenty five (25) square feet of floor area. Each lighting fixture shall be provided with one or more lights, of a total of not less than sixty (60) watts. In addition, lighting fixtures shall be provided at the front entranceways, providing an aggregate illumination of one hundred and fifty (150) watts incandescent illumination or its equivalent. The above requirements shall be in compliance with the New York City Housing Maintenance Code and Multiple Dwelling Laws.

Public lighting shall be:

All Surface mount ceiling fixtures shall be the following or equal:
Quorum Lighting: 3505-13-65

All Exterior lights shall be the following or equal:
Access Lighting: 20296

All Sconces shall be the following or equal:
Kenroy Home: 90861SIL

GARAGE AND PARKING AREAS

There are no special garages or parking areas connected with the building. Parking is permitted on the street on certain days and hours of the week. There are public parking garages in the area, if desired.

VIOLATIONS AND PERMITS

All required permits and signoffs are to be obtained by the Sponsor prior to closing. Units will be delivered free and clear from all violations.

A partial stop work order was placed on the project as a result of a scaffolding installation method deviating from the plans that had been filed with the DOB. The drawings were subsequently changed to match what was provided on site and the Partial Stop Work Order was lifted. At no time was there an unsafe or otherwise compromising condition at the site.

UNIT INFORMATION

There will be a total of eleven residential condominium units. The 1st floor shall be one residential unit. There will be two residential units each on the 2nd through 6th floors. The cellar level shall be used for building mechanicals and meters as well as residential storage units. Units shall consist of one to two bedrooms, one or two bathrooms, living room, kitchen, laundry/mechanical closet, and closets.

UNIT SIZES

The square footage of each unit is determined by the exterior measurement of said unit, but does not include common elements or limited common elements to which that unit may have immediate access. For purposes of such exterior measurement, the square footages listed below include all exterior walls, and interior partitions dividing the unit from common areas; as well as one-half of any walls separating one unit from another. As a result, the floor area of the apartment, as measured between the exposed faces of the walls of the apartment, may be smaller than square footages set forth in the attached drawings.

UNIT INTERIORS

The units will be finished as described herein: Generally the finished floors of the living, dining, kitchen and bedroom areas shall be hardwood finish. Thereafter unit owners may finish with materials of their own choice. Hardwood flooring throughout shall be 3 inch select white oak. Finish is one coat sealer and two coats satin polyurethane. The walls and ceilings shall be gypsum wallboard. When finished, the walls and ceilings shall be primed and painted. Thereafter the unit owners may decorate by finishing with wallpaper, paneling, mirrors, etc. of their own choice. Closets shall have the same interior finishes as above and shall be outfitted with a single hanging bar and fixed shelf. Full bathrooms shall be equipped with a washbasin, medicine cabinet, water closet and a combination bathtub/shower or a shower. Full bathrooms, with bathtubs, shall have ceramic tile floors and tiled walls around the bathtub extending to the ceiling. The other walls of the bathrooms shall have a 6" base tile above the finished floor. All other bathroom partitions, not specified as tile, shall have a tile base and the upper portion shall be of moisture resistant gypsum wallboards, primed and painted. Bathroom ceilings shall also be of moisture resistant, gypsum wallboards, primed and painted. There shall be at least one centrally located, recessed, incandescent, lighting fixture, provided in each bedroom, living room, kitchen, dining, and bathroom within each residential unit. There shall also be recessed fixtures provided in hallways within the units. Each lighting fixture shall be capable of providing at least 60 watts of incandescent illumination.

The Sponsor reserves the right to provide different materials which are equal to or better than those listed above.

FIXTURE SCHEDULE

- A. Water closets: shall be manufactured by "TOTO, model #CST416M" and shall be of vitreous china, floor mounted and with siphon flushing action. Water closets are also to be equipped with vacuum breakers and shall meet water saving performance standards as per New York City Local Law 29/89.
- B. Vanity: shall be manufactured by "Tona, model #T730" and shall include the sink basin. Faucets shall be "Hans Grohe, Metris" or equal.
- C. Bathtubs: shall be manufactured by "Zuma Collection, model #C6634" and shall be gel coated fiberglass with "Hans Grohe" showerhead and trim. The finish color shall be white.

The Sponsor reserves the right to provide fixtures by different manufacturers which are equal to or better than those listed above.

KITCHEN EQUIPMENT

The kitchen will generally be provided with the following fixtures, appliances and equipment:

1. Veneered wood cabinets as manufactured by "Spectrum Kitchens" or equal.
2. Marble and manmade stone countertops.
2. Stainless steel sinks manufactured by "Domain industries, model zero edge" or equal.
3. One, Four burner gas range manufactured by "Bertazzoni, model # PM24400X" or equal.
4. One, single oven manufactured by "Bertazzoni, model # F30PROXV", or equal.
5. One, refrigerator manufactured by "Liebherr, model # CS1360", or equal.
6. One, dishwasher manufactured by "Bosch, model # SPX5ES55UC", or equal.

All appliances above shall be installed by the sponsor with the appropriate hookups.

The Sponsor reserves the right to provide fixtures by different manufacturers which are equal to or better than those listed above.

COMMON AREAS

There shall be an entrance foyer on the first floor which shall have tile flooring with gypsum-board finishes on walls and ceiling. Common hall areas shall have gypsum board painted walls and ceilings. Walls and ceilings shall initially be painted by the sponsor. Subsequent painting over the years shall be the responsibility of the condominium association. Common stairs shall be painted concrete block and precast concrete. Meter rooms and other spaces in cellar shall have exposed concrete floors and gypsum board walls and ceilings with a supplied painted finish.

SAFETY AND WARNING DEVICES

There shall be smoke detectors and carbon monoxide detectors that shall be hard-wired and installed in each apartment, as required by code. Manufacturer shall be "Kidde" or equal.

ADDITIONAL INFORMATION

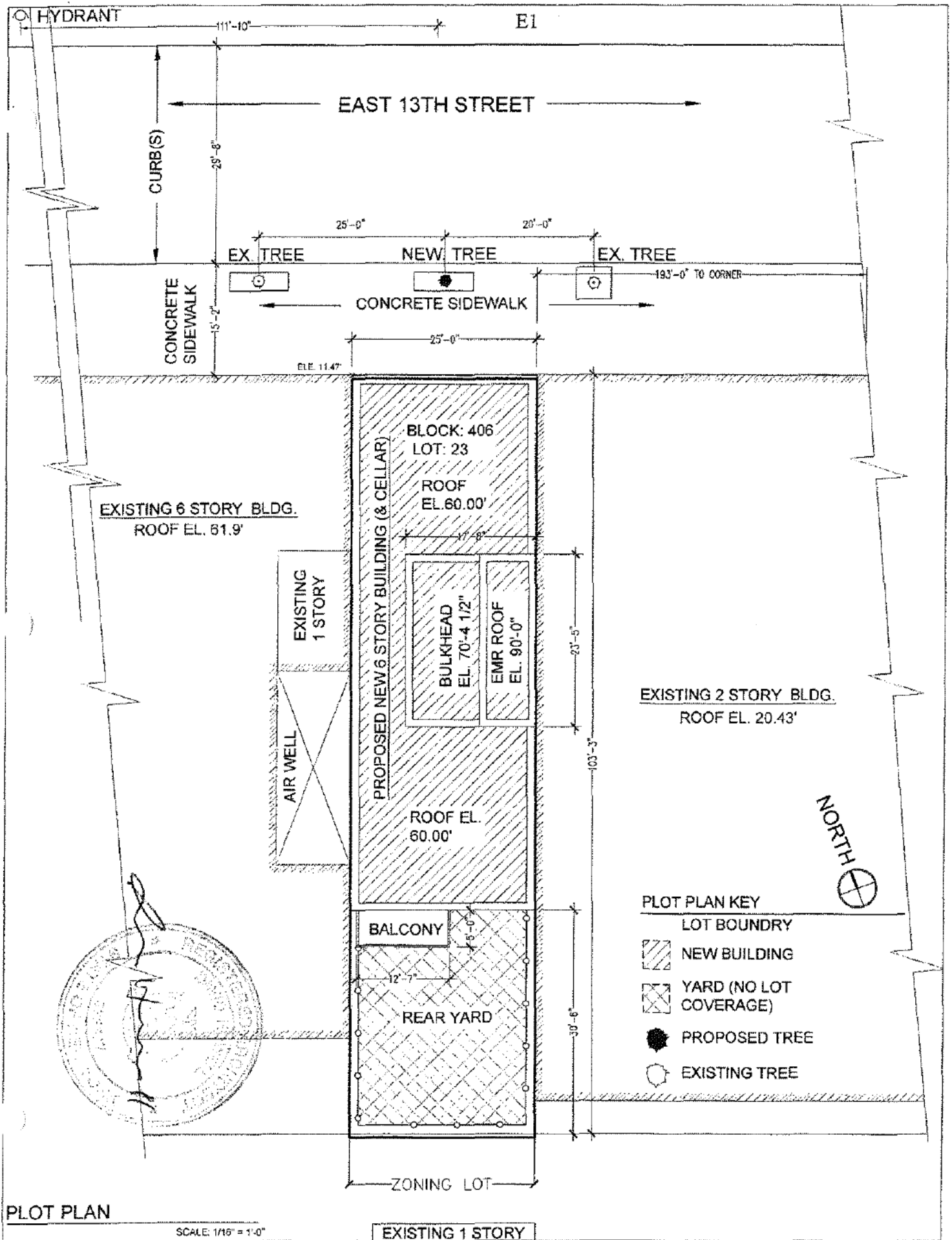
A site plan has been provided as an attachment to this narrative. Floor plans for each type of unit, drawn to scale, indicating room dimensions and unit boundaries have been provided as an attachment to this narrative.

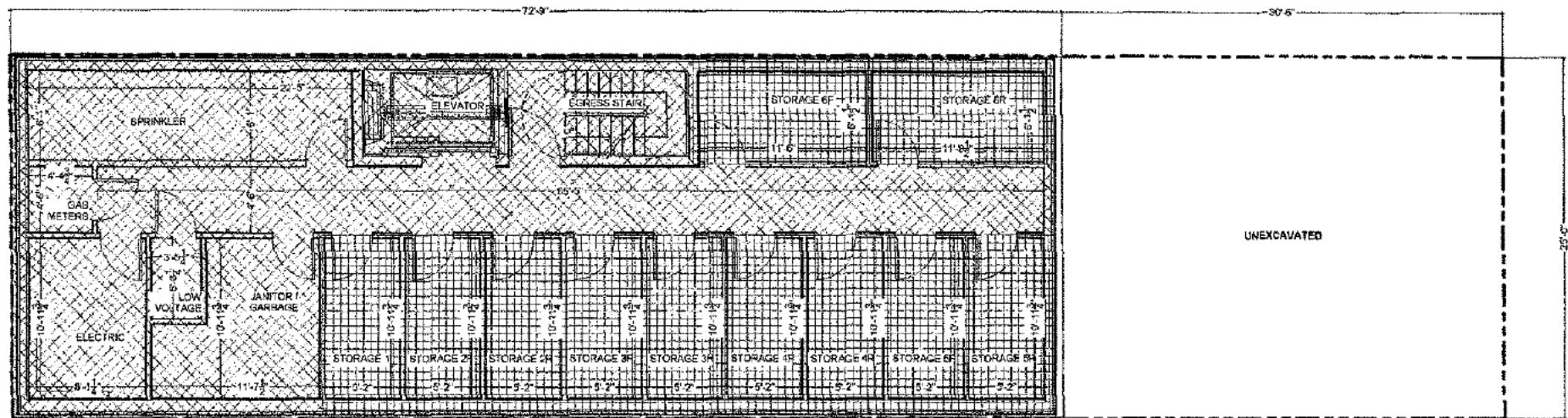
CORROSIVE DRYWALL MATERIALS

There shall be no drywall materials that contain sulfide in the project.

DOCUMENTS TO BE TRANSFERRED TO THE CONDOMINIUM MANAGEMENT

Final as built drawings and all approved shop drawings will be provided
Operations and maintenance manuals for mechanical equipment will be provided.
Electronic System Manual will be provided by the sponsor.
Re-commissioning manual will not be provided by the sponsor.
Equipment Warranties will be provided by the sponsor.
NDL Manufacturer's warranty for roof work will be provided by the sponsor.
Major equipment start-up sheets will be provided by the sponsor.
The project does not include a control system.
Original test and balance report will be provided by the sponsor.
Post construction in-door Air Quality report is not a required item and will not be provided.
The foundation was installed post 1990 so the post-construction asbestos report is not applicable.





CELLAR

SCALE: 3/32" = 1'-0"



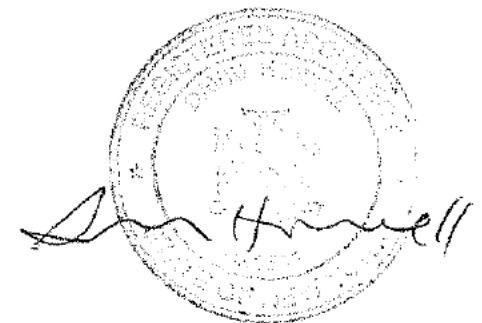
GENERAL COMMON

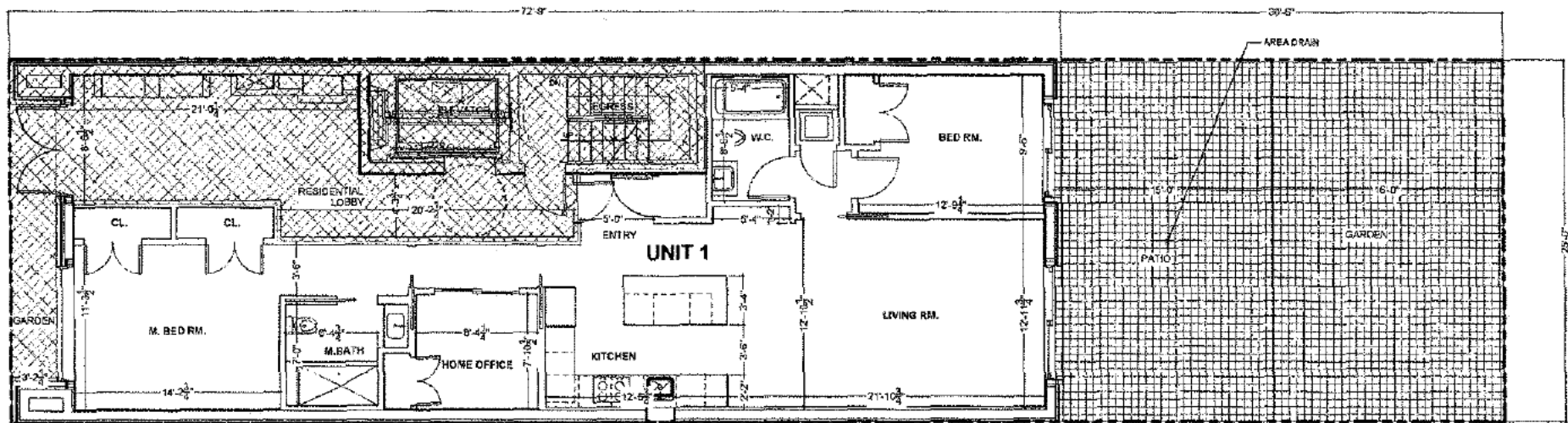


LIMITED COMMON

LIMITED COMMON (TO UNIT 1): 70 SQ. FT.
 LIMITED COMMON (TO UNIT 2R): 70 SQ. FT.
 LIMITED COMMON (TO UNIT 2F): 70 SQ. FT.
 LIMITED COMMON (TO UNIT 3R): 70 SQ. FT.
 LIMITED COMMON (TO UNIT 3F): 70 SQ. FT.
 LIMITED COMMON (TO UNIT 4R): 70 SQ. FT.
 LIMITED COMMON (TO UNIT 4F): 70 SQ. FT.
 LIMITED COMMON (TO UNIT 5R): 70 SQ. FT.
 LIMITED COMMON (TO UNIT 5F): 70 SQ. FT.
 LIMITED COMMON (TO UNIT 6R): 90 SQ. FT.
 LIMITED COMMON (TO UNIT 6F): 94 SQ. FT.

GENERAL COMMON: 966 SQ. FT.





FIRST FLOOR

SCALE: 3/32" = 1'-0"



GENERAL COMMON

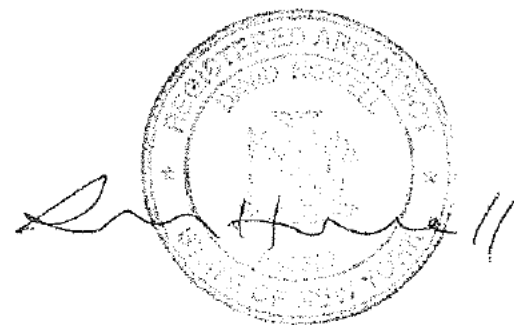


LIMITED COMMON

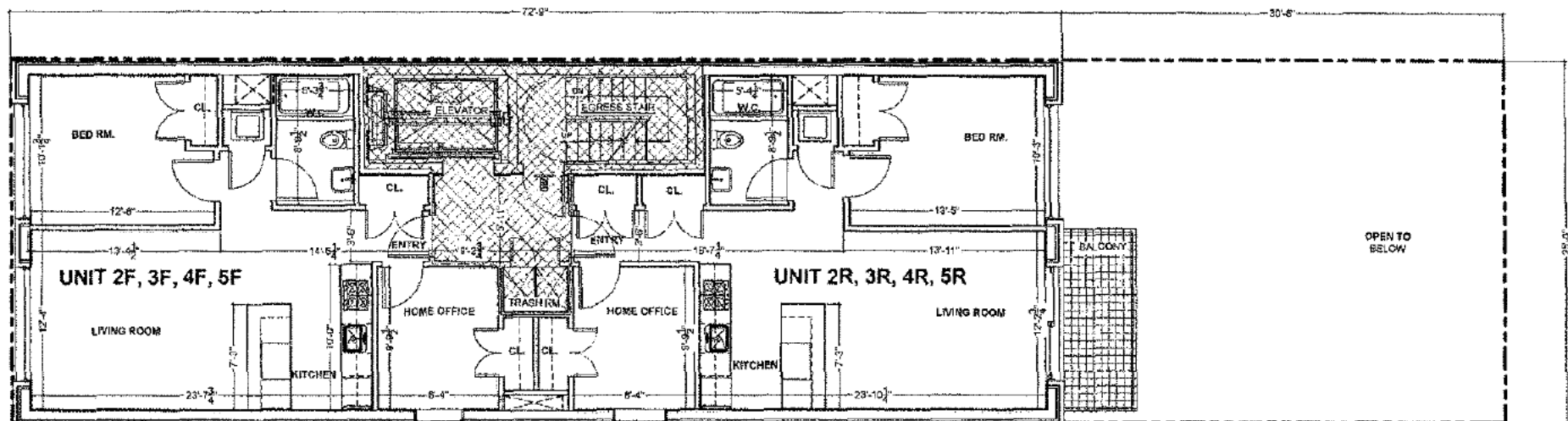
RESIDENTIAL SPACE (UNIT 1): 1254 SQ FT

LIMITED COMMON (TO UNIT 1): 770 SQ FT

GENERAL COMMON: 545 SQ.FT



E3



SECOND - FIFTH FLOOR

SCALE: 3/32" = 1'-0"

RESIDENTIAL SPACE (UNIT 2F,3F,4F,5F): 760 SQ FT
 RESIDENTIAL SPACE (UNIT 2R,3R,4R,5R): 796 SQ FT

LIMITED COMMON (TO UNIT 2R,3R,4R,5R): 63 SQ FT

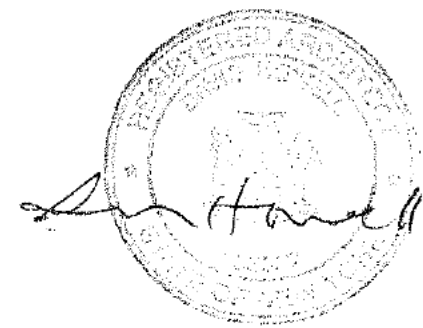
GENERAL COMMON: 252 SQ FT



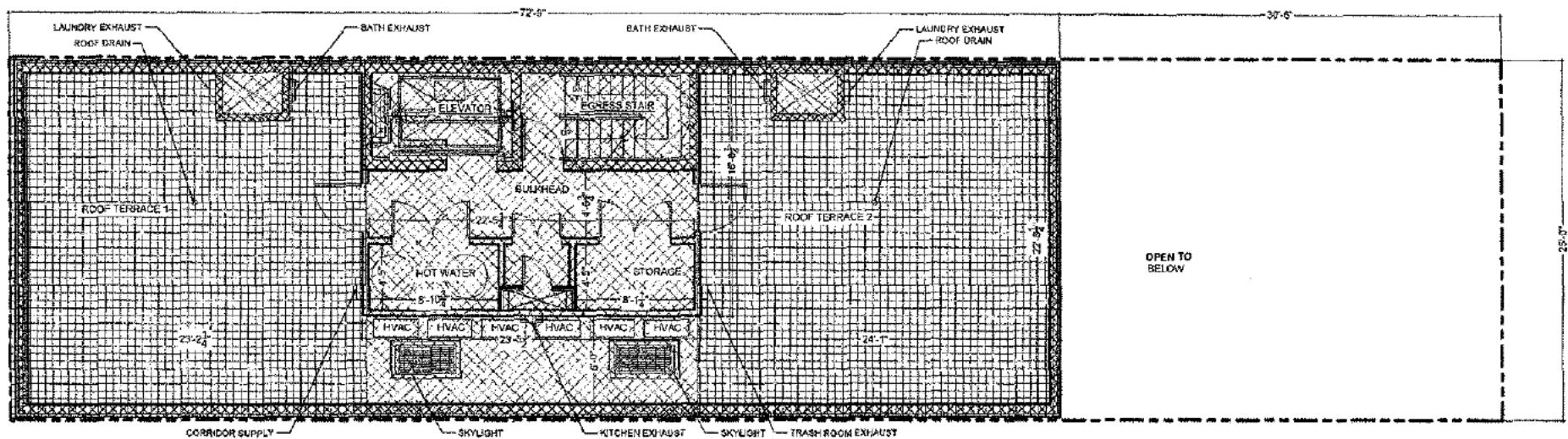
GENERAL COMMON



LIMITED COMMON



E4



PENTHOUSE

SCALE: 3/32" = 1'-0"

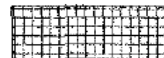
GENERAL COMMON: 608 SQ. FT

ROOF TERRACE 1 - LIMITED COMMON (UNIT 6F): 587 SF

ROOF TERRACE 2 - LIMITED COMMON (UNIT 6R): 599 SF

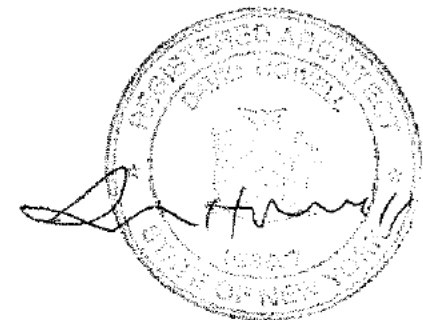


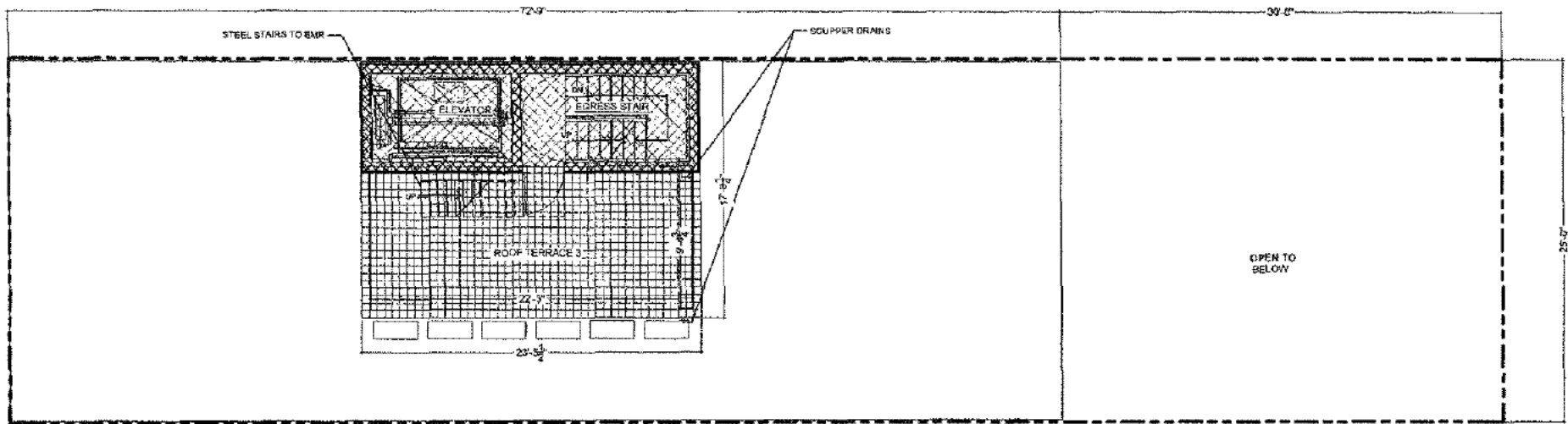
GENERAL COMMON



LIMITED COMMON

E6





ROOF AND BULKHEAD

SCALE: 3/32" = 1'-0"

GENERAL COMMON: 170 SQ.FT

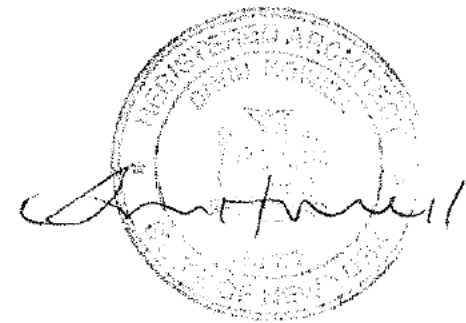
ROOF TERRACE 3 - LIMITED COMMON (UNIT 5F): 245 SF



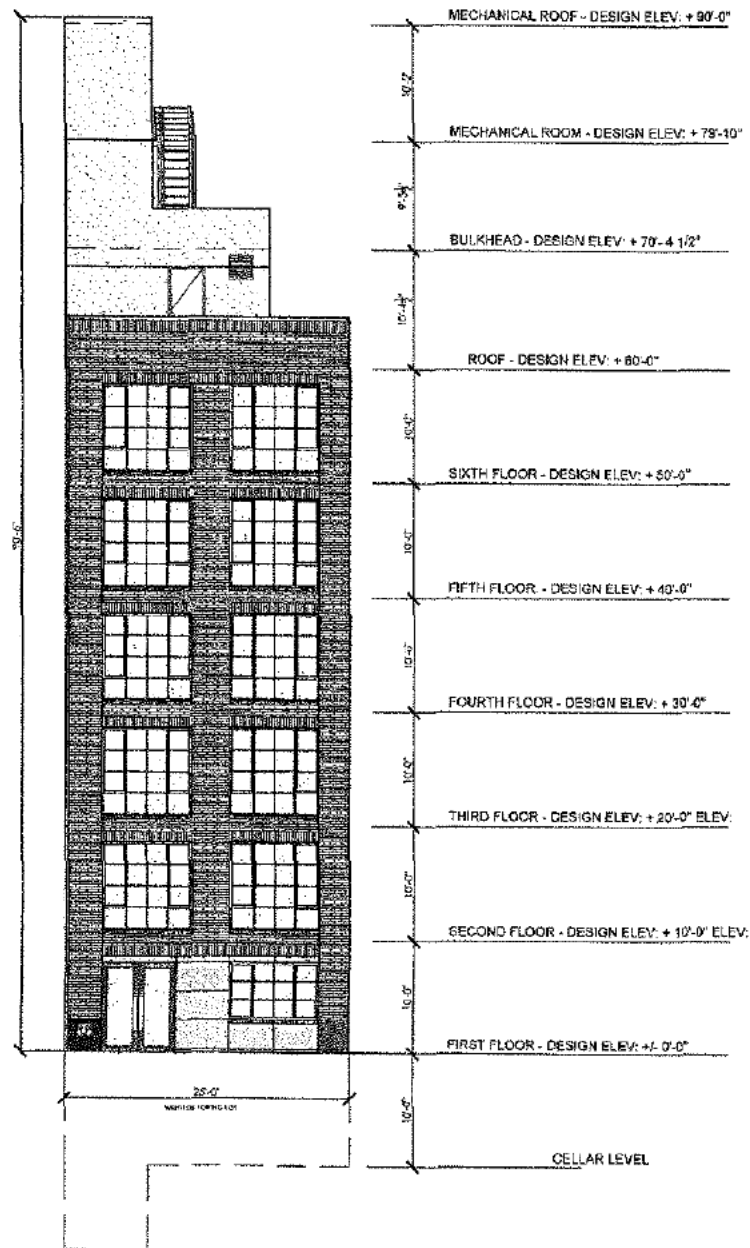
GENERAL COMMON



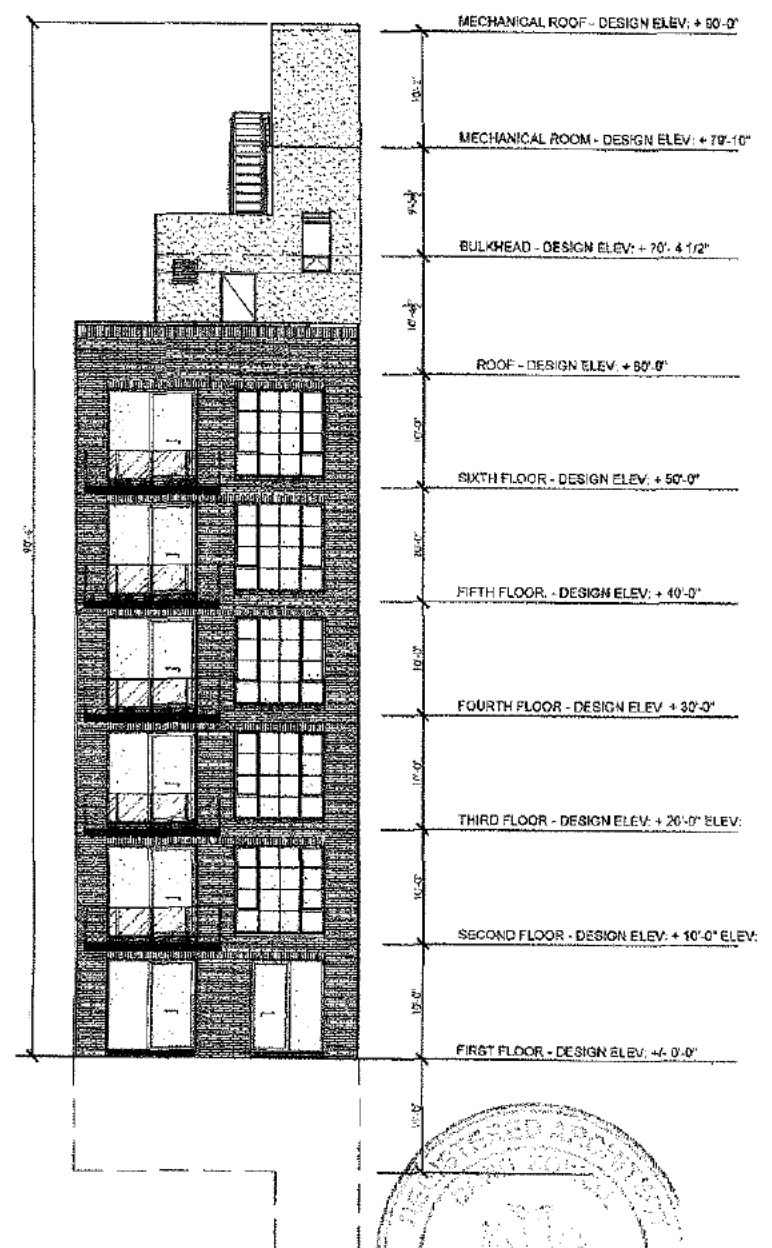
LIMITED COMMON



E7

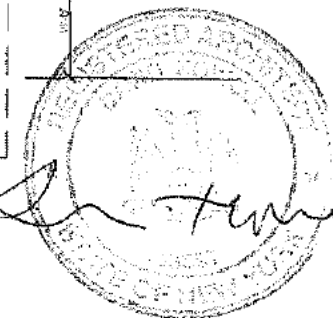


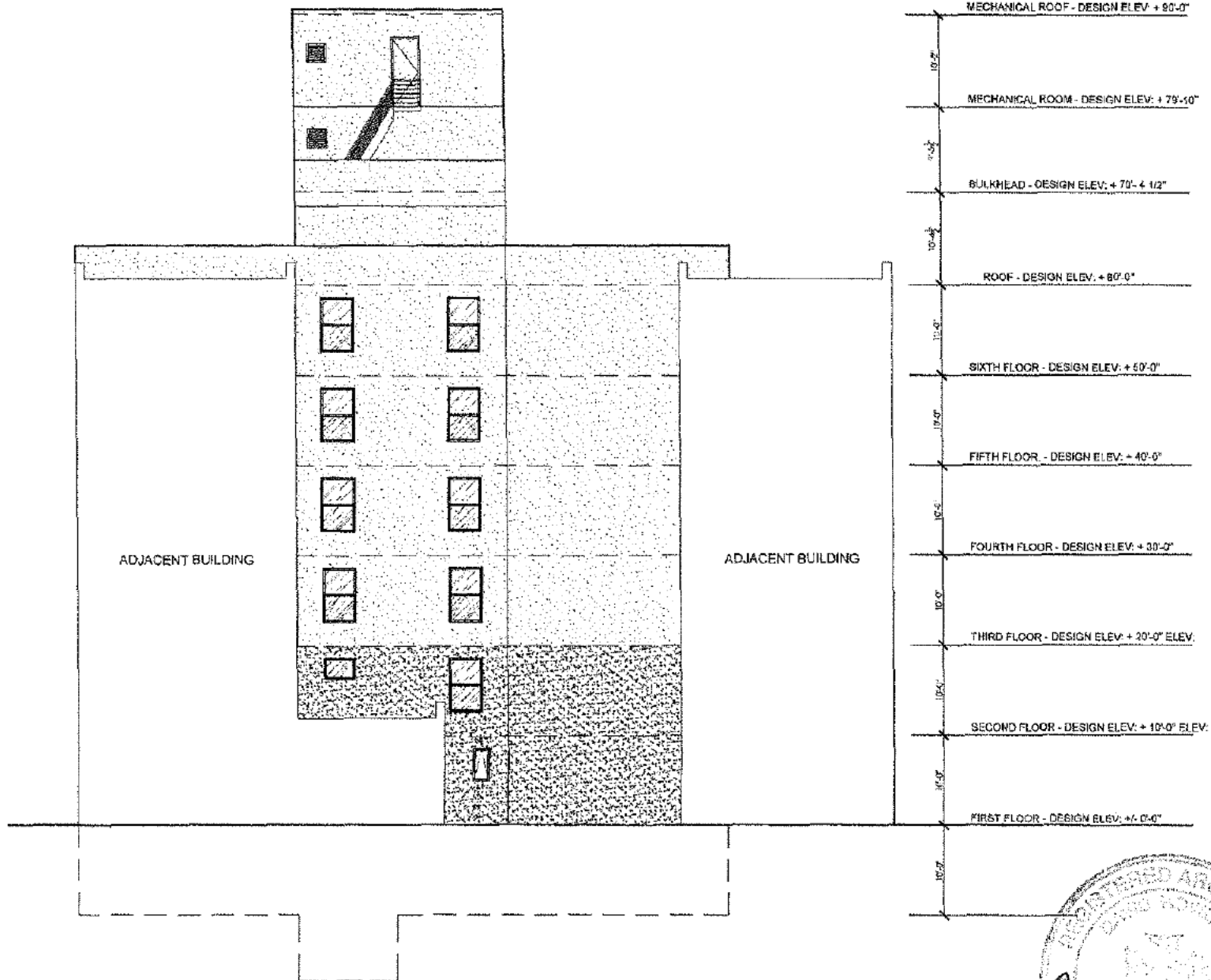
SOUTH ELEVATION

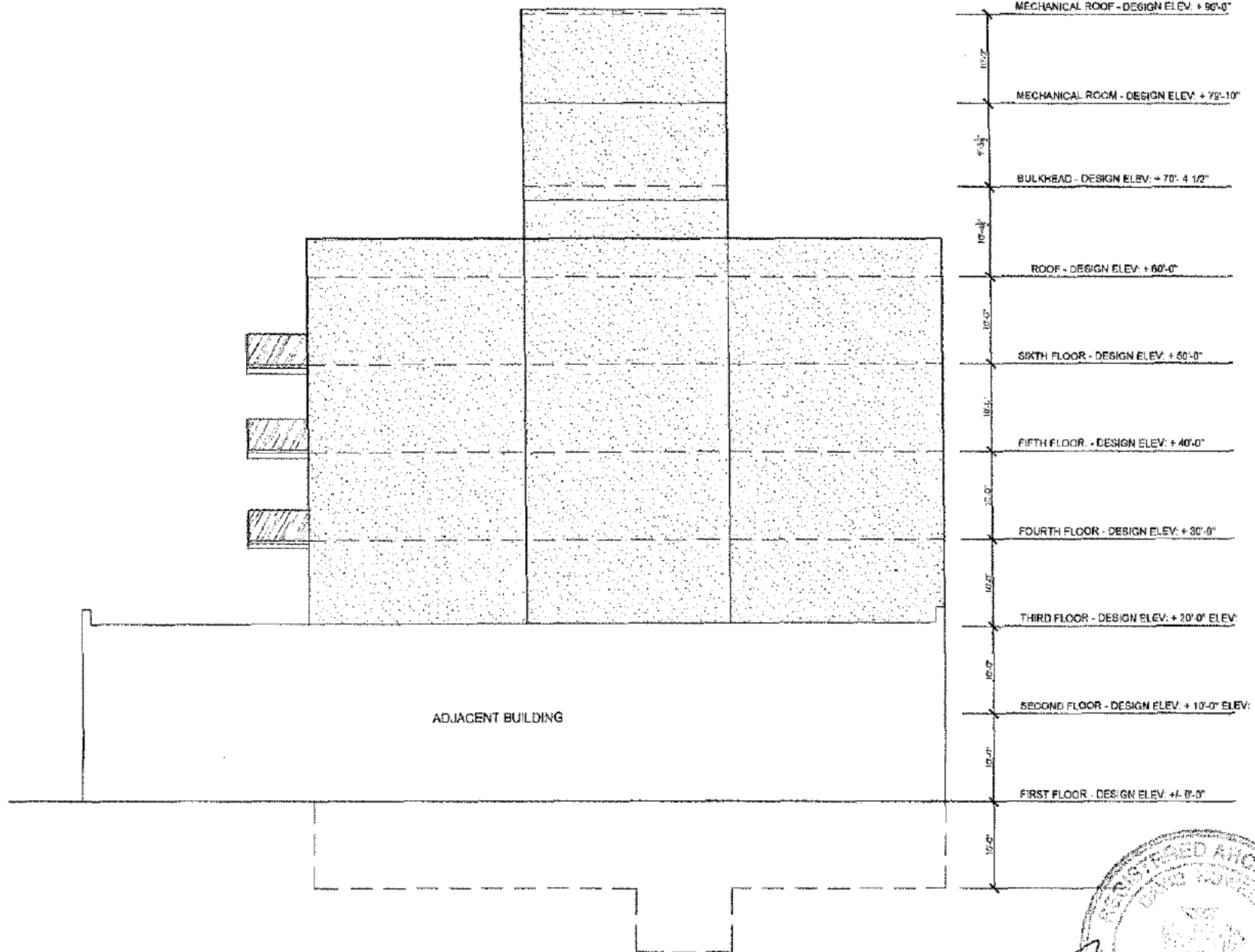


NORTH ELEVATION

SCALE 1/16" = 1'-0"

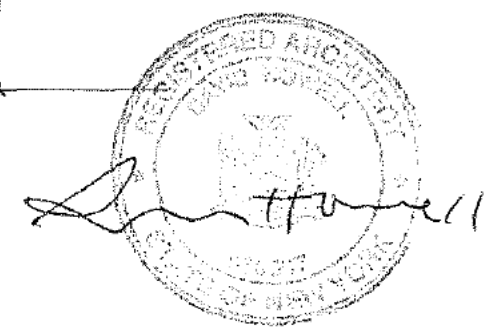






WEST ELEVATION

SCALE: 1/16" = 1'-0"



E10

DECLARATION

Establishing a Plan for Condominium Ownership

of the Premises known as

536 East 13th Street

in the Borough of Manhattan

City and State of New York

Pursuant to Article 9-B of the Real Property

Law of the State of New York

Name:

536 EAST 13TH STREET CONDOMINIUM

Declarant:

536 E 13 LLC
316 East 22nd Street, #7
New York, NY 10010

Date of Declaration:

The land affected by the within instrument lies in Block 406, formerly know as Lot Number 23,
now know as Lot Numbers on the Tax Map of the Borough of
Manhattan, City and State of New York.

Record and return:

Allen, Morris, Troisi & Simon LLP
Attorneys for Declarant
112 East 19th Street
New York, New York 10003

DECLARATION
OF
536 EAST 13TH STREET CONDOMINIUM

(Pursuant to Article 9-B of the Real Property Law
of the State of New York)

536 E 13 LLC, a limited liability company formed in the State of New York having an office at 316 East 22nd Street, #7, New York, NY 10010 ("Sponsor"), does hereby declare as follows:

1. DEFINITIONS: All capitalized terms used in this Declaration (hereinafter referred to as the "Declaration") that are not otherwise defined in the Articles hereof will have the meanings set forth in Exhibit C attached hereto, unless the context in which they are used will otherwise require.

2. SUBMISSION OF THE PROPERTY: Declarant hereby submits the land and building (each as hereinafter defined), all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith (collectively, the "Property") to the provision of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") and Pursuant thereto does hereby establish a condominium to be known as "536 EAST 13TH STREET CONDOMINIUM" (the "Condominium").

Attached to this Declaration and made a part hereof are the By-Laws of the Condominium which set forth detailed provisions governing the operation, use and occupancy of the Condominium (said By-Laws, as they may be amended from time to time, are hereinafter referred to as the "By-Laws"). All capitalized terms which are not separately defined herein shall have the meanings given to those terms in the By-Laws.

3. THE BUILDING: The Building ("Building") is located at 536 East 13th Street, New York, NY 10009 and consists of six stories and a cellar. This Building will contain eleven (11) Units. The Building is constructed of masonry load bearing walls supporting hollow core concrete plank.

4. THE LAND: Included in the property is all that certain tract, plot, piece and parcel of land ("The Land") situate, lying and being in the County of New York, City and State of New York, and more particularly described in Schedule A annexed hereto and made a part hereof. The land is owned by Declarant in fee simple absolute.

5. THE PROPERTY: Included in the property is a building (the "Building") consisting of eleven (11) Units (collectively, the "Units" and individually, a "Unit").

6. THE UNITS: Schedule B annexed hereto and made a part hereof, sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; number of rooms; and the percentage interest in the Common Elements appurtenant to such Unit. The location of each Unit is shown on the floor plans of the Building (the "Floor Plans") certified by David Howell, and approved by the Building Department and intended to be filed in the New York County office of the Register of the City of New York (the "City Register's Office") simultaneously with the recording of this Declaration.

Each Unit includes, and each Unit Owner shall be responsible for all plumbing, gas and heating fixtures and equipment such as refrigerators, dishwashers, heating and air conditioning units, heating equipment, ranges and other appliances, as may be affixed, attached or appurtenant to said Unit but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceiling, or floors. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes attached to the fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached and any special pipes or equipment that a Unit Owner may install within a wall or ceiling, but shall not include gas, water or other pipes, conduits, wiring or duct work within the walls ceilings or floors. Each Unit also includes all lighting and electrical fixtures and appliances within the Unit and any special equipment, fixtures or facilities affixed, attached or appurtenant to the Unit to the extent located within a Unit and serving or benefitting only that Unit. Each duplex and triplex Residential Unit shall include any interior staircases, landings and stairs and any private elevator (including their shafts, pits, machine rooms and appurtenant facilities) to the extent located within a Unit and serving or benefitting only that Unit. The description of the Units set forth herein pertains to the location of the walls, floors and ceilings of the Units as they are finally set forth in the Plans. Notwithstanding anything contained herein to the contrary, each Unit Owner will have the right, exercisable at any time, to install, at such Unit Owner's sole cost and expense, such decorations, fixtures and coverings (including, without limitation, painting, finishing, wall carpeting, pictures, mirrors, shelving and lighting fixtures) on the surface of the wall, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity of such Unit Owner's Unit or of the Building.

The Units will be offered for public sale pursuant to the terms and provisions set forth in the Plan.

As of the date of the filing of this Declaration with the City Register's Office, fee simple absolute title shall automatically vest in Declarant in all Units, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

7. DIMENSION OF UNITS: Dimension of Units are approximate. The square footage of each unit is determined by the exterior measurement of said unit, but does not include common elements or limited common elements to which that unit may have immediate access. For purposes of such exterior measurement, the square footages listed below include all exterior walls, and interior partitions dividing the unit from common areas, as well as one-half of any walls separating one unit from another. Any Common Elements located within any Unit shall not be considered as part of that Unit.

8. COMMON ELEMENTS: The Common Elements of the Condominium consists of the entire Property, including all parts of the Building and improvements thereon other than the Units. They include, without limitation, the following:

- a. The land on which the Building is physically erected.
- b. All roofs, drains and leaders.
- c. All foundations, columns, girders, beams, supports, bearing walls; those portions

of the exterior walls and insulation beyond the exterior face of the Building or, where applicable, those portions of the exterior walls beyond the interior face of the exterior wall; those portions of the walls and partitions dividing the Units from corridors, lobby and stairs located beyond the unexposed face of the dry walls enclosing the Unit; the subfloor and framing joists, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roofs (excluding terraces), corridors, halls, stairs and stairway areas located beyond the unexposed face of the dry walls enclosing Unit; lobby; storage and utility areas located beyond the unexposed face of the dry walls enclosing the Residential Unit and the entrances to and exists from the Building;

- d. All installations outside the Units for services such as gas, oil, power, light, telephone and water;
- e. All sewer pipes and drainage pipes;
- f. The boiler room and meter areas, and janitor's closet(s), if any, as shown and delineated on the Floor Plans;
- g. All other apparatus and installations existing in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building.

The Common Elements will remain undivided and no Unit Owner or other person will bring or will have the right to bring any action of partition or division thereof except as may be specifically provided for herein, and in the By-Laws.

9. LIMITED COMMON ELEMENTS: Certain portions of the Common Elements are limited and restricted in use to the Owners of Units to which the Limited Common Elements are appurtenant, subject to the right of the Board of Managers to enter upon any Limited Common Element to make repairs or replacements to said Limited Common Element and subject to the Rules and Regulations of the Condominium. Except for normal wear and tear and acts of God, the cost of maintenance, repairs and replacement will be borne by the Unit Owner having the exclusive use thereof. The cost of maintenance and repairs to the Limited Common Elements due to normal wear and tear and acts of God shall be proportionately shared by all Unit Owners in accordance with their percentage of common interest as a Common Expense. Structural repairs of the Limited Common Elements will be borne by all Unit Owners as a Common Expense unless the structural repair was occasioned by the negligence of one or more of the Unit Owners or their guests or agents, in which case the cost shall be borne exclusively by said Unit Owner(s).

The Limited Common Elements consist of the following:

Unit 1	Cellar Storage, Rear Yard
Unit 2F	Cellar Storage
Unit 2R	Cellar Storage, Balcony
Unit 3F	Cellar Storage
Unit 3R	Cellar Storage, Balcony
Unit 4F	Cellar Storage
Unit 4R	Cellar Storage, Balcony
Unit 5 F	Cellar Storage
Unit 5 R	Cellar Storage, Balcony

Unit 6F	Cellar Storage, Roof Terrace
Unit 6R	Cellar Storage, Balcony, Roof Terrace

The use of said balconies, roof terraces, yards and storage unit are subject to the condition and limitations set forth below.

- a. All required means of egress from and to said roof shall remain clear and unobstructed.
- b. The Condominium, its agents and the other Unit Owners of the building shall have the use of this space for the following:
 1. For the purpose of inspecting and maintaining the chimney and any equipment of building systems located on or near the roof;
 2. For ingress and egress to and from the building in case of fire or other emergency;
 3. For any purpose as required by law, appropriate governmental rule or regulation or the building's Certificate of Occupancy.

10. USE OF UNITS: Each of the Residential Units may be used for private residential use, except that a Residential Unit Owner may use his, her or their Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Units may also be used as professional offices by a resident thereof provided such professional use does not violate any zoning law and ordinances or the certificate of occupancy and provided further that the prior written consent of the Board of Managers to such professional use is obtained. Such consent may be granted or denied at the sole discretion of the Board of Managers. Notwithstanding the foregoing, the Declarant may, without the permission of the Board of Managers, retain ownership of one or more Units for use as models, sales and/or production offices in connection with the sale or rental of the Units.

11. CHANGES IN UNITS: Except to the extent prohibited by law, Declarant or its designee shall have the right, without the vote or consent of any Board, other Unit Owners or the Mortgage Representatives, if any, to (a) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Units ("Unsold Units") at the time owned by Declarant or its designee; provided, however, that any Unit which is personally and continuously occupied by Declarant or a designee of Declarant for a three (3) year period shall, at the expiration of such three (3) year period, no longer be considered to be an Unsold Unit (the terms "Declarant's designee", or "its designee", "designees of Declarants" or similar terms shall mean any of the principals of Declarant or any Affiliate of Declarant); (b) change the use (including changing the use from residential to commercial) or layout of, or number of rooms in, any Unsold Units from time to time (c) change the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between any Unsold Units, or otherwise, and (d) if appropriate, reapportion among the Unsold Units affected by such change in size, use or number pursuant to the preceding clauses (b) and (c) their percentage interest in the Common Elements; provided, however, that the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the owners of such Units shall reasonably consent thereto and, provided

further, that Declarant or its designee shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold each Board member and all other Unit Owners harmless from any liability arising therefrom. The above changes, if made, will be disclosed in an Amendment to the Offering Plan for the property. In addition, if the above changes are made, the Declaration will be so amended to indicate said change(s). The provisions of this Article may not be added to, amended, modified or deleted without the prior written consent of Declarant or its designee. By the written permission of the Board of Managers, which shall not be unreasonably withheld, any other Unit Owner may be given, with respect to such owner's Unit, the same rights as are set forth in this Article with respect to Unsold Units. Notwithstanding the other provisions of this Article, no reapportionment of the interests in the Common Elements appurtenant to any Unit shall be made unless there is first delivered to the Board a written certification stating that the respective Common Interest of each Unit, as determined by Declarant, is based, pursuant to section 339(i)(iv) of the Real Property Law upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular unit. The certification referred to in the preceding sentence shall be delivered, at Declarant's election, by Declarant, the Managing Agent or any other person reasonably acceptable to the Board.

12. PERSON TO RECEIVE SERVICE: The President of the Board of Managers is hereby designated to receive service of process in any action which may be brought against the Condominium.. In addition to the foregoing, the Secretary of State of the State of New York is hereby designated as agent of the Board of Managers to accept the service of process in any proceeding.

13. DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS: The respective Common Interest of each Unit is based, pursuant to section 339(i)(iv) of the Real Property Law upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular unit.

14. ENCROACHMENTS: If (a) any portion of the Common Elements encroaches upon any Unit or upon any other Common Element, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements or (c) any encroachments shall hereafter occur as a result of (i) settling or shifting of the Building, (ii) any alteration, repair or restoration of the Common Elements made by or with the consent (when required by the By-Laws) of the Board of Managers or Unit Owners, as the case may be, or made by Declarant or its designee in accordance with this Declaration or the By-Laws or (iii) any alteration, repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element after damage by fire or other casualty or any taking by condemnation or other eminent domain proceedings of all or any portion of any Unit or the Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

15. ACCESS TO COMMON ELEMENTS: Each Unit Owner shall have an easement in common with all other Unit Owners to use, maintain, repair, alter and replace all Common Elements located in any of the other Units or elsewhere on the property which serve his, her or their Unit. Each Unit shall be subject to an easement in favor of all Unit Owners to use,

maintain, repair, alter and replace all Common Elements located in such Unit or elsewhere on the property which serve other Units. The Board of Managers shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the property, provided such right of access shall be exercised in such a manner as will not unreasonably interfere with the tenants and occupants. Such entry shall be permitted on not less than one (1) day's notice, except that no notice will be necessary in the case of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building).

16. EASEMENTS: Except as set forth below, each Unit Owner shall have, in common with all other Unit Owners, an easement for the exclusive use of the Common Elements.

Each Unit Owner shall have, in common with all other Unit Owners, and each Unit shall be subject to, an easement (a) to utilize, install, operate, maintain, repair, alter, rebuild, restore and replace all pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units and serving his, her or their Unit and (b) to maintain any encroachment on any Unit, or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Common Elements; provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the normal use of the Units for their permitted purposes. Such entry shall be permitted on not less than one (1) day's notice, except that no notice will be necessary in the case of an emergency.

The Board of Managers shall have the right to grant such additional electric, gas, oil, steam or other utility easements or relocate any existing utility easements in any portion of the property, as the case may be, as the Board of Managers shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business of the tenants and occupants of or with the use of the other Units for their permitted purposes. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Units or with the use of the Units for their permitted purposes.

17. POWER OF ATTORNEY TO THE BOARD: Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, attached hereto, coupled with an interest, (in such form and content as the Board shall determine) following due authorization from the Unit Owners (a) to acquire or lease any other Unit, together with its Appurtenant Interests (as hereinafter defined), whose owners desire to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, in the name of the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, (b) to execute, acknowledge and deliver (i) any declaration or other instrument affecting the Units which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction,

alteration, repair or restoration of the Units or (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting any Unit or the Common Elements which the Board deems necessary or appropriate.

18. ACQUISITIONS OF UNITS BY BOARD: If (a) any Unit Owner surrenders his, hers or its Unit, together with (i) the undivided interest in the Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Board or its designees, corporate or otherwise, on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in the Common Elements and any other assets of the Condominium (such interests in (i), (ii), (iii) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of section 339-x of the New York Condominium Act, (b) the Board, pursuant to the By-Laws, acquires or leases a Unit, together with its Appurtenant Interests, or (c) the Board purchases, at a foreclosure or other similar sale, a Unit, together with its Appurtenant Interests, then, in any such event, title to any such Unit, together with its Appurtenant Interests, shall be held by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sub-lease covering any Unit leased or subleased by the Board or its designee shall be held by the Unit Owners, in proportion to their respective interest in the Common Elements.

19. COVENANTS RUNNING WITH THE LAND: All provisions of this Declaration, the By-Laws and the Rules and Regulations (true copies of which are annexed hereto and made a part hereof), shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof or interest therein and his, her or their heirs, executors, administrators, legal representatives, successors and assigns but except as specifically provided for herein the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All present and future owners, tenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration to be insufficient to submit the property to the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws as the case may be, for the purpose of submitting the property to the provisions of the Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the land and with every part thereof and interest under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with

the land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the property to the Provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the property to the provisions of the Condominium Act.

If this Declaration and the By-Laws are insufficient to submit the property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the land and with every part thereof and interest therein under applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

20. AMENDMENTS OF DECLARATION: Subject to contrary provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee or any Unsold Units, any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least sixty-six and two-thirds (66 2/3%) percent in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee or any Unsold Units, no amendment, modification, addition or deletion pursuant to the provisions of the above clause shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any. No such amendment, modification, addition or deletion shall be effective until recorded in the City Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee or any Unsold Unit and, any such amendment, modification, addition or deletion shall be executed by the Board as attorney-in-fact for the Unit Owners, coupled with an interest, which Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Subject to the rights of Declarant or its designee and the Board, pursuant to this Declaration, portions of this Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, as the case may be, as set forth above) eighty (80%) percent in number and in Common Interest, of all Unit Owners affected thereby, approve such amendment, modification, addition or deletion in the manner set forth above.

Sponsor has the right before or after recording the Declaration to change or amend the Declaration so long as such change does not materially effect a sold Unit. Sponsor shall solely determine what shall be deemed material.

For as long as the Sponsor remains the Owner of one or more Units, this Declaration including the By-Laws and the Rules and Regulations of the Condominium attached hereto, may not be amended or modified in any way so as to adversely affect Sponsor without Sponsor's prior written consent.

If the number of rooms in an Unsold Unit is changed, or the use, size and/or number of Unsold Units (or alteration of boundary walls between Unsold Units, or otherwise) and the appurtenant percentage interest in the Common Elements is reapportioned as a result thereof, all in accordance herewith, then the Declarant or its designee shall execute, or (upon its request)

require any other Unit Owner or the Board to execute, and record in the City Register's Office and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as Declarant or its designee deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Unit, or in the use, size and/or number of Unsold Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests in the Common Elements resulting therefrom, all without the approval of the Board, the Unit Owners or the Mortgage Representatives, if any.

21. TERMINATION OF CONDOMINIUM: The Condominium shall continue until (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws or (b) such time as withdrawal of the property from the provisions of the Condominium Act is authorized by a vote of at least eighty (80%) percent in number and in Common interest of all Unit Owners. No such vote under clause (b) in the preceding sentence shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any. In the event said withdrawal is authorized as aforesaid, the property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of his, her or their share of such net proceeds all liens on his, her or their Unit, in the order of priority of such liens.

22. WAIVER: No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

23. CAPTIONS: The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

24. CERTAIN REFERENCES: A reference in this Declaration to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa unless the context otherwise requires. The term "herein," "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used.

25. SEVERABILITY: If any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Declaration and the applicability of such provisions to other persons or circumstances shall not be affected thereby. Each provision of this declaration shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law.

26. COVENANT OF FURTHER ASSURANCES: Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of any Board, or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

If any Unit Owner, Board or any other party which is subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefore, to take any action which such Board, Unit Owners or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration at the request of Declarant, as the case may be, then Declarant, as the case may be, is hereby authorized as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action, in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party.

27. SUCCESSORS AND ASSIGNS: 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 consent of Declarant or its designee, any transferee of all then Unsold Units. Subject to the foregoing, Declarant or 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.

28. CONSENTS AND DECLARANT: Wherever the consent, approval, satisfaction, or permission of Declarant or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission will not be required when Declarant or such designee no longer owns any Unsold Units.

29. INCORPORATION BY REFERENCE: The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Schedule A; (ii) the description of the Units annexed hereto as Schedule B; (iii) the By-Laws annexed hereto as Exhibit F; (iv) the form of Unit Owner's Power of Attorney annexed hereto as Exhibit C; and (v) the Floor Plans are each incorporated herein by this reference and made a part of this Declaration as if set forth at length in the text hereof.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the day of _____, 20__.

536 E 13 LLC

By: _____

State of New York)

County of _____)SS:

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.

SCHEDULE A

LEGAL DESCRIPTION OF SITE

Block 406, Lot 23, on the Tax Map of New York County.

ALL that certain piece or parcel of land, situate, lying and being in the Borough of Manhattan, City and State of New York, designated on the Tax Map of the City of New York, for the Borough of Manhattan, as said Tax Map was on August 29, 1978, Block 406, Lot 23, which said lot is more particularly bounded and described as follows:

BEGINNING at a point on the southerly side of East 13th Street, distant 195 feet westerly from the corner formed by the intersection of the southerly side of East 13th Street with the westerly side of Avenue B;

RUNNING THENCE southerly on a line parallel with the westerly side of Avenue B, 103 feet 3 inches;

THENCE westerly along a line parallel with the southerly side of East 13th Street, 25 feet;

THENCE northerly, and again parallel with the westerly side of Avenue B, 103 feet 3 inches to the southerly side of East 13th Street;

THENCE easterly along the southerly side of East 13th Street, 25 feet to the point or place of BEGINNING.

SAID premises being known as and by the street address 536 East 13th Street, New York, NY 10009.

**SCHEDULE B
TO THE DECLARATION OF
536 EAST 13th STREET CONDOMINIUM**

UNIT	LOCATION OF UNIT	PERCENTAGE INTEREST IN COMMON ELEMENTS	TAX LOT NUMBER	NUMBER OF BEDROOMS/ BATHS	SQUARE FOOTAGE PER UNIT	LIMITED COMMON ELEMENTS	SQUARE FOOTAGE OF LIMITED COMMON ELEMENTS PER UNIT
1	1 st Floor	15.6463 %		2/2	1254	Cellar Storage	70
						Rear Yard	770
2F	2 nd Floor	7.4306%		1/1	760	Cellar Storage	70
2R	2 nd Floor	8.0615%		1/1	796	Cellar Storage	70
						Balcony	63
3F	3 rd Floor	7.4306%		1/1	760	Cellar Storage	70
3R	3 rd Floor	8.0615%		1/1	796	Cellar Storage	70
						Balcony	63
4F	4 th Floor	7.4306%		1/1	760	Cellar Storage	70
4R	4 th Floor	8.0615%		1/1	796	Cellar Storage	70
						Balcony	63
5F	5 th Floor	8.5756%		1/1	760	Cellar Storage	70
						Roof Terrace	245
5R	5 th Floor	8.0615%		1/1	796	Cellar Storage	70
						Balcony	63
6F	6 th Floor	10.2860%		2/1	760	Cellar Storage	94
						Roof Terrace	587

**SCHEDULE B
TO THE DECLARATION OF
536 EAST 13th STREET CONDOMINIUM**

UNIT	LOCATION OF UNIT	PERCENTAGE INTEREST IN COMMON ELEMENTS	TAX LOT NUMBER	NUMBER OF BEDROOMS/ BATHS	SQUARE FOOTAGE PER UNIT	LIMITED COMMON ELEMENTS	SQUARE FOOTAGE OF LIMITED COMMON ELEMENTS PER UNIT
6R	6 th Floor	10.9543%		2/1	796	Cellar Storage	90
						Balcony	63
						Roof Terrace	599
		100.0000%			9034		3330

SCHEDULE C

DEFINITIONS

ADJUSTMENT DATE: The date of a closing of a particular unit upon which adjustments between the Sponsor and the Purchaser are calculated.

BOARD OF MANAGERS: The overall Board of Managers of the Condominium.

BUILDING: The Building, including any below grade sections, constructed on the land in which the Units of the Condominium are located.

BY-LAWS: The By-Laws governing the operation of the Condominium, a copy of which is set forth in Part II of the Plan.

CLOSING: The time and place at which the deed is delivered to the Purchaser of a Unit.

CLOSING DATE: The date on which Closing of a Unit occurs.

COMMON CHARGES: Charges payable to the Board by Unit Owners for the purposes of meeting common charges of the Condominium.

COMMON ELEMENTS: The land, all parts of the Building (other than the Units), including the foundations, roofs and supports of the Building and all areas or facilities for the common use of the Units and the Unit Owners.

COMMON INTEREST: The proportionate undivided interest, expressed as a numerical percentage, in the Common Elements, allocated to each Unit, in accordance with the Declaration and the Condominium Act. The total of all Common Interest percentages allocated to all Units equals 100%. The Common Interest is the basis of determining, among other things, a Unit Owner's (a) liability for a share of the Common Expenses, and (b) share of any distributions to Unit Owners upon termination of the Condominium.

CONDOMINIUM ACT: The New York State Condominium Act as amended from time to time as presently found in New York Real property Law, Article 99B Section 339.D of the Real Property Law of the State of New York.

DECLARATION: The instrument creating the Condominium set forth in Part II of the Plan.

EFFECTIVE DATE: Refers to the date the Plan is declared effective (see "Effective Date" section of this Plan).

FIRST CLOSING: The date fee title to a Condominium Unit is first conveyed to a Purchaser pursuant to the Plan.

LAND: Refers to the property, excluding the Building.

LIMITED COMMON ELEMENTS: A Common Element appurtenant to a particular Unit or Units, the use of which is restricted to the owners of such Unit or Units. The respective

responsibilities of such Unit Owners and the Board of Managers for repair and maintenance of Limited Common Elements are set forth in the Declaration and By-Laws in Part II of this plan.

PERMITTED ENCUMBRANCES: Encumbrances to the title of a Unit which a Purchaser agrees to take title subject to, as more particularly itemized on Schedule A annexed to the form of Purchase Agreement contained in Exhibit B in Part II.

PLAN: The offering plan as amended to convert the premises to condominium ownership.

PROPERTY: Refers to the Land and Building situated at 536 East 13th Street, New York, NY 10009, that Sponsor plans to convert to condominium ownership pursuant to the provisions of this Plan.

PURCHASER: Refers to party(s) named as Purchaser(s) in a Purchase Agreement which has been duly executed by such party and accepted by Sponsor.

PURCHASE AGREEMENT: Refers to that contract of purchase and sale for a Unit set forth as Exhibit B in Part II of the Plan.

RULES AND REGULATIONS: The rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A.

SELLING AGENT: A person, persons or other entities designated from time to time by the Sponsor to be its agent in the sale of residential Units.

SPONSOR: The Sponsor of this Offering Plan is 536 E 13 LLC.

SPONSOR'S DESIGNEE or DECLARANT'S DESIGNEE: A person or entity designated by the Sponsor (or the Declarant) as such with respect to any Unit. Such person or entity shall have the same rights with respect to such Unit under the offering plan as the Sponsor (or the Declarant).

UNIT: Any space designated as a Residential Unit in the Declaration, consisting generally, of either a specific Residential Unit in the Building, together with the appropriate appurtenant undivided interest in the Common Elements as established in the Plan, the Condominium Act and/or otherwise in accordance with the law. All such Units are collectively referred to as the "Units".

UNIT OWNER: Any Residential Unit Owner. All such Residential Unit Owners are collectively referred to as "Unit Owners".

UNSOLD UNIT: Refers to a Unit owned or retained by Sponsor or its designee, or a Unit for which a prospective Purchaser is in default under the terms of his, her or their Purchase Agreement past any applicable period to cure, or a Unit the Sponsor has not sold, or a Unit that is acquired, individually or collectively, by one or more members of a group that consists of the Sponsor or a partner of the Sponsor.

BY-LAWS
OF
536 EAST 13TH STREET CONDOMINIUM

ARTICLE I

Purpose of Business

Section 1. Unit Ownership:

The property, located in the Borough of Manhattan, County of New York, City and State of New York, more particularly located at 536 East 13th Street, New York, NY 10009, (hereinafter called the "Property") has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the New York County office of the Register of the City of New York, simultaneously herewith. The Condominium thereby created shall hereinafter be known as the 536 EAST 13TH STREET CONDOMINIUM.

Section 2. Applicability of By-Laws:

The provisions of these By-Laws are applicable to the property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Building and all other improvements thereon (including the Units, and Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The Condominium Units are hereinafter sometimes referred to as "Unit" or "Units".

Section 3. Application:

All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations attached hereto as Schedule A.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. Office:

The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II

Meetings of Unit Owner

Section 1. Annual Meeting:

The Annual Meeting of the Unit Owners of the Condominium, for the election of the Board of Managers and for such other business as may properly come before such meeting, shall be held in the Borough of Manhattan, City of New York, at such time and place, each year as may be designated by the Board. The notice of the meeting shall be in writing and signed by the President or a Vice President or the Secretary or an Assistant Secretary. Such notice shall state the time when and the place within the state where it is to be held, and the Secretary shall cause a copy thereof to be delivered personally or mailed to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before the meeting. If mailed, it shall be directed to each such Unit Owner at his, her or their address as it appears in the records of the Condominium, unless he, she or they shall have filed with the Secretary of the Condominium a written request that notices intended for him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request.

Section 2. Special Meetings:

Special meetings of the Unit Owners, other than those the calling of which is regulated by statute, may be called at any time by the President or Secretary or by any member of the Board of Managers. It shall also be the duty of the Secretary to call such meetings whenever requested in writing so to do by Unit Owners owning at least thirty (30%) percent of the Common Interest of the Condominium. The Secretary shall cause a notice of such Special Meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 1 of this Article to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before such meeting. No business other than that stated in such notice shall be transacted at such Special Meeting unless the owners of all the Units of the Condominium be present thereat in person or by proxy. Except that there shall be a meeting commenced within sixty (60) days after the closing of the first Unit to be sold to elect a Board of Managers.

Section 3. Waiver of Notices:

The notice provided for in the two foregoing sections is not indispensable, but any Unit Owners' meeting whatever shall be valid for all purposes if all the Unit Owners of the Condominium are represented thereat in person or by proxy, or if a quorum is present, as provided in the next succeeding section, and waiver of notice of the time, place and objects of such meeting shall be duly executed in writing either before or after said meeting by such Unit Owners as are not so represented and were not given such notice.

Section 4. Quorum:

At each meeting of Unit Owners, except where otherwise provided by law, Unit Owners representing, in person or by proxy, fifty-one (51%) percent of the Units shall constitute a quorum; in case a quorum shall not be present at any meeting, the holders of a majority of the Units represented may adjourn the meeting to some future time and place. No notice of the

time and place of the adjourned meeting need be given other than by announcement at the meeting. Only those Unit Owners who, if present at the original meeting, would have been entitled to vote thereat, shall be entitled to vote at any such adjourned meeting.

Section 5. Voting:

At each meeting of Unit Owners, each Unit Owner present in person or by proxy shall be entitled to cast one vote for his/her or their Unit at the time of service of notice of such meeting or at such prior date, not more than forty (40) days before such meeting, as may be prescribed by the Board of Managers as the date for determining which Unit Owners of record are entitled to notice of and to vote at such meeting. The proxies shall be in writing duly signed by the Unit Owner but need not be acknowledged or witnessed, and the person named as proxy by any Unit Owner need not himself or herself be a Unit Owner of the Condominium. Voting by Unit Owners shall be viva voce unless any Unit Owner present at the meeting, in person or by proxy, demands a vote by written ballot, in which case the voting shall be by ballot, and each ballot shall state the name of the Unit Owner voting and the number of votes appurtenant to his, her or their Unit, and in addition, the name of the proxy of such ballot if cast by a proxy.

Sponsor or its designee shall have the right to designate members of the Board in relation to the Common Interests attributable to Unsold Units. As long as there is at least one Unsold Unit, the Sponsor or its designee shall be entitled to designate at least one Member of the Board of Managers regardless of the number of Unsold Units and the number of Members of the Board of Managers may not be increased without the consent of Sponsor or its designee.

Section 6. Title to Units:

Title to Units may be taken in the name of an individual or in the names of two (2) or more persons, as tenants in common or as joint tenants or as tenants by the entirety or in the name of a corporation, partnership, or in the name of a fiduciary, trust, estate, syndicate, organization, government or any department or agency thereof, or any other entity. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this section. The above shall not constitute consent or condonation of any activity not permitted under existing Certificate of Occupancy or legal use, zoning requirements or other applicable law or regulation.

Section 7. Number of Votes:

Any or all of such Owners (including the Sponsor or Sponsor- designee, if the Sponsor or its designee shall then own one or more Units) shall be entitled to cast one vote for each Unit owned by them on all matters put to the vote at all meetings of Unit Owners; except that, when voting for the election of members of the Board of Managers, each Unit Owner: (i) shall be entitled to one vote for his, her or their Unit per member to be elected, and (ii) shall not have the right to cumulate his, her or their votes in favor of any one or more members to be elected. If Units are owned by more than one person as joint tenants, tenants by the entirety or as tenants in common or by a partnership, corporation or other entity, the persons owning said Unit shall agree among themselves and cast the votes for their Unit as a single vote. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to vote.

Section 8. Majority of Unit Owners:

As used in these By-Laws, the term "Majority of Unit Owners" shall mean those Unit Owners having greater than fifty (50%) percent of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 7 of this Article II. Two thirds of Unit Owners shall mean those Unit Owners having greater than sixty-six and two-thirds (66 2/3%) percent of the total of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners and/or approves amendments to these By-Laws in accordance with Article XII Section 1 of these By-Laws.

Section 9. Inspectors of Election:

Inspectors of election shall not be required to be appointed at any meeting of Unit Owners unless requested by a Unit Owner present (in person or by proxy) and entitled to vote at such meeting and upon the making of such request inspectors shall be appointed or elected as provided in Section 610 of the Business Corporation Law.

Section 10. Order of Business:

So far as is consistent with the purpose of the meeting, the order of business of each meeting of Unit Owners shall be as follows:

1. Call to order.
2. Presentation of proofs of due calling of the meeting.
3. Roll call and presentation and examination of proxies.
4. Reading of minutes of previous meeting or meetings, unless waived.
5. Reports of officers and committees.
6. Appointment or election of inspectors of election, if requested.
7. If the Annual Meeting or Special Meeting called for that purpose, the election of Directors.
8. Unfinished business.
9. New business.
10. Adjournment.

ARTICLE III

OFFICERS

Section 1. Designation:

The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Managers. The Sponsor shall have the right to designate a Vice President and an Assistant Secretary of the Condominium for the sole purpose of executing documents in connection with the sales of Unsold Units by the Sponsor or other Holders of Unsold Units for as long as such Unsold Units shall continue to exist.

Section 2. Election of Officers:

The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected, their resignation or death.

Section 3. Removal of Officers:

Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either only with cause, and his, her or their successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. President:

The President shall be the chief executive officer of the Condominium. He, she or they shall preside at all meetings of the Unit Owners and of the Board of Managers. He, she or they shall have all of the general powers and duties which are incident to the office of President of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he, she or they may in his, her or their discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice-President:

The Vice-President shall take the place of the President and perform his, her or their duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board of Managers or by the President.

Section 6. Secretary:

The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he, she or they shall have charge of such books and papers as the Board of Managers may direct; and shall in general perform all the duties incident to the office of Secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. Treasurer:

The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He, she or they shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers or the Managing Agent, if any, in such depositories as may from time to time be designated by the Board of Managers, and shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. Agreements, Contracts, Deeds, Checks, Etc.:

All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9. Compensation of Officers:

No officer shall receive any salary or other compensation from the Condominium for acting as such or for services rendered in an official capacity.

Section 10. Liability of Officers:

No officer shall be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify each officer against any liability or claims except those arising out of the bad faith or willful misconduct of an officer. It is intended that each officer shall have no personal liability with respect to any contract made by him or her on behalf of the Condominium. It is and shall be permissible for each officer who is appointed by the original Board of Managers (designees of the Sponsor), to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by an officer or out of the aforesaid indemnity in favor of each officer shall be limited to such proportion of the total liability thereunder as his, her or their interest in the Common Elements bears to the aggregate interest in the Common Elements of all the Unit Owners. Every agreement made by an officer on behalf of the Condominium shall provide that each officer is acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners, except for willful misconduct or bad faith), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the aggregate interest in the Common Elements of all Unit Owners.

ARTICLE IV

Board of Managers

Section 1. Number:

At the time of the first closing there will be two (2) Managers designated by the Sponsor.

The Initial Control Period shall be a period of two (2) years after the closing of the first unit or

whenever the unsold units constitute less than fifty (50%) percent of the common interests, whichever is sooner.

Within approximately ninety (90) days after the first closing the first annual meeting of the Board of Managers will be convened. During the Initial Control Period the Board of Managers shall consist of two (2) persons. A meeting of the Unit Owners will be held to elect new board members within approximately thirty(30) days of the expiration of the Initial Control Period. From and after that meeting the Board of Managers shall consist of five (5) persons.

After the expiration of the Initial Control Period and at all times thereafter Sponsor or its designee may be able to elect members of the Board as a result of its ownership of or interest in the Unsold Units. Sponsor shall have the right to designate members of the Board in relation to the Common Interests attributable to Unsold Units. As long as there is at least one Unsold Unit, the Sponsor or its designee shall be entitled to designate at least one Member of the Board of Managers regardless of the number of Unsold Units and the number of Members of the Board of Managers may not be increased without the consent of Sponsor or its designee.

After the expiration of the Initial Control Period and at all times thereafter Sponsor may be able to elect members of the Board as a result of its ownership of or interest in the Unsold Units. Sponsor shall have the right to designate members of the Board in relation to the Common Interests attributable to Unsold Units.

Section 2. Powers and Duties:

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, as agent of all Unit Owners and may do all such acts and things, except as prohibited by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers, which shall include, but shall not be limited to the following:

- a. Contracting for the necessary services for operation, care, upkeep and maintenance of the Common Elements.
- b. Determination of the Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the property.
- c. Collection of the Common Charges and expenses of the Condominium from the Unit Owners.
- d. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.
- e. Adoption and amendment of rules and regulations covering the details of the operation and use of the property subject to a right of the Unit Owners to overrule the Board (see Article VI, Section 16).
- f. Opening of bank accounts on behalf of the Condominium and designating the signatories required therefore.

- g. Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Owners to the Board of Managers.
- h. Annually deliver to each Unit Owner by March 15 a financial statement of the Condominium prepared by a public accountant or certified public accountant. Such statement shall be certified during the period of Sponsor control.
- i. Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Owners to the Board of Managers.
- j. Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.
- k. Acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the property as a Condominium, as described in the Declaration and these By-Laws.
- l. Selling, leasing, mortgaging (but not voting the votes appurtenant to), or otherwise dealing with Units acquired by, and subleasing Units leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.
- m. Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners.
- n. Obtaining and reviewing of insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 2 hereof.
- o. Making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- p. Negotiation and settlement of all claims and actions relating to the Condominium.
- q. Borrowing 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 a majority of all Unit Owners shall be required for the borrowing of any sum in excess of \$50,000.00 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 Unit Owners. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his, her or their interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

- r. Levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the property.
- s. With written ratification of Unit Owners, the Board may undertake to commence proceedings to reduce real estate taxes on the Units.

Section 3. Election:

The Directors shall be elected at the Annual Meeting of Unit Owners or at a Special Meeting called for that purpose as provided by law, by the highest number of votes cast for Directors at such meeting. The term of office of each Managers shall be for a period of one (1) year. A meeting to elect a new Board of Managers shall be held within sixty (60) days of fifty-one (51%) percent of the Condominium Units being sold or at the second annual meeting, whichever is sooner.

Section 4. Quorum:

A majority of the Directors then authorized by these By-Laws shall constitute a quorum.

Section 5. Vacancies:

Vacancies in the Board of Managers resulting from death, resignation or otherwise may be filled without notice to any of the Unit Owners by a vote of a majority of the remaining Directors present at the meeting at which such election is held even though no quorum is present, which may be at any regular meeting of the Board of Managers or any special meeting thereof called for such purpose. In the event of the failure to hold any election of Directors at the time designated for the annual election of Directors or in the event that the Board of Managers shall not have filled any such vacancy, a special meeting of Unit Owners to elect a new Board of Managers or fill such vacancy by an amendment of these By-Laws shall be filled in the manner provided in the resolution adopting such amendment. In case of a reduction of the authorized number of Directors by amendment of these By-Laws, the Directors, if any, whose term of office shall cease, shall be determined in the manner provided in the resolution adopting such amendment.

Section 6. Meetings:

The Board of Managers shall meet immediately after the Annual Meeting of Unit Owners without notice and also whenever called together by any Director of the Condominium or upon the written request of any three (3) Directors then holding office, upon notice given to each Director, by delivering personally, mailing or telegraphing the same to him or her at least two (2) days prior to such meeting at the last address furnished by him or her to the Condominium. Regular meetings may be held without notice at such times and places as the Board of Managers

may determine. Any meeting of the Directors at which all the members shall be present, or of which notice shall be duly waived by all absentees, either before or after the holding of such meeting, shall be valid for all purposes provided a quorum be present. Meetings of Directors may be held either at the principal office of the Condominium or elsewhere within the State of New York as provided in the notice calling the meeting, unless the Board of Managers by resolution adopt some further limitation in regard thereto. At all meetings of the Board of Managers, each Director shall be entitled to one (1) vote. The vote of a majority of the Board of Managers present at the time of a vote of a duly constituted meeting shall be the act of the Board of Managers.

Section 7. Resignation and Removal:

Any Director may resign at any time by written notice delivered in person or sent by certified registered mail to the President or Secretary of the Condominium. 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.

Any Director may be removed from office at any time only with cause upon the affirmative vote of the Unit Owners whose aggregate vote is at least fifty-one (51%) percent of the votes of the Condominium, at a Unit Owner's meeting duly called for the purpose; provided, however, that the Director(s) elected by the Owners of "Unsold Units" can be removed only for cause by vote of a majority of the Unit Owners or only with cause by the Holders of Unsold Units.

Section 8. Annual Cash Requirements:

The Board of Managers shall, from time to time, determine the cash requirements as defined in the Condominium's By-Laws, and fix the terms and manner of payment of Common Charges. The Board of Managers shall have discretionary power to prescribe the manner of maintaining and operating the Building, to be paid as aforesaid by the Unit Owners. Every such determination by the Board of Managers shall be final and conclusive as to all Unit Owners and any expenditures made by the Condominium's officers or its agent under the Board of Managers or with the approval of the Board of Managers of the Condominium shall, as against the Unit Owners, be deemed necessarily and properly made for such purpose.

During the initial control period the Board of Managers of the Condominium will not take any of the following actions unless Unit Owners owning at least fifty-one (51%) percent of the Common Interest of the Condominium approve in writing or by vote, in person or by proxy, at a duly constituted meeting called for such purpose:

- (i) Increase the number or change the type of employees from that described in the notes to Schedule B;
- (ii) Provide for new or additional services from those indicated in the notes to Schedule B, unless the annual cost of such new or additional services, when added to the annual cost of all other services, being provided, is no greater than that provided in said notes;
- (iii) Impose any rent, Common Charges, assessment or other charge (regular or special) against Unit Owners for the purpose of making any capital or major

improvement or addition, unless required by law; or

- (iv) Establish any reserves in addition to the Working Capital Fund, including a reserve for contingencies, repairs, improvements or replacements, other than a twelve (12) month reserve for contingencies not exceeding five (5%) percent of the budgeted operating expenses (exclusive of mortgage debt service) for the ensuing twelve (12) months of condominium operation.

However, notwithstanding anything contained herein to the contrary, the Sponsor, as Holder of Unsold Units, or other Holder(s) of Unsold Units, shall not veto the expenses set forth in Schedule B, or expenditures required to comply with applicable laws or regulations.

Notwithstanding the foregoing, the Condominium may take any of the actions enumerated in clauses (i) through (iv) above, if the cost of such actions, when added to all other budgeted expenses of the Condominium (excluding debt service), shall not result in increasing the Common Charges for any year of operation by more than five (5%) percent from the previous year's Common Charges.

The Board of Managers may levy such fines as it deems appropriate for violations of the Declaration, By-Laws or House Rules to long as they are levied in good faith and are reasonable under the circumstances.

The Board of Managers may charge interest on any arrears, be they common charges, assessments or other fees that are more than thirty (30) days in arrears. The interest rate to be charges shall be at the discretion of the Board in each instance but shall not exceed the maximum permitted by laws.

Should any Unit Owner other than the Sponsor cause damage or injury to the common areas or otherwise so as to effect the building, condominium or the Board of Managers, the Board may charge such Unit Owner(s) an amount to correct the damage or injury including any legal fees to collect the charge.

Section 9. Rules and Regulations:

The Board of Managers may from time to time adopt and amend such rules and regulations as it may deem necessary in respect to the Building of the Condominium for the health, safety and convenience of the Unit Owners. Copies thereof and of changes therein shall be furnished to each Unit Owner.

Section 10. Managing Agent and Manager:

The Board of Managers may employ for the Condominium a Managing Agent and/or a Manager at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to the Manager or Managing Agent, all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j), (k), (n), (o) and (p) of Section 2 of this Article II.

Section 11. Fidelity Bonds:

The Board of Managers shall obtain adequate fidelity bonds for all officers and employees of the Condominium handling or responsible for Condominium funds and for the Managing Agent. The premiums on such bonds shall constitute a Common Expense.

Section 12. Compensation:

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

Section 13. Liability of the Board of Managers:

The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers, who are designated by the Sponsor, to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers shall be limited to such proportion of the total liability thereunder as his, her or their interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the Managing Agent or by the Manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the Managing Agent, or the Manager, as the case may be, are acting only as agent for the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the Managing Agent or by the Manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the Managing Agent or the Manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his, her or their interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 14. Other Committees:

The Board of Managers may, by resolution, create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be designated by the Sponsor or a Sponsor-designee, so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board, shall be appointed by the President of the Condominium. Such committee shall not have power to do any act which the Executive Committee may not do under subsections (a) - (d) of Section 2 of Article IV.

ARTICLE V

Notices

Section 1. Definitions:

Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any Manager, Unit Owner or mortgagee, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, such Manager or Unit Owner or mortgagee at such address as appears on the books of the Condominium.

Section 2. Service of Notice Waiver:

Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI

Operation of the Property

Section 1. Determination of Common Expenses and Fixing of Common Charges:

The Board of Managers shall from time to time, at least annually, prepare a budget for the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such Common Charges among the Unit Owners according to their respective Common Interests. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of this Article VI and the fees and disbursements of the Insurance Trustee. The Common Expenses shall also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the property, including, without limitation, an amount for working capital of the Condominium for a general operating reserve, and for a reserve fund for replacements, to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale, together with such amounts as may be necessary to maintain such Unit(s). The Board of Managers shall also, where necessary, impose an assessment or additional Common Charge in order to meet any unanticipated Common Expense. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such charges are based, to all Unit Owners and to their mortgagees, if so required.

The Sponsor or its designee shall be responsible for the Common Charges assessed against a

Unit owned by it from the date of the First Unit Closing until such Unit is sold to a bona fide Purchaser.

While the Sponsor is in control of the Board of Managers the Sponsor will cause the Board of Managers to file a lien as provided in Section 339-aa of the Real Property Law on Units in which Sponsor is more than 30 days in arrears in the payment of common charges.

Pursuant to Section 339-kk of the Real Property Law, all rental payments from the tenant of a Unit being rented by a non-occupying Unit Owner shall be made payable to the Condominium in the event the non-occupying Unit Owner fails to make payments for common charges, assessments or late fees within sixty (60) days of the expiration of any grace period after they are due. The Board of Managers shall provide written notice to the tenant and the non-occupying Unit Owners that all subsequent rental payments are to be payable to the Condominium and delivered to the address listed on the notice. When payments are once again current, notice shall be given to the tenant and non-occupying Unit Owner within three (3) business days and all subsequent rent payments shall be payable to the non-occupying Unit Owner.

By March 15 a financial statement of the Condominium prepared by a public accountant or certified public accountant. Such statement shall be certified during the period of Sponsor control;

Until the earlier of (i) the second anniversary of the Closing, or (ii) such time as the Holders of Unsold Units hold less than twenty-five (25%) percent of the Units, the Board of Managers will not take any of the following actions unless Unit Owners owning at least fifty-one (51%) percent of the Common Interest approve in writing or by vote, in person or by proxy, at a duly constituted meeting called for such purpose:

- (i) Increase the number or change the type of employees from that described in the notes to Schedule B, "Projected Budget for First Year of Operation";
- (ii) Provide for new or additional services from those indicated in the notes to Schedule B, unless the annual cost of such new or additional services, when added to the annual cost of all other services, being provided, is no greater than that provided in said notes;
- (iii) Impose any rent, Common Charges, assessment or other charge (regular or special) against Unit Owners for the purpose of making any capital or major improvement or addition, unless required by law; or
- (iv) Establish any reserves in addition to the Working Capital Fund as established under the Plan, including a reserve for contingencies, repairs, improvements or replacements, other than a twelve (12) month reserve for contingencies not exceeding five (5%) percent of the budgeted operating expenses (exclusive of mortgage debt service) for the ensuing twelve (12) months of Condominium operation.

However, notwithstanding anything contained herein to the contrary, the Sponsor, as Holder of Unsold Units, or other Holder(s) of Unsold Units, shall not veto the expenses set forth in Schedule B, entitled "Projected Budget for First Year of Operation" or expenditures required to comply with applicable laws or regulations.

Notwithstanding the foregoing, the Board of Managers may take any of the actions enumerated in clauses (i) through (iv) above, if the cost of such actions, when added to all other budgeted expenses of the Condominium (excluding debt service), shall not result in increasing the Common Charges for any year of operation by more than five (5%) percent from the previous year's common charges.

Section 2. Real Estate Taxes, Water Charges and Sewer Rents:

(A) Water for the Building shall be supplied by the City of New York. Unless and until real estate taxes are billed directly to Unit Owners by the City Collector:

(i) the Unit Owners shall pay to the Board of Managers at least fifteen (15) days before same become due and payable the cost of any such taxes, charges and rents as a Special Assessment;

(ii) the Board of Managers shall collect such monies from the Unit Owners.

In the event of a proposed sale of any Unit, the Board of Managers (for so long as the Board of Managers is still paying such real estate taxes as agent for the Unit Owners) shall, upon the written request of the Selling Unit Owner, execute and deliver to the Purchaser of such Unit or to such Purchaser's title company, a letter agreeing to promptly pay all such taxes, charges and rents affecting such owner's Unit to the date of the closing of title to such Unit.

(B) The Board of Managers may act as agent of each Unit Owner to complain or apply to the board of assessment review or the assessing agency, by filing a single complaint on behalf of all such Unit Owners and to commence and prosecute a special proceeding for the review of assessments of real property as an aggrieved person. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and may 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 the terms of these By-Laws.

Section 3. Insurance:

The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees with certificates of insurance, as their interests may appear, in an amount to be determined by the Board of Managers, including above noted items but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker; each of said policies shall contain a

Condominium Property Endorsement and 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, as herein provided; (2) worker's compensation insurance, if the Condominium has employees; (3) disability benefits insurance if the Condominium has employees; and (4) such other insurance as the Board of Managers may determine. All policies of physical damage insurance shall provide that adjustment of loss shall be made by the Board of Managers (with the approval of the Insurance Trustee, if any, if more than \$50,000.00), and that the total proceeds thereof, if \$50,000.00 or less, shall be payable to the Board of Managers, and if more than \$50,000.00, shall be payable to the Insurance Trustee, if any.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and the individual Unit Owners as well as the Condominium shall be primary insureds to the extent as their interests shall also appear. Such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of 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, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the Managing Agent, the Manager and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation and further provide that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies shall be so endorsed as to state that they will in no way conflict with any insurance carried by the Board of Managers.

The Condominium or its Board of Managers hereby gives the mortgagee on a unit in the condominium project the right to timely written notice of:

1. Any condemnation or casualty loss that affects either a material portion of the building or the unit securing its mortgage;
2. A lapse, cancellation, or material adverse modification of any insurance policy maintained by the condominium; and
3. Any adverse material use of insurance requiring fifty one (51%) percent mortgagee consent.

Section 4. Repair or Reconstruction After Fire or Other Casualty:

In the event of damage to or destruction of the Building containing the Units as a result of fire

or other casualty resulting in less than seventy-five (75%) percent of the Building containing the Units being destroyed or substantially damaged, the Board of Managers shall arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Building containing the Units is destroyed or substantially damaged (as determined by the Board of Managers) and Unit Owners whose percentage of Common Interest totals seventy-five (75%) percent in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after first payment out of the share of each Unit Owner the amount of any unpaid liens on his, her or their Unit, in the order of the priority of such liens.

Whenever in this Section the words "promptly repair" are used it shall mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notified the Board of Managers and the Unit Owner or Unit Owners that it shall hold proceeds of insurance funds sufficient to pay the estimated costs of such work; or not more than ninety (90) days after the Insurance Trustee notified said Board of Managers and Unit Owner or Owners that such funds are insufficient to pay said estimated costs and advising them of the amount of the required completion bond, if necessary, or in the event there is no Insurance Trustee, not more than sixty (60) days from the date of receipt of insurance funds on account of such damage or destruction and wherever the words "promptly resolve" are used, it shall also mean not more than sixty (60) days from the date of receipt of said insurance funds.

Section 5. Payment of Common Charges:

All Unit Owners shall be obligated to pay the Common Charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his, her or their Unit subsequent to a sale, transfer or other conveyance by him or her (made in accordance with the provisions of Section 1 of Article VIII of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VIII hereof. In addition, any Unit Owner may, subject to the terms and conditions specified in these

By-Laws, provided that his, her or their Unit is free and clear of liens and encumbrances, other than permissible encumbrances and the statutory lien for unpaid Common Charges, convey his, her or their Unit, together with the "Appurtenant Interests" to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed. A Purchaser of a Unit shall be liable for the payment of Common Charges assessed and unpaid against such Unit prior to the acquisition by him or her of such Unit, except that a mortgagee or other Purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for and such Unit shall not be subject to a lien for the payment of Common Charges assessed prior to the foreclosure sale.

Under the provisions of Section 339-z of the Condominium Act and the By-Laws, the Board, on behalf of all Unit Owners, will have a lien on each Unit for its unpaid Common Charges, together with interest thereon assessed against such Unit. All such liens, however, to the extent permitted by applicable law, will be subordinate to liens for real estate taxes on the Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after filing of a verified notice thereof in the City Register's Office and shall continue until all sums secured thereby with interest accrued thereon 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 (6) year period), whichever shall be sooner. Such liens may be foreclosed by a suit brought in the name of the Board in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Board to recover unpaid Common Charges without foreclosing the lien. The Sponsor will cause the Board to file a lien on Units for which Sponsor is more than thirty (30) days in arrears of common charges provided that at that time Sponsor is in Control of the Board.

Pursuant to Section 339-kk of the Real Property Law, all rental payments from the tenant of a Unit being rented by a non-occupying Unit Owner shall be made payable to the Condominium in the event the non-occupying Unit Owner fails to make payments for common charges, assessments or late fees within sixty (60) days of the expiration of any grace period after they are due. The Board of Managers shall provide written notice to the tenant and the non-occupying Unit Owners that all subsequent rental payments are to be payable to the Condominium and delivered to the address listed on the notice. When payments are once again current, notice shall be given to the tenant and non-occupying Unit Owner within three (3) business days and all subsequent rent payments shall be payable to the non-occupying Unit Owner.

Section 6. Collection of Common Charges and Assessments:

The Board of Managers shall assess Common Charges against the Unit Owners from time to time, at least annually, and shall take prompt action to collect any Common Charge due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Managers shall also take prompt action to collect any assessment due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date thereof.

Section 7. Default in Payment of Common Charges of Assessments:

In the event of default, after notice in writing with thirty (30) days to cure, by any Unit Owner in paying to the Board of Managers the Common Charges or any assessment as determined by

the Board of Managers, such Unit Owner shall be obligated to pay interest at the highest legal rate on such Common Charges or assessments from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or assessments, together with interest thereon, and the expenses of the proceeding, including Purchaser attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A Unit Owner defaulting after notice in writing and thirty (30) days to cure, in payment of Common Charges or assessments shall not be permitted to vote at any regular or special meeting of Unit Owners.

Section 8. Foreclosure of Liens for Unpaid Common Charges:

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 of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey or otherwise deal with same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 9. Statement of Common Charges and Assessments:

The Board of Managers shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit Owner.

Section 10. Abatement and Enjoinment of Violations by Unit Owners:

The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the property of the Condominium or for the safety of residents of the Condominium or other persons, or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, and/or (c) to impose against such Unit Owner a onetime fine of two hundred and fifty (\$250.00) dollars for any such violation, which amount may be revised not more than once per year at an annual Unit Owners' meeting.

Section 11. Maintenance and Repairs:

- a. All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except painting exterior side of Unit entrance door), windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures and air conditioning units within the Unit or

belonging to the Unit Owner shall be at the Unit Owner's expense, excepting as otherwise specifically provided herein.

b. All maintenance, repairs and replacements to the Common Elements, as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Common Elements will be performed (a) by the Board of Managers as a common expense if it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Unit Owner, having direct and exclusive access thereto), or (b) by the Unit Owner having direct and exclusive access thereto at his sole cost and expense, if involving nonstructural ordinary maintenance, repairs or replacements, or as a result of the Unit Owner's acts or omissions.

c. In the event of damage to the Common Elements or to any unit in the Building occasioned by the negligence of the Owner of any unit in the Building, the Board of managers shall repair said damage and bill the Unit Owner having, by his, her or their negligence caused such damage as additional common charges. In the event the damage is caused to another Unit Owner in the Building then the Board of Managers may repair the damage and bill the Unit Owner having by his, her or their negligence, caused the damage. The Board of Managers shall have the right of access, by force or otherwise, to enter any unit in the Building to prevent or stop any act, occurrence or situation that may cause or be causing damage to the Common Elements or any other Unit in the Building.

Section 12. Restrictions on Use of Units:

In order to provide for congenial occupancy of the property and for the protection of the values of the Units, the use of the property shall be restricted to and shall be in accordance with the following provisions:

a. The Residential Units shall be used for private residences only, except that a Unit Owner may use his, her or their residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Any Residential Unit may also be used as a professional office by a resident thereof provided such professional use does not violate zoning regulations or the certificate of occupancy and provided further that the prior consent of the Board of Managers to such professional use is obtained. Notwithstanding the foregoing, the Sponsor or Sponsor-designee shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the property; (ii) to have its employees, contractors and sales agents present on the property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction on the Building and to comply with its obligations.

- b. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.
- c. No nuisances shall be allowed on the property nor shall any use or practice be allowed which is a source of annoyance to its residences or which interferes with the peaceful possession or proper use of the property by its residents.
- d. No 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. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the property.
- e. No portion of the Unit or other Limited Common Elements, if any, appurtenant thereto (other than the entire Unit including the Limited Common Elements, if any, appurtenant thereto) may be rented.

Section 13. Additions, Alterations or Improvements by Board of Managers:

Subject to the provisions of Section 8, of Article IV of these By-Laws, whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements (but not maintenance) costing in excess of \$5,000.00, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements costing \$5,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Section 14. Additions, Alterations or Improvements by Unit Owners:

No Unit Owner shall make any addition, alteration or improvement in or to his, her or their Unit, or which affects the exterior of the building or the value of other Units, without prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer in writing any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration or improvement. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit, shall be executed by the Board of Managers only, without, however, incurring any liability on the part of the Board of Managers to any contractor, subcontractor or material person on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent, either affirmatively or by its inaction to any structural addition, alteration or improvement to be made by a Unit Owner, the consent shall provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurances (certificate for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration, addition or improvement, or due to improper design or construction to the structural alteration, addition or improvement, and such approval shall also provide that the Unit Owner shall reimburse the Board of Managers any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration, addition or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

The provisions of this Section 13 which require the consent of the Board of Managers in connection with a structural addition, alteration or improvement shall not apply to Units owned by the Sponsor or its designee. All other provisions of this Section 13 shall apply to all Units.

Section 15. Use of Common Elements and Facilities:

A Unit Owner shall not place or cause to be placed in the lobby, public halls, stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit through them. The Sponsor and any Sponsor-designee shall have the right to use of the Common Elements, without charge, for the purposes set forth in Section 11 of this Article VI.

Section 16. Right of Access:

A Unit Owner shall grant a right of access to his, her or their Unit, to the Manager and/or any other person authorized by the Board of Managers, the Manager or the Managing Agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his, her or their Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his, her or their Unit or elsewhere in the Building in which the Unit is located, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 15, any costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI. Each Unit Owner will be required to give a copy of his, her or their keys to his, her or their Unit to the President of the Board of Managers, who shall designate an authorized person or persons to keep the keys and use them in case of an emergency.

Section 17. Rules of Conduct:

Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers.

A majority vote of Unit Owners at a meeting may overrule the Board of Managers. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers are annexed hereto and made a part hereof as Schedule A.

Section 18. Water Charges and Sewer Rents:

Water shall be supplied to all of the Units and the Common Elements through one or more building meters or pursuant to a frontage charge, and the Board of Managers shall pay, as a Common Expense, all charges for water consumed on the property and in the Units, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers, on request of the selling Unit Owner, shall execute and deliver to the Purchaser of such Unit or to the Purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the property as of the date of closing of title to such Unit promptly after such charges shall have been billed.

Section 19. Electricity:

Electricity shall be supplied by the public utility company serving the area directly to each Unit through separate meters and each Unit Owner shall be required to pay the bills for electricity consumed or used in his, her or their Unit. The electricity serving the Common Elements shall be metered by one or more meters, and the Board of Managers shall pay the bills for such consumption as a Common Expense.

ARTICLE VIIMortgagesSection 1. Notice to Board of Managers:

A Unit Owner who mortgages his, her or their Unit shall notify the Board of Managers of the name and address of his, her or their mortgagee and shall file a confirmed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units".

Section 2. Notice of Unpaid Common Charges:

The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3. Notice of Default:

The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

Section 4. Examination of Books:

Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium, upon reasonable written notice to the Board of Managers, at reasonable times, on business days.

Section 5. Mortgagee Rights and Obligations:

- a. The By-Laws can only be amended with respect to items that have a materially adverse impact on mortgagees with the approval of 51% mortgagee approval;
- b. The Condominium can only be terminated for substantial destruction or condemnation without mortgagee approval and termination for any other cause only with approval of 51% of mortgagees;
- c. Condo Board may imply approval when a mortgagee fails to respond after 60 days written notice of any change requiring mortgagee approval provided notice was delivered by certified or registered mail to the mortgagee with return receipt requested;
- d. The Board of Managers shall notify mortgagees under the following circumstances: Any condemnation or casualty loss, a 60 day delinquency of condominium common charges or assessments on a mortgaged unit, a lapse-cancellation or material change to the master insurance policy, any action that requires consent of a specified percentage of mortgagees;
- e. There is no grant of priority to any party over the first mortgagee of a unit regarding the insurance proceeds or condemnation awards;
- f. The mortgagee of a unit shall not be responsible for more than six (6) months unpaid common charges or assessments when a unit is obtained by a mortgagee by foreclosure or "deed-in-lieu";
- g. Consent of fifty one (51%) percent of mortgagees is required for any material use of insurance proceeds;
- h. The Board of Managers shall give notice to mortgagees of units of any condemnation or casualty loss that effects either a material portion of the building or the unit secured by its mortgage.

ARTICLE VIIISales, Leases and Mortgages of UnitsSection 1. Sales and Leases:

No Unit Owner other than the Sponsor or Sponsor-designee may sell or lease his, her or their Unit or any interest therein except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer for the sale of his, her or their Unit together with: (i) the undivided interest of the Common Elements and any Limited Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; (iii) the interest of such Unit Owner in any other assets of the Condominium, as defined in the Declaration (hereinafter collectively called the "Appurtenant Interests"), or a bona fide offer for a lease of his, her or their Unit (hereinafter called an "Outsider Offer"), which he, she or they intends to accept, shall give notice by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed Purchaser of the Unit, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to first sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the Owners of all other Units, on the same terms and conditions as contained in such outside offer. The Unit Owner wishing to sell or rent his, her or their Unit(s) shall be entitled to vote to determine whether the Board of Managers should exercise its right to purchase or rent the Unit(s). The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of the other Unit Owners, that such Unit Owner believes the outside offer to be bona fide in all respects. Within thirty (30) days after receipt of such notice, the Board of Managers may elect, by notice given within five (5) days after making such election, and in any event, within said thirty (30) day period, to such Unit Owner, by certified or registered mail, to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the outside offer and as stated in the notice from the offering Unit Owner.

In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or a lease shall be executed at the office of the attorneys for the Condominium in accordance with the terms of such offer but in no event less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner, if such Unit together with the Appurtenant Interests is to be sold, shall convey the same to the Board of Managers, or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner shall execute and deliver to the Board of Managers, or to its designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or its designee, as tenant, covering such Unit, for the rental and term contained in such outside offer.

In the event the Board of Managers or its designee fails to notify the offering Unit Owner of its decision to accept such offer within thirty (30) days after receipt of notice as aforesaid or notify the offering Unit Owner within said period of its decision not to accept such offer, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, within ninety (90) days after the expiration of the period in which the Board of Managers or its designee might have accepted such offer, to the outside offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such outside offer. Any such deed to any outside offeror shall provide that acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned without the prior consent in writing of the Board of Managers, and that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, and that the Board of Managers shall have power to terminate such lease and/or bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. Except as hereinbefore set forth, the form of any such lease for Residential Units shall be in a form approved by the Board of Managers. In the event the offering Unit Owner shall not, within such ninety (90) day period, contract to sell such Unit to the outside offeror on the terms and conditions contained in the outside offer, or if the Unit Owner shall so contract to sell or lease his, her or their Unit within such ninety (90) day period, but such sale or lease shall not be consummated pursuant to the terms of such contract, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the same or another outside offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article VIII.

A reasonable fee shall be fixed to cover the actual expenses and attorneys' fees of the Transfer Agent upon the resale of Units.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Board of Managers.

No act undertaken by the Condominium or its Board of Managers shall adversely impact the rights of a mortgage or its assignee to:

1. Foreclose or take title to a condominium unit pursuant to the remedies in the mortgage;
2. Accept a deed or assignment in lieu of foreclosure in the event of default by mortgagor
3. Sell or lease a unit acquired by the mortgagee or its assignee without Board Approval.

Section 2. Consent of Unit Owners to Purchase or Lease of Units by Board of Managers:
The Board of Managers shall not exercise any option herein above set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners and the unanimous consent of Holders of Unsold Units.

Section 3. No Severance of Ownership:

No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his, her or their Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 4. Release by Board of Managers of Right of First Refusal:

The right of first refusal contained in Section 1 of this Article VIII may be released or waived by the Board of Managers, in which event, the Unit, together with the Appurtenant Interests, may be sold, conveyed, or leased, free and clear of the provisions of such section.

Section 5. Certificate of Termination of Right of First Refusal:

A certificate, executed and acknowledged by an Officer of the Condominium, stating that the provisions of Section 1 of this Article VIII have been met by a Unit Owner, or have been duly waived by the Board of Managers and the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers in favor of all persons who rely thereon in good faith. Such certificates shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article VIII or in respect to whom the provisions of such section have been waived, upon request.

Section 6. Financing of Purchase of Units by Board of Managers:

Acquisition or lease of Units by the Board of Managers, or its designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the possession of the Board of Managers, or, if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner, other than the offering Unit Owner, in proportion to his, her or their ownership in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article VI, or, the Board of Managers, in its discretion, may borrow money to finance the acquisition or lease of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired by the Board of Managers. Notwithstanding the above, no assessment may be levied under this Section 6 against any mortgagee who has acquired title to a Unit, whether by foreclosure or deed in lieu hereof.

Section 7. Exceptions:

The provisions of Section 1 of this Article VIII shall not apply in respect to any sale or conveyance or lease by a Unit Owner of his, her or their Unit, together with the Appurtenant Interests, to his, her or their spouse or to any of his, her or their children, or to his, her or their parent or parents, or for his, her or their brothers or sisters, or any one or more of them, or to any Unit owned by the Sponsor or Sponsor-designee, or to the acquisition or sale of any Unit, together with the Appurtenant Interests, by a mortgagee herein authorized who shall acquire

title to such Unit by foreclosure or by deed in lieu of foreclosure. However, the provisions of this section shall apply with respect to any purchase of a Unit from a mortgagee.

Section 8. Gifts and Devises, etc.:

Any Unit Owner shall be free to convey or transfer his, her or their Unit by gift or to devise his, her or their Unit by will, or to pass the same by intestacy, without restriction.

Section 9. Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board of Managers or its Designee, on Behalf of All Unit Owners as Tenants in Common:

In the event that a Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit. Thus, no Unit Owner shall have the right to seek judicial sale of a Unit acquired by the Board of Managers through an action in partition.

Section 10. Payment of Common Charges and Assessments:

No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his, her or their Unit unless and until he, she or they shall have paid in full to the Board of Managers all unpaid Common Charges and assessments theretofore assessed by the Board of Managers against his, her or their Unit and until he, she or they shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 11. Mortgage of Units:

No Residential Unit shall mortgage his, her or their Unit, except by a first and/or second mortgage made to a bank, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender or a purchase money mortgage made to the Sponsor, or to the seller of the Unit. Any such mortgage shall be substantially in the form on file with the Board of Managers, except for such changes or additions as may be required in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted by the Board of Managers. A mortgage may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor or the Board of Managers as the case may be. Prior to or simultaneously with the closing of any mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges or assessments and discharge any liens therefore.

ARTICLE IX

Condemnation and Termination

Section 1. Condemnation:

In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to \$50,000.00 or less, and to the Insurance Trustee if such award amounts to more than \$50,000.00. If seventy-five (75%) percent or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers

or the Insurance Trustee, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five (75%) percent or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

Section 2. Termination:

The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than eighty (80%) percent in number and in Common Interest of the Units. Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests. However, no payment shall be made to a Unit Owner until all liens to which his, her or their Unit are subject are paid off.

ARTICLE X

Records

Section 1. Invalidity:

The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 2. Captions:

The captions herein are inserted only as a matter of convenience and/or reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 3. Gender:

The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4. Waiver:

No restriction, condition, obligation, or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5. Insurance Trustee:

The Insurance Trustee, if selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of the holders of five (5) or more Unit first mortgages). In the event that the Insurance Trustee shall resign, the new Insurance Trustee shall also be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of the holders of five (5) or more Unit first mortgagees). The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense of the Condominium.

Section 6. Definition of "Mortgagee":

As used in these By-Laws, the term "mortgagee" or "holder of a first mortgage" shall include the holder of any construction loan mortgage which shall be a lien on a Unit.

ARTICLE XICertiorari Proceedings

Each Unit Owner authorizes the Board of Managers, in its sole discretion, to prosecute proceedings for reduction of real estate tax assessments (certiorari) for the entire Condominium and to retain legal counsel in the name of the Condominium for that purpose and to pay such counsel its reasonable fees, disbursement and expenses pursuant to a written retainer agreement to be entered into with such counsel. Any fees or disbursements or expenses incurred shall be reimbursed by each Unit Owner as an addition to Common Charges in the same proportion as the Unit's percentage interest in the Common Areas unless such fees disbursement and expenses are the result of a reduction of assessment, in which event the Unit's share of such fees and disbursements shall be in the same percentage as the reduction of assessment (and resulting benefit by savings or refund), as each unit bears to the total reduction of assessment for the entire Condominium. Each Unit Owner undertakes and agrees not to prosecute separate tax reduction proceedings on its own behalf unless the Board of Managers of the Condominium, after written request from any Unit Owner, advised that it will not pursue such proceeding on behalf of the entire Condominium.

Toward that end the Board of Managers is authorized to execute, acknowledge and deliver any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Units for the benefit and on behalf of all Unit Owners and each such Unit Owner hereby indemnifies the Board of Managers from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

ARTICLE XII

Amendments to the By-Laws

Section 1. Amendment to By-Laws:

These By-Laws may be modified or amended by the vote of sixty-six and two-thirds (66-2/3%) percent in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose.

For as long as the Sponsor remains the Owner of one or more Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be amended or modified in any way so as to adversely affect Sponsor without Sponsor's prior written consent.

ARTICLE XIII

Conflicts

Section 1. Conflicts:

These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or Declaration, the provisions of said statute or Declaration, as the case may be, shall control.

ARTICLE XIV

Arbitration

Section 1. Procedure:

Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium documents shall be submitted for resolution by a single arbitrator in a proceeding held in New York City, New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in New York City, New York before one arbitrator appointed, upon the application of any party by the Real Estate Board of New York.

Section 2. Variation by Agreement:

The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their

dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the Civil Practice Law and Rules of the State of New York and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 3. Binding Effect:

The decision in any arbitration conducted pursuant to the terms of Section 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4. Cost and Expenses:

The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his/her counsel and expert witnesses.

All costs and expenses paid or incurred by the Board of Managers in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute Common Expenses.

SCHEDULE A

RULES AND REGULATIONS OF THE 536 EAST 13TH STREET CONDOMINIUM

1. The sidewalks, entrances, passages, public halls, elevator, vestibules, corridors and stairways of the Building shall not be obstructed or used for any other purpose than ingress to and egress from the Units.
2. No articles (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the passages, public halls, vestibules, corridors, stairways or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows, balcony or roofs or placed upon the window sills of the Residential Units.
3. No public hall, public elevator or vestibule of the Building shall be decorated or furnished by any Unit Owner in any manner.
4. Each Unit Owner shall keep his, her or their Unit and any Limited Common Elements appurtenant thereto (including the surface of any terrace, balcony or yard space adjacent and appurtenant thereto) in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance. Any determination as to what constitutes a good state of preservation and cleanliness for any Unit Owner's terrace, balcony or yard shall be within the sole but reasonable prerogative of the Board of Managers.
5. No window guards or other window decorations shall be used in or about any Unit, unless otherwise required by law, except such as shall have been approved in writing by the Board or the Managing Agent, if any, which approval shall not be unreasonably withheld or delayed.
6. No radio or television antenna or dishes shall be attached to or hung from the exterior of the Units and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any door or window or other part of the Building except such as are permitted pursuant to the Declaration, the By-Laws or shall have been approved in writing by the Board or the Managing Agent, if any, nor shall anything be projected from any door or window of the Building without similar approval.
7. No ventilator or air conditioning device shall be installed in any Unit without the prior written approval of the Board of Managers, which approval may be granted or refused in the sole discretion of the Board.
8. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit Owner's Unit.

9. No velocipedes, bicycles, scooters or similar vehicles shall be allowed in the elevator, and no baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the passages, public halls, vestibules, corridors, balconies or garden terrace areas or other public areas of the Building.

10. No Unit Owner shall make or permit any disturbing noises or activity in the Building or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Unit Owners. No Unit Owner shall play or suffer to be played any musical instrument, or practice or suffer to be practiced vocal music, or operate or permit to be operated a phonograph or radio or television set or other loud speaker in such Unit Owner's Unit between 11:00 P.M. and the following 7:00 A.M., if the same shall disturb or annoy other occupants of the Building, unless the same shall have the prior written consent of the Board. No construction or repair work or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

11. No bird, reptile or animal, except dogs and cats, shall be permitted, kept or harbored in a Unit unless the same in each instance shall have been expressly permitted in writing by the Board or the Managing Agent and such consent, if given, shall be revocable by the Board or such Managing Agent in their sole discretion, at any time. In no event shall any bird, reptile, or animal other than dogs and cats, be permitted in any public elevator, if any, in the Building other than the elevator, if any, designated by the Board or the Managing Agent for that purpose, or in any of the public portions of the Building unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Building or on the sidewalk or street adjacent to the Building.

12. There is a Trash Room/Janitor Closet in the cellar. All trash and recyclables are to be deposited here for collection and disposal.

13. Water-closets and other water apparatus shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage, resulting from misuse of any water-closets or other apparatus in a Residential Unit shall be repaired and paid for by the owner of such Unit.

14. Unit Owners are required to have eighty (80%) percent of all floors covered by rugs, carpeting or other sound suppression materials.

15. No occupant of the Building shall send any employee of the Building or of the Managing Agent thereof out of the Building on any private business.

16. The agents of the Board or the Managing Agent, and any contractor or workman authorized by the Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one (1) day's prior written notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry inspection and extermination shall be done in a manner so

as not to unreasonably interfere with the use of such Unit for its permitted purposes.

17. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

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

19. Complaints regarding the service of the Board of Managers shall be made in writing to the Board.

20. Any consent or approval given under these Rules and Regulations may be added to, amended or repealed at any time by resolution of the Board.

21. This is a non-smoking building. This includes the common areas, limited common areas as well as within units. Violation of this house rule will be dealt with strictly by the Board of Managers.

**CERTIFICATION OF SPONSOR AND SPONSOR'S
PRINCIPALS PURSUANT TO PART 20.4(b)
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED**

RE: 536 EAST 13TH STREET CONDOMINIUM
536 East 13th Street, New York, NY

We are the Sponsor and the principals of Sponsor of the Condominium Offering Plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

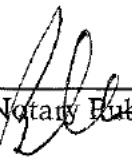
- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, Purchaser and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

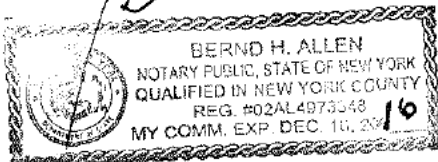
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

SPONSOR:
536 E 13 LLC

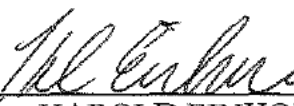
BY: 
YIANNES EINHORN, Member

Sworn to before me this
18 day of March, 2015

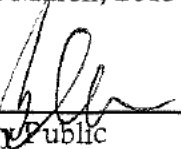

Notary Public

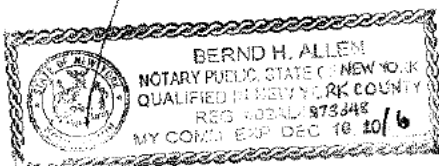


SPONSOR:

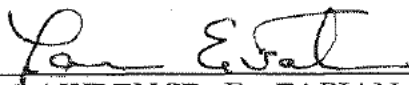
BY: 
HAROLD EINHORN, Member

Sworn to before me this
18 day of March, 2015


Notary Public



SPONSOR:

BY: 
LAWRENCE E. FABIAN Authorized
Agent of Aida Wedo 3 S.A., Sole Member
of AW3 LLC, Member of 536 E 13 LLC

Sworn to before me this
16 day of March, 2015

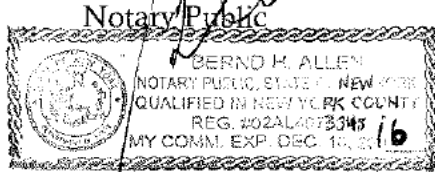

Notary Public

STEPHANIE SETO
Notary Public, State of New York
No. 02SE6226560
Qualified in Kings County
Commission Expires August 9, 2017

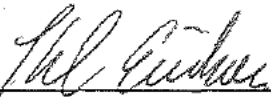
PRINCIPALS OF SPONSOR


YIANNES EINHORN

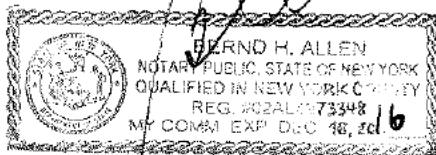
Sworn to before me this
day of March, 2015



PRINCIPALS OF SPONSOR


HAROLD EINHORN

Sworn to before me this
day of March, 2015



PRINCIPALS OF SPONSOR


LAWRENCE E. FABIAN

Sworn to before me this
16 day of March, 2015


Notary Public

STEPHANIE SETO
Notary Public, State of New York
No. 02SE6226560
Qualified in Kings County
Commission Expires August 9, 2017

**CERTIFICATION OF SPONSOR'S ENGINEER
OR ARCHITECT PURSUANT TO PART 20.4(c)(2)
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED**

RE: 536 EAST 13TH STREET CONDOMINIUM
536 East 13th Street, New York, NY

The undersigned, David Howell, an architect registered in the State of New York with the firm of DHD, whose business address is 200 Park Avenue South, New York, NY 10003, certifies as follows:

The Sponsor of the offering plan to convert the captioned property to condominium ownership retained me to prepare a report describing the construction renovation of the property ("The Report"). I visually inspected existing portion of the property on June 6, 2014 and prepared "The Report" dated June 8, 2014. A copy of "The Report" is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on "The Report".

I am/We are a registered architect engineer in the State in which the property is located.

I/We understand that I am/we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report (addendum).

I/We have read the entire Report (addendum) and investigated the facts set forth in the Report (addendum) and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

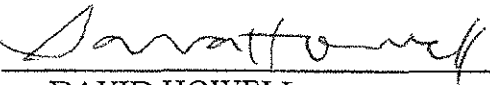
I/We certify that the Report (addendum):

- (i) set forth in narrative form the description and/or physical condition of the entire property (the aspects of the property discussed in the addendum) as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that I/we examined;
- (ii) in my/our professional opinion affords potential investors, Purchaser and participants an adequate basis upon which to found their judgment concerning the physical condition of the property (the aspects of the property discussed in the addendum) as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that I/we examined;
- (iii) does not omit any material facts;

- (iv) does not contain any untrue statement of a material fact;
- (v) 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/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statements made.

I/We further certify that I am/we are not owned or controlled by and have no beneficial interest in the Sponsor and that my/our compensation for preparing this Report (addendum) 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.

DHD

By: 
DAVID HOWELL

Sworn to before me this
2 day of September, 2014


Notary Public

STEPHEN R. MATHURA
Notary Public, State of New York
No. 01MA6013046
Qualified in Kings County
My Commission Expires Sept. 8, 2014

RITA KNOX REALTY INC.
LICENSED REAL ESTATE BROKER
417 FIRST STREET
BROOKLYN, NY 11215
718 965-2722/917 796-2225 ritaknoxrealty@aol.com

CERTIFICATION OF EXPERT REGARDING ADEQUACY
OF SCHEDULE B PURSUANT TO PART 20.4(d) OF THE
REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

RE: 536 EAST 13TH STREET CONDOMINIUM
536 East 13th Street, New York, NY

The Sponsor of the Condominium Offering Plan for the captioned property retained me/our firm to review or prepare Schedules B and B-1, containing projections of income and expenses for the first year of condominium operation.

I have been actively engaged in real estate business for more than twenty (20) years. This firm has been actively engaged in real estate business since 1994, and has managed similar projects during that time. This firm has been selling cooperative apartments and condominium units since 1994, and are engaged as Managing Agent for three residential rental buildings.

I/We understand that I am/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/We have reviewed the Schedule(s) and investigated the facts set forth in the Schedule(s) and the facts underlying it with due diligence in order to form a basis for this certification. I/We also have relied on my/our experience in managing residential buildings.

I/We certify that the projections in Schedule(s) B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of Condominium operation.

I/We certify that the Schedule(s):

- (i) sets forth in detail the projected income and expenses for the first

year of Condominium operation;

- (ii) affords potential investors, Purchaser and participants an adequate basis upon which to found their judgment concerning the first year of Condominium operation;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statements made.

I/We further certify that I am/we are not owned or controlled by the Sponsor. I/We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

RITA KNOX REALTY INC.

By: Rita Knox
RITA KNOX

Sworn to before me this
28th day of August, 2014

Melissa Lam
Notary Public

MELISSA LAM Notary Public, State of New York No. 01LA6283424 Qualified in Richmond County My Commission Expires June 3, 2017
--

AGREEMENT made this day of , 2014, by and among _____
 ("PURCHASER") 536 E 13 LLC ("SPONSOR"), as sponsor of the 536 EAST 13TH STREET
 CONDOMINIUM offering plan ("Plan") and ALLEN, MORRIS, TROISI & SIMON LLP
 ("ESCROW AGENT").

1.5 The Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All Deposits received from PURCHASER prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be placed into the Escrow Account. All instruments to be placed into the Escrow Account shall be made payable directly to the order of Allen, Morris, Troisi & Simon LLP, as ESCROW AGENT, pursuant to the terms set forth in the Plan. Any instrument payable to, or endorsed other than as required hereby, and which cannot be deposited into such Escrow Account, shall be returned to PURCHASER promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of the Deposit, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within five (5) business days after the Purchase Agreement has been tendered to ESCROW AGENT along with the DEPOSIT, ESCROW AGENT shall place the DEPOSIT into the Escrow Account. Within ten (10) business days of place the DEPOSIT in the Escrow Account, ESCROW AGENT shall provide written notice to Purchaser and Sponsor, confirming the Deposit. Such notice shall set forth the Bank, the account number, and the initial interest rate earned thereon. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS

3.1 Under no circumstances shall SPONSOR seek or accept release of the Deposit of PURCHASER to SPONSOR until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan shall not relieve SPONSOR or ESCROW AGENT of any obligation to PURCHASER as set forth in GBL §§ 352-3(2-b) and 352-h.

3.2 ESCROW AGENT shall release the Deposit to PURCHASER or SPONSOR as directed:

3.2.1 pursuant to terms and conditions set forth in the Purchase Agreement and this Agreement, upon closing of title to the unit;

3.2.2 in a subsequent writing signed by both SPONSOR and PURCHASER;
or

3.2.3 by a final, non-appealable order or judgment of a court.

3.3 If Escrow Agent is not directed to release the Deposit pursuant to paragraph 3.2 above, and Escrow Agent receives a request by either SPONSOR or PURCHASER to release the Deposit, then Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and Escrow Agent shall provide further written notice to both PURCHASER and SPONSOR informing them of said release. If Escrow Agent receives a written notice from either PURCHASER or SPONSOR objecting to the release of the Deposit within said thirty (30) day period, Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraph 3.2 above. Notwithstanding the foregoing, Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the Clerk of the county where the unit is located and shall give written notice to both SPONSOR and PURCHASER of such deposit.

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

3.4.1 Purchaser, if Purchaser timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

3.4.2 Purchaser after an Amendment abandoning the Plan is accepted for filing by the New York State Department of Law.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the Escrow Account for seven years after release of the Deposit.

4.2 Upon the dissolution of the law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the New York State Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the Escrow Account under its direct supervision and control.

5.2 A fiduciary relationship shall exist between ESCROW AGENT, and PURCHASER, and ESCROW AGENT acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h).

5.3 ESCROW AGENT may rely upon any paper or document which may be submitted to it in connection with its duties under this Agreement and which is believed by

ESCROW AGENT to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

6. RESPONSIBILITIES OF SPONSOR.

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

6.2 SPONSOR shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from PURCHASER and deliver such form to ESCROW AGENT together with the Deposit and Purchase Agreement.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled by either:

7.1.1 Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law. PURCHASER shall be deemed to have consented to such cancellation;

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2 above, ESCROW AGENT shall deliver the Deposit held by ESCROW AGENT and the Purchase Agreement and any other documents maintained by ESCROW AGENT relating to the Deposit to the successor escrow agent.

8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR, PURCHASER, and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

Prior to release of the Deposit, ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

11. SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. INDEMNIFICATION.

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

13. ENTIRE AGREEMENT.

This Agreement, read together with GBL §§ 352-e(2-b) and 352-(h) and the New York State Department of Law's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

ALLEN, MORRIS/TROISI & SIMON LLP

By: 

BERND H. ALLEN, Partner

SPONSOR

536 E 13 LLC

By: 

YIANNES EINHORN, Member

PURCHASER

INTERIM LEASE**LANDLORD:** 536 E 13 LLC**TENANT:****PREMISES:** 536 East 13th Street, New York, NY**UNIT:****DATE:**

Landlord is the Sponsor of the offering plan to convert the captioned building to a condominium and owner of the captioned Unit ("the Unit") in the above Premises. Tenant has executed a Purchase Agreement for said Apartment and is not in default of such Agreement. Tenant wishes to occupy the Unit prior to the Closing Date and has requested that Landlord enter into this Interim Lease.

The parties hereby agree as follows:

1. Tenant shall occupy the Apartment subject to the terms of this Interim Lease ("Interim Lease") from _____ until the earlier of six months from the date above or the date which is specified by the sponsor as the closing date pursuant to the notice sent in accordance with the Procedure to Purchase section of the offering plan or from _____ until the Closing Date as defined in the Contract. ("The Closing Date").

2. Tenant hereby accepts the Apartment in its present "as is" condition. Tenant warrants to Sponsor that such condition is the condition required by the offering plan and the Purchase Agreement.

3. Tenant shall pay to Landlord as "use and occupancy" fee payable monthly in advance, the sum of _____ dollars per month, prorated on a per diem basis. If the closing does not occur on the Closing Date the "use and occupancy" fee shall automatically be (\$ _____) dollars per month, prorated on a per diem basis. In addition, commencing on the date of this Interim Lease, Tenant shall pay all utility bills for the Apartment and make all repairs to the Apartment that Tenant would be obligated to make if they were the owners of the Apartment

4. It shall be a default under this Interim Lease if the Tenant fails to comply with all the terms and conditions of his or her obligations under the Purchase Agreement. It shall be a default under the Purchase Agreement if the Tenant has entered into this Interim Lease with Sponsor and has failed to comply with all the terms and conditions of said Interim Lease. The down payment paid upon the execution of the Purchase Agreement shall stand to guarantee rent due under the Interim Lease. In the event Tenant refuses or fails to pay any rent due under this Interim Lease, such rent, at Sponsor's option, shall be paid from the down

payment paid on the Purchase Agreement unless the Tenant voluntarily vacates the unit, Sponsor shall only gain possession of the unit upon default by order of eviction or other judgment from a court.

5. Until Tenant takes title to his or her unit and becomes its owner, Tenant will not be able to claim the income tax deductions for real estate taxes described in the Offering Plan.

6. No portion of the use and occupancy fee will be applied to the purchase price of the respective Apartment. **OR At the Closing of the Unit, the purchaser will receive a credit of ½ of the interim rent due and paid for the interim lease term.**

7. The use and occupancy fee due under this Interim Lease Agreement will be adjusted between the occupant and Sponsor at the closing of the purchase of said unit;

8. In the event Tenants defaults under the Purchase Agreement, or if the Purchase Agreement is rescinded pursuant to any right to do so, Tenant's right to occupy the unit shall terminate and the unit must be vacated within thirty (30) days immediately after notice to vacate is mailed to the Tenant, by certified mail, return receipt requested. Sponsor shall not enforce such requirement to vacate unless Sponsor has first obtained an order of eviction or other judgement or order from a court or agency of competent jurisdiction against the Tenant. In the event the Plan is abandoned, Tenant shall retain his or her rights to occupy the unit pursuant to the terms of the Interim Lease and any other applicable laws and regulations.

9. This Interim Lease may not be changed orally. Tenant may not assign this Interim Lease.

_____, Tenant

_____, Tenant

536 E 13 LLC, Landlord

BY: _____
YIANNES EINHORN, Member