CONDOMINIUM OFFERING PLAN

500 WAVERLY CONDOMINIUM

500 WAVERLY AVENUE
BROOKLYN, NEW YORK 11238

---

48 Residential Units: $45,273,195
31 Storage Lockers (licensed) $528,750
Total Offering Amount..... $45,801,945

The Residential Units will consist of 37 Market Rate Units and 11 Inclusionary Units. The Condominium will also include: 1 Retail Unit which is not being offered for sale at this time and 1 Garage Unit which is not offered for sale pursuant to the Plan. Storage Lockers will be licensed for a fee and not sold.

SPONSOR:	SALES CENTER:	SELLING AGENT:
500 Waverly Property Owner, L.L.C. c/o Orange Management Inc. 350 Seventh Avenue, Suite 1604 New York, New York 10001	500 Waverly Avenue Brooklyn, New York 11238	MNS 102 North 6th Street, 2nd Floor Brooklyn, New York 11249 (212) 475-9000

Filing Date of this Offering Plan: _____, 2015. This Offering Plan may not be used after _____, 2016, unless this Offering Plan is extended by amendment.

This Offering Plan contains Special Risks to Purchasers. See Page 1.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL RESIDENTIAL UNITS, THIS OFFERING PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE RESIDENTIAL UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO SPONSOR. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE CONDOMINIUM BOARD UNDER THE TERMS OF THIS OFFERING PLAN. (SEE THE SECTION OF THIS OFFERING PLAN ENTITLED "SPECIAL RISKS")

THIS OFFERING PLAN IS SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS OFFERING PLAN AND TO FILE THIS OFFERING 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 OF LAW OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

TABLE OF CONTENTS

PART I

Section	Page
SPECIAL RISKS	1
INTRODUCTION	20
DEFINITIONS	29
DESCRIPTION OF PROPERTY AND IMPROVEMENTS	38
LOCATION AND AREA INFORMATION	44
SCHEDULE A – PURCHASE PRICES OF UNITS AND RELATED INFORMATION	47
SCHEDULE B – BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION	53
SCHEDULE B-1 - PROJECTED INDIVIDUAL ENERGY COSTS BUDGET	64
OPINION OF COUNSEL RE: REAL PROPERTY LAW SECTION 339-I	72
REAL PROPERTY LAW SECTION 339-I COMPLIANCE LETTER	75
INCLUSIONARY UNITS	76
NON-RESIDENTIAL UNITS	82
CHANGES IN PRICES AND UNITS	86
PROCEDURE TO PURCHASE	88
ESCROW AND TRUST FUND REQUIREMENTS	95
ASSIGNMENT OF PURCHASE AGREEMENTS	100
EFFECTIVE DATE	101
TERMS OF SALE	103
CLOSING COSTS AND ADJUSTMENTS	106
RIGHTS AND OBLIGATIONS OF SPONSOR	115
CONTROL BY SPONSOR	127
CONDOMINIUM BOARD	129
RIGHTS AND OBLIGATIONS OF UNIT OWNERS	131
RIGHTS AND OBLIGATIONS OF THE CONDOMINIUM BOARD/ SUMMARY OF BY-LAWS	143
INCOME TAX DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM	150
REAL ESTATE TAXES	152
ANTICIPATED REAL ESTATE TAX EXEMPTION BENEFITS (421-A)	154
OPINIONS OF COUNSEL	156
ATTORNEY'S INCOME TAX OPINION	158
REAL ESTATE TAX PROJECTION OPINION	163
421-A REAL ESTATE TAX EXEMPTION BENEFITS OPINION	172
WORKING CAPITAL FUND AND APPORTIONMENTS	177
RESERVE FUNDS	179
MANAGEMENT AGREEMENT	181
IDENTITY OF PARTIES	183
REPORTS TO UNIT OWNERS	186

DOCUMENTS ON FILE 187
GENERAL 188
SPONSOR'S STATEMENT OF BUILDING CONDITION 189

PART II

Section **Page**

DESCRIPTION OF PROPERTY AND IMPROVEMENTS 192
FLOOR PLANS 235
PURCHASE AGREEMENT - MARKET RATE UNIT 286
PURCHASE AGREEMENT – INCLUSIONARY UNIT 317
UNIT DEED - MARKET RATE UNIT 347
UNIT DEED - INCLUSIONARY UNIT 353
STORAGE LOCKER LICENSE 359
DECLARATION OF CONDOMINIUM 365
BY-LAWS OF THE CONDOMINIUM 404
UNIT POWER OF ATTORNEY 467
UNIT OWNER'S SPECIMEN TITLE POLICY 471
FORM W-8 (CERTIFICATION OF FOREIGN STATUS) 481
FORM W-9 (REQUEST FOR TAXPAYER IDENTIFICATION NUMBER) 483
ESCROW AGREEMENT 485
CERTIFICATION OF SPONSOR AND PRINCIPAL 491
CERTIFICATION OF ARCHITECT 494
CERTIFICATION OF BUDGET EXPERT 497
CERTIFICATION OF BUDGET EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE NON-RESIDENTIAL UNIT OWNERS 500
REAL PROPERTY LAW SECTION 339-kk 503
REGULATORY AGREEMENT 505
FORM OF 421-a RESTRICTIVE DECLARATION 529
PRIVATE ADMINISTERING AGENT AGREEMENT 535

PART I

CONDOMINIUM OFFERING PLAN

500 WAVERLY CONDOMINIUM
500 WAVERLY AVENUE
BROOKLYN, NEW YORK 11238

SPECIAL RISKS

Post Approval Amendment to Department of Building Approved Plans

1. The Department of Building ("DOB") approved plans that were submitted to New York State Office of the Attorney General on June 23, 2015, do not currently match the most floor plans included in Part II of the Offering Plan, because of (1) minor field changes made during construction, after approval of the DOB plans, and (ii) a change in the cellar and first floor on account of the relocation of the bicycle storage racks into the Garage Unit. Due to DOB's extensive backlog, Sponsor's architect does not expect to receive DOB signoff of the post-approval amendment reflecting those changes ("PAA") until approximately April 2016. However, DOB's zoning specialist has approved Sponsor's application to relocate the bicycle racks. In the architect's opinion, the PAA is expected to match these documents. Sponsor will amend the Plan to delete this special risk once DOB has signed off on the post-approval amendment contemplated above.

Inclusionary Units

2. (a) Pursuant to an anticipated real estate tax exemption under Section 421-a of the New York Real Property Tax Law ("Section 421-a"), 11 of the Residential Units are being offered for sale to Eligible Purchasers (as defined herein). These 11 Units are referred to herein as "Inclusionary Units" and the owners of such Inclusionary Units are referred to as "Inclusionary Unit Owners". The Inclusionary Units will be constructed for the purpose of qualifying the Property for a zoning bonus pursuant to Section 23-90 et seq. of the New York City Zoning Resolution ("Section 23-90") and Title 28, Chapter 41 of the Rules of the City of New York (the "Inclusionary Housing Program") and for qualifying the Property for Section 421-a benefits. The Inclusionary Housing Program governs the sale and ownership of the Inclusionary Units and is administered by the New York City Department of Housing Preservation and Development ("HPD"). It imposes certain obligations and risks on the Inclusionary Unit Owners as well on as the Market Rate Unit Owners (as defined herein) and the Non-Residential Unit Owners (as defined herein) as discussed in the Plan. Therefore, all prospective Purchasers should familiarize themselves with the disclosures and documents in the Plan concerning the Inclusionary Housing Program. See the Section of the Plan entitled "Inclusionary Units" for details.

(b) The Inclusionary Units are being offered by Sponsor solely to Eligible Purchasers, defined as persons whose household income, adjusted for family size, is no greater than a certain percentage of the Area Median Income ("AMI") as specified in the Regulatory Agreement (as defined herein), and all Inclusionary Unit Purchasers must qualify as Eligible Purchasers at the time of Closing. The AMI for 10 of the Inclusionary Units is anticipated to be 60% and the AMI for Unit 5J is 80%.

(c) Each Inclusionary Unit Owner will be subject to the Regulatory Agreement executed between Sponsor and HPD for so long as the Building continues to use the floor area provided by the Inclusionary Housing Program. The Regulatory Agreement contains numerous restrictions. Inclusionary Unit Purchasers are strongly advised to review the Regulatory Agreement, a copy of which is set forth in Part II of the Plan.

(d) Pursuant to the terms of the Regulatory Agreement, each Inclusionary Unit must be occupied by an Inclusionary Unit Owner as a Primary Residence (as defined herein). The Regulatory Agreement also provides that an Administering Agent shall be responsible for annually certifying to HPD that all of the Inclusionary Units are being occupied by Inclusionary Unit Owners as their Primary Residences, with certain exceptions such as an individual Inclusionary Unit Owner's limited right to lease the Inclusionary Unit for not more than 2 years out of any 4 year period. Pursuant to the Regulatory Agreement, the sale of an Inclusionary Unit may be rescinded after the Closing, and

the Inclusionary Unit Owner may be evicted if it is determined that the Inclusionary Unit Owner falsely or fraudulently certifies such Unit Owner's income or household composition to the Administering Agent or if the Unit Owner fails to occupy the as such Unit Owner's Primary Residence. See the Section of the Plan entitled "Inclusionary Units" for details.

(e) The prices of the Inclusionary Units have been established by Sponsor in accordance with HPD guidelines under the Inclusionary Housing Program and are not subject to review or approval by the Department of Law. See the Section of the Plan entitled "Inclusionary Units" for details.

(f) During the term of the Regulatory Agreement, upon the resale of an Inclusionary Unit, an Inclusionary Unit Owner shall be required to pay a transfer fee or "flip tax" in the amount of 7% of the net proceeds of such resale. Proceeds from the flip tax shall be deposited in the Administering Agent Reserve Account, as described in the Section of the Plan entitled "Reserve Funds." See the Sections of the Plan entitled "Inclusionary Units" and "Reserve Funds" and the Regulatory Agreement in Part II of the Plan for details.

(g) The resale price of Inclusionary Units is regulated by the Inclusionary Housing Program and must be approved by the Administering Agent. A detailed example of the calculation of the resale price for an Inclusionary Unit is set forth in the Section of the Plan entitled "Inclusionary Units," subsection "Resales of Inclusionary Units".

(h) Pursuant to HPD's Marketing Guidelines (as defined in the Section of the Plan entitled "Definitions"), certain Eligible Purchasers will have a preference to purchase an Inclusionary Unit. Such preferences currently include, among others, first time homebuyers, persons with mobility impairments, persons with visual and/or hearing impairments, and municipal employees of New York City, subject to certain limitations. See the Section of the Plan entitled "Procedure to Purchase" for details.

(i) Pursuant to the Regulatory Agreement, Sponsor is not permitted to request or accept a Permanent Certificate of Occupancy ("PCO") or a Temporary Certificate of Occupancy ("TCO") for any portion of the Building until HPD issues a Certificate of Completion. A Certificate of Completion shall not be issued by HPD until, among other requirements, Purchase Agreements have been executed for at least 50% of the Inclusionary Units (i.e., 6 Purchase Agreements).

(j) Sponsor has adjusted the percentage of Common Interest allocated to each of the Inclusionary Units pursuant to Section 339-(i)1(iv) of the Condominium Act in order to comply with (i) Section 23-90 et seq. of the Zoning Resolution, which states, in §23-962, that the initial offering price for each Inclusionary Unit shall be established in order to ensure that the combined cost of Common Charges, mortgage payments, utilities, and real estate taxes payable by the respective Inclusionary Unit Owner do not exceed 30% of 60% of AMI (or 30% of 80% of AMI with respect to Unit 5J) adjusted for family size, or (ii) HPD's section 421-a rules (28 RCNY §6-09), which provide that the initial offering prices of the Inclusionary Units that are counted for Section 421-a purposes must be established in order to ensure that Common Charges and mortgage payments, including principal and interest (assuming that a mortgage of 90% of the Purchase Price at the then prevailing rate of interest), do not exceed 30% of 60% of AMI (or 30% of 80% of AMI with respect to Unit 5J), adjusted for family size.

(k) The Inclusionary Housing Program requires that the combined cost of Common Charges and Special Assessments charged to and payable by an Inclusionary Unit Owner in any 12 month period shall not exceed 35% of an Inclusionary Unit Owner's annual household income. In the event an Inclusionary Unit Owner does not pay such Unit Owner's share of Common Charges and Special Assessments, the Ccondominium Board will have the right to record a lien against such Unit, to secure

repayment of such unpaid Common Charges and Special Assessment. Notwithstanding any other provisions of the Declaration or By-Laws, the Condominium Board will not have the right to foreclose on such lien. Any unpaid Common Charges and/or Special Assessment shall be paid by such Inclusionary Unit Owner to the Condominium Board (a) prior to the sale of the Unit, or (b) upon the sale of the Unit, (c) or upon the refinancing of any mortgage loan secured by the Unit. In the event of the death of an Inclusionary Unit Owner, any unpaid Common Charges shall be paid to the Condominium Board by the Successor or the estate of the deceased Unit Owner at the time of conveyance of the Inclusionary Unit by such estate or Successor.

Since the Common Charges and Special Assessments payable by the Inclusionary Unit Owners in any 12 month period will be limited by each Inclusionary Unit Owner's annual household income, the Condominium may not have sufficient funds to operate the building if there is an Operating Shortfall. "Operating Shortfall" means the amount by which expenses of the Condominium exceed revenue. If an Operating Shortfall occurs, the Condominium Board will determine, in its sole discretion, the method of payment of such Operating Shortfall, which may result in a Special Assessment imposed on all Market-Rate Unit Owners. Alternatively, the Condominium Board may determine, in its sole discretion, to utilize other funds of the Condominium to cover such Operating Shortfall or the Condominium Board may be permitted by HPD to withdraw funds from the HPD Reserve Accounts, to the extent permitted by HPD's guidelines under the Inclusionary Housing Program, but such funds may only be applied to the Inclusionary Units. Such payments, if required by the Condominium Board to be paid by Market-Rate Unit Owners only, are authorized pursuant to Section 339-m of the Condominium Act and may be funded through either increased monthly Common Charges or by one or more Special Assessments imposed on Market-Rate Unit Owners.

There are numerous other aspects of the Inclusionary Housing Program that will affect Inclusionary Unit Owners, Market Rate Unit Owners and the Condominium Board. All Purchasers are encouraged to review the Section of the Plan entitled "Inclusionary Units" and the Regulatory Agreement set forth in Part II of the Plan.

NEITHER SPONSOR, SPONSOR'S COUNSEL, SELLING AGENT, MANAGING AGENT OR ANY OTHER PERSON MAKES ANY REPRESENTATION OR WARRANTY THAT A PARTIAL TAX EXEMPTION FROM REAL ESTATE TAXES UNDER SECTION 421-A WILL BE GRANTED OR, AS TO THE AMOUNT, IF ANY, OF THE MINIMUM TAX WHICH WILL BE ASSESSED AGAINST THE RESIDENTIAL UNITS OR THE AMOUNT OF REAL ESTATE TAXES PAYABLE AT ANY TIME BY ANY RESIDENTIAL UNIT OWNER. There is no guaranty or assurance that the criteria for 421-a Benefits will be satisfied and neither Sponsor nor Sponsor's Counsel makes any representation or opinion with respect to the eligibility of the Units for 421-a Benefits. If, for any reason Sponsor's application is not approved by HPD, the purchase prices of the Inclusionary Units will be reduced as much as required, and to an amount approved by HPD, in order for the units to remain affordable to 60% AMI households (or with respect to Unit 5J, 80% AMI households, as per the Regulatory Agreement). In such event, Market Unit Purchasers will not be entitled to any right of rescission, Purchase Price reduction or other concession.

Sponsor Control of the Condominium Board

3. (a) Sponsor will have voting control over the Condominium Board until at least 5 years after the First Closing ("Initial Sponsor Control Period"). Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Initial Sponsor Control Period.

(b) After the Initial Sponsor Control Period, Sponsor shall have the right to designate 1 Residential Member to the Condominium Board for so long as Sponsor continues to own at least 1 Unsold Residential Unit.

(c) During the Initial Sponsor Control Period, Sponsor will designate a majority of the Residential Members and shall have voting control of the Condominium Board. Therefore, Sponsor will

have control of the maintenance and operation of, and the services to be provided by, the Condominium, and will determine the Common Charges to be paid by all Unit Owners. Sponsor may continue to exercise veto power over certain actions of, or contemplated by, the Condominium Board after the Initial Sponsor Control Period. For so long as Sponsor shall continue to own Unsold Residential Units representing at least 25% in number of all Residential Units, the Condominium Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, or (b) assess any Common Charges or Special Assessment for the creation of, addition to or replacement of all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change the kind of, employees from those described in the First Year's Budget, or (d) enter into any service or maintenance contracts for work or otherwise contract for work or otherwise provide services in excess of those described in the First Year's Budget, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business, or (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that (x) Sponsor may not diminish or eliminate services, facilities or any line items described in the First Year's Budget; and (y) Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer; or (iv) ensure the health and safety of the occupants of the Condominium.

(d) See the Sections of the Plan entitled "Control by Sponsor" and "Condominium Board" for details.

Purchase of a Condominium Unit

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

(b) Purchaser is required to make a Deposit in an amount equal to 10% of the Purchase Price at the time a Purchase Agreement is executed.

(c) In the event a Purchaser defaults under the Purchase Agreement, time being of the essence with regard to the obligations of Purchaser under the Purchase Agreement, Sponsor, in its sole discretion, may elect by notice to Purchaser to either: (i) cancel the Purchase Agreement or (ii) (with respect to Market Rate Purchasers only, seek specific performance. If Sponsor elects to cancel, Purchaser shall have 30 calendar days from the giving of notice of cancellation to cure the specified default. If the default is not cured within such 30 calendar days, TIME BEING OF THE ESSENCE, then the Purchase Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages, (a) the entire Deposit and any interest earned on the Deposit and (b) Unit Upgrade Funds (which shall only apply to Market Rate Units, if applicable). Upon the cancellation of the Purchase Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though the Purchase Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale. If Sponsor elects to seek specific performance (with respect to Market Rate Purchasers only), then Purchaser shall have 30 calendar days from the giving of notice of Sponsor's election to close title to the Unit in accordance with the Purchase Agreement, without prejudice to Sponsor's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled under the Purchase Agreement (including,

but not limited to, attorneys' fees, disbursements and costs of collection). See the Section of the Plan entitled "Procedure to Purchase" for details.

(d) TIME IS OF THE ESSENCE as to Purchaser's obligations under the Purchase Agreement, including, without limitation for the payment of all Deposits and the Balance of the Purchase Price. According to Black's Law Dictionary (Revised Fifth Edition), "time is of the essence of contract" means generally that punctual performance by one party at one precise time named or within a period specified in the contract is essential to enable the party to require performance by the other party.

(e) Under current law, if a Purchaser makes a Deposit in excess of $250,000 for the purchase of a Residential Unit, the amount in excess of $250,000 will not be federally insured. If a Purchaser maintains accounts at the Escrow Bank, the funds in such accounts, together with the Deposit, may be aggregated by the Escrow Bank for purposes of determining the $250,000 federally insured limit. Additionally, until such time as Purchaser delivers either an executed W-9 Form or W-8 Form to Sponsor, the Deposit shall remain in the non-interest bearing portion of the Master Escrow Account. While the Deposit is in the non-interest bearing portion of the Master Escrow Account, the Deposit may not be federally insured even if the Deposit does not exceed $250,000. No representation is made with respect to any further changes in Law concerning such accounts. Purchasers should consult with their accountants or financial advisors for further information. (See the Section of the Plan entitled "Escrow and Trust Fund Requirements" for details.)

(f) If a Purchaser fails for any reason to close title to the Residential Unit on the originally Scheduled Closing Date other than due to Sponsor's failure or inability to Close: (a) the Closing apportionments to be made at the Closing will be made as of midnight of the day preceding the Scheduled Closing Date, regardless of when the actual Closing occurs ("Actual Closing Date"), and (b) a Purchaser of a Market Rate Unit (but not a Purchaser of an Inclusionary Unit) will be required to pay to Sponsor an amount equal to 0.03% of the Purchase Price of the Residential Unit for each day commencing with the Scheduled Closing Date through the Actual Closing Date, as a reimbursement of Sponsor's increased carrying costs by virtue of the delay, in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

(g) The signing of the Purchase Agreement signifies Purchaser's acceptance of the condition of the Property (as represented by Sponsor in the Plan) including, but not limited to, the Unit, the Storage Lockers, the Building and all Common Elements contained in the Building. Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Units, the Storage Lockers, the Building or the Common Elements, except as may otherwise be set forth in the Plan. (See the Sections of the Plan entitled "Procedure to Purchase" and "Rights and Obligations of Sponsor" for details.)

(h) Unit Upgrade Funds (which only apply to Market Rate Units, if applicable) will initially be placed in the Master Escrow Account. However, Purchasers should note that such Unit Upgrade Funds may be released from the Master Escrow Account by Escrow Agent to Sponsor to pay, or reimburse Sponsor, for such upgrades or extras. As a result, in the event Sponsor cancels the Purchase Agreement or Purchaser is entitled to rescind the Purchase Agreement in accordance with the Plan, Purchaser will not receive a refund of any Unit Upgrade Funds, except if Sponsor abandons or withdraws the Plan, in which case the Unit Upgrade Funds will be returned to Purchaser. (See the Section of the Plan entitled "Escrow and Trust Fund Requirements" for details.)

(i) Prior to the Closing of Title to a Residential Unit, the Purchase Agreement prohibits a Purchaser from advertising or otherwise offering, listing, promoting or publicizing the availability of the Residential Unit for sale or rental, all of which will constitute a default under the Purchase Agreement. (See the Section of the Plan entitled "Procedure to Purchase" and the Purchase Agreement set forth in Part II of the Plan for details.)

Conveyance of Title

5. In the event of the existence of any lien, encumbrance or title defect other than Permitted Encumbrances which Sponsor fails or refuses to correct, the sole remedy of Purchaser under the Plan, provided Purchaser is not then in default, will be to either (i) take title to the Unit subject to the title defect (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (ii) terminate the Purchase Agreement, within 15 calendar days after receipt of notice or an amendment disclosing such lien, encumbrance or title defect. If Purchaser fails to notify Sponsor of Purchaser's election within 15 calendar days after Sponsor notified Purchaser of Sponsor's failure or refusal to remedy the title defect, it will be conclusively deemed that Purchaser elected to acquire title subject to the title defect. Sponsor has no obligation to institute any action or proceeding or to expend any sum of money in excess of ½ of 1% of the Purchase Price of the affected Unit to make title insurable or to eliminate any encumbrances or title defects. (See the Section of the Plan entitled "Terms of Sale" for details.)

Sponsor's Right to Rent Unsold Market Rate Residential Units

6. (a) Sponsor intends, in good faith, to sell rather than rent Residential Units. However, Sponsor reserves the unconditional right to rent Market Rate Units rather than sell them. Because Sponsor is not limiting the conditions under which it will rent rather than sell Market Rate Units, Sponsor is not committed to sell more Residential Units than the 15% necessary to declare the Plan effective and, therefore, owner-occupants may never gain effective control and management of the Condominium.

(b) Sponsor intends to offer Unsold Market Rate Units for sale both to Purchasers for personal occupancy and Purchasers who are purchasing for investment or resale. Purchasers for investment or resale may rent such Market Rate Units rather than use them for personal occupancy. As a result, some and possibly many Residential Units may be occupied by renters instead of Residential Unit Owners. Since the Condominium Board does not have the right to approve or disapprove potential Purchasers of Residential Units, the Condominium Board is unable to limit the number of Purchasers who purchase Market Rate Units for investment or resale rather than for personal occupancy and there may always be a substantial percentage of Residential Unit Owners who are not occupants. It is possible that Residential Unit Owners who occupy Residential Units may have different interests than those Residential Unit Owners who do not occupy Residential Units.

(c) Sponsor reserves the unconditional right to make Bulk Sales of Market Rate Units. Purchasers of Bulk Sales of Market Rate Units shall be bound by Sponsor's representations in the Plan with regard to Sponsor's commitment to sell Residential Units.

(d) Sponsor reserves the right to rent Inclusionary Units with the consent of HPD. In such event, Sponsor will amend the Plan to disclose the rental of Inclusionary Units.

Closing Fees

7. Purchasers of Market Rate Units shall be required to pay (i) certain closing fees to Attorneys for Sponsor at Closing, and (ii) all New York City Real Property Transfer Tax ("RPT Tax"), New York State Real Estate Transfer Tax ("State Transfer Tax") and New York State Additional Real Estate Transfer Tax, commonly referred to as the "Mansion Tax" (if applicable), imposed on their purchase. The New York City Department of Finance has taken the position that where the purchaser of property assumes the obligation for the payment of the State Transfer Tax and the RPT Tax, the amount of the tax which would otherwise be payable if the seller were to pay such taxes, will be treated as additional consideration for the transaction subject to tax. The State Transfer Tax is currently equal to $2 per $500 of the bulked up consideration and the RPT Tax is currently equal to 1% of the bulked up

consideration where the bulked up consideration is $500,000 or less, and 1.425% where the bulked up consideration is greater than $500,000. See the Section of the Plan entitled "Closing Costs and Adjustments" for details.

Purchasers of Inclusionary Units will not be required to pay the RPT Tax or the State Transfer Tax imposed on their purchase and will not be required to pay closing fees to Attorneys for Sponsor. However, Purchasers of Inclusionary Units will be required to pay certain other closing costs and adjustments such as title insurance and fees charged by Purchaser's lender in connection with a mortgage loan obtained by such Purchaser to finance the purchase of the Unit, which are described in the Section of the Plan entitled "Closing Costs and Adjustments." That Section also includes an example of estimated closing costs for an Inclusionary Unit, which should be reviewed by a prospective Purchaser of an Inclusionary Unit.

Reserve Funds and Working Capital Fund

8. (a) Sponsor has established a reserve fund ("HPD Reserve Accounts") required by the Inclusionary Housing Program, as described in the Section of the Plan entitled "Reserve Funds."

(b) Schedule B - First Year's Budget includes a line item for a reserve fund for the sole purpose of costs and expenses related to capital repairs, replacements and improvements to the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements ("Condo Reserve Fund"), and the cost of such repair, replacement and/or improvement shall be paid by withdrawals from the Condo Reserve Fund, pro-rata, in accordance with the relative Common Interests of all Units in the aggregate. The reserve fund amount was the product of a reserve fund study undertaken by Sponsor. For so long as Sponsor continues to own at least 1 Unsold Unit, the Condominium Board must maintain the reserve fund and any change in the amount of the reserve fund shall be made only with Sponsor's prior written consent. Because the Building will be new construction, Sponsor does not anticipate the imminent need for capital repairs, replacements or improvements. However, no representation is given that such needs will not arise in the future. Unit Owners will be obligated to pay their share of the cost of repairs, replacements and/or improvements to the Common Elements as the need for such arises. Sponsor makes no representation that the reserve fund will satisfy the requirements of a Purchaser's lender. The Condo Reserve Fund cannot be used to reduce projected Common Charges while Sponsor controls the Condominium Board.

(c) Each Purchaser of a Market Rate Unit will be required to make a non-refundable contribution to the Working Capital Fund of the Condominium at Closing, in an amount equal to 2 months' Common Charges with respect to the Residential Unit based on the Condominium budget in effect as of the Closing Date. The payment of the Working Capital Contribution shall be required of all Purchasers of Market Rate Units, whether purchased from Sponsor or on a resale. Such contribution may not be required of Purchasers of Inclusionary Units.

(d) See the Sections of the Plan entitled "Working Capital Fund and Apportionments" and "Reserve Funds" for details.

Foreign Government Purchaser

9. Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (.i.e., diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Any Foreign Government

Purchaser shall designate and authorize a lawful agent to receive process for and on behalf of the Foreign Government Purchaser in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. A Foreign Government Purchaser will be required to deposit with the Condominium at Closing an amount equal to 2 years' Common Charges with respect to the Residential Unit based on the Condominium budget in effect as of the Closing Date of the Residential Unit which will be in addition to the required contribution to the Working Capital Fund. Such amount shall increase from time to time as such Common Charges increase, together with the full amount of any Special Assessment levied against, or allocable to, such Unit, as security for the faithful observance by such Unit Owner of the terms, provisions and conditions of the By-Laws of the Condominium. In the event that such Foreign Government Unit Owner defaults in respect of the terms, provisions and conditions of the By-Laws, the Condominium Board may use, apply or retain the whole or any part of the security so deposited, to the extent required for the payment of any Common Charges or any other sum to which such Foreign Government Unit Owner is in default. Thereafter, the Foreign Government Unit Owner shall deposit with the Condominium Board the amount so applied or retained so that such Condominium Board has the full amount of said security on hand at all times. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

Storage Locker Licenses

10. (a) Sponsor is offering Purchasers of Residential Units the opportunity to purchase certain Storage Locker Licenses for the exclusive use of Purchaser for so long as Purchaser owns a Residential Unit in the Building pursuant to the terms of a license ("Storage Locker License"), the form of which is set forth in Part II of the Plan. Purchasers should note that the Closing of a Storage Locker License does not require the issuance of a TCO or PCO. Purchasers will be required to consummate the purchase of the Residential Unit and the Storage Locker License simultaneously at Closing even though a Temporary Certificate of Occupancy has not been issued to the Storage Locker Area. In such event, the proceeds from the sale of the Storage Locker License will be held in escrow ("Storage Locker Escrow") by Escrow Agent until such time as a Temporary Certificate of Occupancy has been issued for the Storage Locker Area. The Storage Locker Escrow will not be held in an interest bearing escrow account, and, therefore, Purchaser will earn no interest on the Storage Locker Escrow. (See the Section of the Plan entitled "Terms of Sale" for details.)

(b) While Sponsor is presently offering the Storage Locker Licenses for sale, based upon market conditions, until such time as Purchasers have executed Purchase Agreements with respect to 75% of the Storage Lockers, Sponsor reserves the right to withdraw the offering of Storage Locker Licenses. The above threshold percentage (i) may be reduced by Sponsor in its sole discretion and without amendment to the Plan and (ii) may be attained subsequent to the Plan being declared effective. If Sponsor elects to withdraw the offering of Storage Locker Licenses, Sponsor reserves the right to utilize such Storage Locker Area for any use as determined by Sponsor in its sole discretion, including, without limitation, incorporating such areas into the Non-Residential Units. The withdrawal of the offering of Storage Locker Licenses shall be disclosed by Sponsor in an amendment to the Plan and a Purchaser shall only be relieved of Purchaser's obligation to purchase the particular Storage Locker License, but shall remain obligated to purchase the Residential Unit. At Closing, Purchaser will receive a credit against the Balance of the Purchase Price equal to the amount allocated to the withdrawn Storage Locker License to the extent any such money has been delivered to Sponsor. Although the Storage Locker Area(s) are Residential Common Elements, the Condominium Board has granted Sponsor the exclusive right, without charge, to sell Storage Locker Licenses for the Storage Lockers located therein. The Condominium will not be entitled to any of the proceeds from the sale of the Storage Locker Licenses.

(d) See the Section of the Plan entitled "Rights and Obligations of Unit Owners," subsection "Use of Units and Common Elements and Storage Lockers" for details.

No Bond or Other Security Posted

11. To the best of Sponsor's knowledge, as of the Filing Date of the Plan, Sponsor has sufficient resources to fund its obligations set forth in the Plan. No bond or other security has been posted by Sponsor to secure Sponsor's obligation under the Plan except as may be required by the Regulatory Agreement with respect to the Inclusionary Units. The ability of Sponsor to perform Sponsor's obligations under the Plan will partly depend upon its financial condition at the time Sponsor is called upon to perform. No representation is made that Sponsor will be financially able to perform any or all of such obligations. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

Services and Facilities

12. Purchasers are advised that some of the services and facilities described in the Plan (such as a full staff of Building personnel and usage of certain amenity areas) may not be available until approximately 12 months after the First Closing. Purchasers will not be entitled to any credit or abatement against the Purchase Price or Common Charges if any of the services and/or facilities are not available for use on or after Purchaser's Closing. Purchasers should also be aware that the hours and dates for move-ins, move-outs and/or alterations, as well as the use of the passenger and/or service elevators, will be restricted during the period that Sponsor is performing work in the Building. However, at all times after the First Closing of a Residential Unit, the residential lobby will be attended 16 hours a day, 7 days a week, by a doorman/concierge. The Condominium Board shall have the right, but not the obligation, in its sole and absolute discretion, to adjust the First Year's Budget to reduce the Common Charges for the period in which such services and/or facilities are not available. (See the Section of the Plan entitled "Description of Property and Improvements" subsection "Services and Facilities" for details.)

Temporary Certificate of Occupancy

13. (a) Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a PCO covering the entire building but with only a TCO, and sometimes with many successive TCOs. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and PCOs are issued by the Buildings Department ("DOB"). A TCO is intended to indicate that the property is safe for occupancy, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. All TCOs have an expiration date. A TCO typically expires 90 calendar 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 PCO. Sponsor anticipates this scenario will occur. Sponsor will undertake the responsibility for extending each TCO prior to its expiration, and ultimately for obtaining a PCO covering the entire Building within 2 years from the date of the issuance of the first TCO, subject, however, to (i) Force Majeure, (ii) actions by Unit Owners or tenants of Unit Owners, (iii) work undertaken in a Unit by a Unit Owner, except in instances where Sponsor or Sponsor-controlled Condominium Board have given its consent to a Unit Owner to perform alterations, (iv) work undertaken in Common Elements by the Condominium Board after Sponsor no longer controls the Condominium Board or (v) any other cause over which Sponsor has no control. Sponsor makes no representation or guarantee that DOB will issue the PCO within such 2 year period. Notwithstanding the foregoing, Sponsor is obligated to procure the PCO for the Building, and shall exercise best efforts to obtain the PCO within such 2 year period while keeping the TCO current. Unit Owners and the Condominium Board shall be obligated to cooperate with, and refrain from obstructing, Sponsor in these undertakings. Sponsor shall not be responsible for any costs or liabilities suffered by Unit Owners on account of delays in obtaining the PCO due to the circumstances set forth in (i)-(v) above.

Furthermore, because Sponsor and the By-laws of the Condominium may permit Unit Owners to undertake renovations prior to the procurement of a PCO, such renovations may cause additional delays in the issuance of a PCO. Nevertheless, Sponsor is obligated to procure the PCO. However, Sponsor or the Condominium Board may refuse to permit a Residential Unit Owner to perform alterations until such time as a PCO has been obtained.

Purchasers are advised to visit the DOB website for further recommendations when purchasing a Unit in a building that does not have a PCO. A Factsheet on Certificates of Occupancy is currently available on the DOB website at: http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

(b) The only construction prerequisite to Closing is the issuance of a TCO for the Unit or a PCO for the Building. As such, each Purchaser shall be required to close title to their particular Residential Unit once a TCO is issued irrespective of outstanding items of work, provided Sponsor has satisfied the closing conditions set forth in the Section of the Plan entitled "Terms of Sale."

(c) In addition, as set forth above in Special Risk 1(i), pursuant to the requirements of the Inclusionary Housing Program, Sponsor is not permitted to request or accept a PCO or a TCO until HPD issues a Certificate of Completion, which will not be issued until Purchase Agreements have been executed for at least 50% of the Inclusionary Units (i.e., 6 Purchase Agreements).

On-Going Construction

14. (a) It is anticipated that for a significant period of time following the First Closing through, including and beyond the Closing of Title to any Residential Unit, work should be expected to be undertaken and performed by or on behalf of Sponsor to complete construction of the Building, including without limitation, the Residential Units, the amenities and facilities, Storage Lockers, the decoration or finishing of the residential lobby, corridors, elevator finishes and other portions of the Building, including installing light fixtures, painting, hanging wall coverings or laying carpeting. All of the foregoing work and conditions may create a noisy or otherwise disruptive condition in the Building. The Condominium Board may refuse to permit a Residential Unit Owner to perform alterations in a Residential Unit until such time as the Building has been completed and a PCO has been obtained. Certain services, such as telecommunications, and other similar services may be provided by outside suppliers and delays in providing these services shall not be the responsibility of Sponsor. Such suppliers may not provide these services until occupancy in the Building has reached certain levels. In addition, the presence of scaffolding, hoists or construction elevator shafts or similar temporary construction facilities may delay the Closing of Title to certain Residential Units or lines of Residential Units until such scaffolding, hoists, elevators or temporary facilities are no longer needed and are removed. (See the Section of the Plan entitled "Description of Property and Improvements" subsection "Services and Facilities" for details.)

(b) Construction is a complicated process requiring the coordination of numerous tasks, contractors and suppliers and the balancing of complex mechanical and architectural systems. It is both customary and anticipated that certain issues will arise during the course of the construction process that warrant the taking of corrective action, including the repair or replacement of construction defects in order to satisfy Sponsor's obligations under the Plan.

(c) No assurance can be given with regard to the accuracy of any projected completion dates set forth in the Plan. It is anticipated that during the first few years of Condominium operation, construction workers and related personnel will be at the Building from time to time, completing construction of the Building, making adjustments and corrections and performing various tasks relating to the completion of construction. During this period, various building systems, including but not limited to, water supply, air conditioning, heating, cooling, ventilating and elevators, may require substantial time to complete and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems

may require substantial time to be completed after the First Closing. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party, nor will Purchaser be entitled to any credit, offset or reduction in the Purchase Price of the Residential Unit or otherwise be relieved from any obligation under the Purchase Agreement: (i) as a result of any of the conditions described above; (ii) in the event of non-completion of any item of construction on any projected date; or (iii) compensation for the presence of scaffolding on any portion of the Building or any interruption of services in the Building. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

(d) The Building will contain certain major mechanical equipment in the cellar or on the roof, which may generate noise and vibration that may be objectionable to residents of nearby Residential Units.

(e) As is typical and customary in newly constructed or renovated buildings, the Building will be subject to normal settling, deflection, expansion and shifting. Sponsor will not be obligated to correct, and will not be liable to the Condominium Board or any Unit Owner as a result of any defects in construction or renovation, including without limitation, minor gapping in the flooring, uneven ceilings or floors and floor buckling resulting from such conditions. Additionally, Purchasers should note that since the ceramic, marble, stone and wood (if applicable) finishing installed throughout the Units (in areas including, but not limited to, flooring, walls, countertops, backsplash and vanity tops) are cut from different slabs and are comprised of natural materials, there will be variations in the tone and color of such finishes. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

Section 421-a Tax Exemption

15. The Residential Units, the Garage Unit and the Retail Unit are expected to qualify for partial real estate tax exemption benefits ("421-a Benefits") under Section 421-a of the Real Property Tax Law of the State of New York ("Section 421-a"). Based on the opinion of Holland & Knight LLP, the 421-a exemption, if granted, will be for a limited period of 25 years and will decrease progressively during the last 5 years of such period. Sponsor will apply to HPD for preliminary approval of 421-a Benefits for such Units ("Preliminary Certificate of Eligibility"). Upon completion of the Units, Sponsor will apply to HPD for final approval ("Final Certificate of Eligibility"). Sponsor shall not be obligated to incur any extraordinary expenses (beyond the customary expenses associated with such approvals) or commence any litigation to obtain such approval. Sponsor anticipates but does not represent or guarantee that a Preliminary Certificate of Eligibility or a Final Certificate of Eligibility will be obtained or if obtained, that such 421-a Benefits will be in effect as of the First Closing. If such approval is not obtained, Market Unit Purchasers will have no right to rescind their Purchase Agreements even though 421-a Benefits would not be available to such Units. In connection with HPD's enforcement of the 421-a program, all Purchasers are advised that HPD may conduct an audit from time-to-time which may result in a subsequent revocation of 421-a Benefits if all documents required to be filed with HPD are not so filed.

In connection with its application to HPD to obtain 421-a Benefits for the above-referenced Units, Sponsor will (i) keep all records required by HPD and make such records available to HPD whenever requested by HPD to do so, (ii) in a timely fashion file all applications required to be submitted to HPD in connection with the 421-a Benefits, and (iii) otherwise comply with all procedures required by HPD to properly procure and maintain the 421-a Benefits. In addition, Sponsor will make available to the Condominium Board all 421-a documents for inspection and copying for so long as the Units receive any 421-a Benefits.

Purchasers should note that if the 421-a Benefits are obtained, the real estate taxes that will be payable by such Unit Owners for future years within the term of the exemption will be fully exempted, other than from assessments for local improvements, from taxation on the increase in assessed valuation

resulting from the construction of the Property, during the construction period or for a period of no more than 3 years following the commencement of construction, whichever is less, and for 25 years thereafter , as follows: 100% for years 1 through 21, 80% for year 22, 60% for year 23, 40% for year 24 and 20% for year 25. In addition to any taxes payable pursuant to the above schedule, the Law requires that real estate taxes be paid each year in an amount equal to the assessed valuation of the Land and any improvements thereon during the tax year preceding the commencement of construction multiplied by the tax rate in effect for the current tax year.

There can be no assurance that such application will be granted or that such 421-a benefits will be received, or if received, that such 421-a benefits will be in effect as of the First Closing. If for any reason the 421-a application is not granted, there will be no exemption from real estate taxes pursuant to Section 421-a. Neither Sponsor, Seiden & Schein, P.C., Holland & Knight LLP, Sponsor's Real Estate Tax Counsel, Selling Agent, Managing Agent or any other Person makes any representation or guaranty that the partial exemption from real estate taxes under 421-a will be granted or as to the amount, if any, of the minimum tax that will be assessed against any of the Units or the amount of real estate taxes payable at any time by any Unit Owner. (See the Section of the Plan entitled "Anticipated Real Estate Tax Exemption Benefits," the "421-a Real Estate Tax Exemption Benefits Opinion" and the "Real Estate Tax Projection Opinion" set forth in Part I of the Plan for details.)

Non-Residential Units

16. (a) No representation is made with respect to the ownership of all or any portion of the Non-Residential Units, or as to who the future owners or tenants of any portion of the Non-Residential Units may be at any time or as to the uses to which the Non-Residential Units may be put at any time except that the Non-Residential Units may be used for any purpose permitted by Law. No assurance, representation, or warranty is given that any of the tenants, occupants, or users of the Non-Residential Units will not be objectionable to Residential Unit Owners or other parties. The uses of the Non-Residential Units may generate noise, traffic, fumes or other disturbances over which the Residential Unit Owners will have no control.

(b) The Retail Unit may be combined or subdivided by the Retail Unit Owner into two or more separate condominium units without prior notice and without amendment to the Plan. Additionally, any Retail Unit created as a result of such subdivision will retain the same rights afforded to the Retail Unit Owner as set forth herein.

(c) The Non-Residential Unit(s) or any additional condominium units created as a result of a subdivision of a Non-Residential Unit may be offered for sale at any time by a duly filed amendment to the Plan or pursuant to a "No-Action," "No Jurisdiction," or similar ruling issued by the Department of Law.

(d) Each Non-Residential Unit Owner shall have the right and easement (i) for ingress and egress through all Common Elements (except for Residential Limited Common Elements appurtenant to a particular Residential Unit) for the purpose of accessing any portion of such Non-Residential Unit or any portions of the Building servicing such Non-Residential Unit; and (ii) to erect, maintain, replace and/or repair any sign and/or lighting of such size and content as the Non-Residential Unit Owner shall determine (without the consent of the Condominium Board), (a) in the storefronts (if any) and windows of such Non-Residential Unit; (b) on the exterior façade of the Building on any non-operational area of the louver band, for the purposes of advertising the sale or lease of all or any portion of such Non-Residential Unit and/or operation of any business of a tenant or occupant of such Non-Residential Unit. Each Non-Residential Unit Owner shall be entitled to utilize such rights and easements for their own account or the account of their respective Permitted Users. Any signage proposed to be installed in any other location on the façade of the Building, other than on the non-operational area of the louver band, by a Non-Residential Unit Owner shall require the prior written consent of the Condominium Board. Notwithstanding the foregoing, no Signage may include (i)

blinking, neon, or strobe-type lighting, (ii) loudspeakers or other devices by which music or announcements of any kind may emanate from the Signage or the Unit, or (iii) any lighting which will shine or reflect into the windows of any Residential Unit.

(e) Each Non-Residential Unit Owner (subject to the prior written consent of the Condominium Board) shall have the right, but not the obligation, at such Non-Residential Unit Owner's sole cost and expense to alter, modify, and/or restore the exterior façade of the Building appurtenant to such Non-Residential Unit (including storefronts, if any, and windows of such Non-Residential Unit) and to create additional means of egress and ingress to such Non-Residential Unit, provided that such alterations, modifications and/or restorations are in compliance with Law and the terms of the Declaration and By-Laws.

(f) Each Non-Residential Unit Owner and its Permitted Users shall have an easement to use the sidewalks (if any) adjacent to such Non-Residential Unit for any purposes permitted by Law, including without limitation, food and beverage services and the placement of outdoor seating, tables, lighting and signage on such sidewalks (if any) adjacent thereto provided the entrances to the Building are not impeded by such use. The daily cleaning and snow removal of the sidewalks (if any) adjacent to a Non-Residential Unit shall be the responsibility of such Non-Residential Unit Owner. The maintenance and repair of sidewalks shall be the responsibility of the Condominium Board as if such sidewalks were General Common Elements, provided that in the event a Non-Residential Unit Owner utilizes such sidewalks (if any), the cost of maintenance and repair of such sidewalks (if any) during the period of such use or resulting from such usage shall be borne solely by such Non-Residential Unit Owner.

(g) See the Section of the Plan entitled "Non-Residential Units" for details.

Special Allocation of Certain Common Expenses

17. Each Unit Owner must pay Common Charges to cover the cost of the operation and maintenance of the Condominium in accordance with the New York Condominium Act (Real Property Law §§339(i)1(iv) and 339(m)). These costs, including those directly attributable to the Units and an allocated share of expenses attributable to the Condominium as a whole, will generally be borne by the Unit Owners in proportion to their respective Common Interests. However, certain budgeted items are allocated between the Residential Units and the Non-Residential Units on a special basis which reflects actual benefit and/or use associated with that particular item of expense or exclusive control of particular Common Elements, which may not be modified without the consent of the affected Non-Residential Unit Owner(s). See "Schedule A" and Notes to Schedule B" for details and the By-Laws in Part II of the Plan.

Apportionments with the Condominium

18. At the First Closing, certain apportionments will be made between Sponsor and the Condominium. If the result of Closing adjustments is a net credit in favor of Sponsor, the payment of any net credit shall be deferred and paid to Sponsor by the Condominium in one installment on the first anniversary of the First Closing, without interest, pursuant to an unsecured, negotiable, promissory note executed by the Condominium Board and delivered to Sponsor at the First Closing. The promissory note may be prepaid by the Condominium in full at any time, or in part from time to time, without penalty. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.)

Window Treatments

19. In order to preserve the architectural harmony of the Building, the By-Laws provide that all Residential Unit Owners shall be obligated, regardless of the type of window treatment they use, to provide for a white backing on the window treatment so that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance. No sheets, cardboard, or other similar makeshift window coverings shall be permitted on either a temporary or permanent basis.

Effectiveness of the Plan

20. Pursuant to Law, Sponsor may declare the Plan effective by entering into Purchase Agreements for the sale of a minimum of 15% of all of the Units offered for sale (i.e. 8 Units based on 48 Units offered for sale). Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to create a Condominium with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately close title to their Units. In addition, as set forth above in Special Risk 1(i), under the requirements of the Inclusionary Housing Program, Sponsor is not permitted to request or accept a PCO or a TCO until HPD issues a Certificate of Completion which requires the that Purchase Agreements have been executed for at least 50% of the Inclusionary Units (i.e., 6 Purchase Agreements based upon 11 Inclusionary Units offered for sale). While Sponsor may declare the plan effective based upon the sale of Market Rate Units, as a practical matter, no Closing of any Unit may occur until HPD issues a Certificate of Completion. See the Section of the Plan entitled "Effective Date" for details.

Purchase Agreement for Market Rate Units Not Contingent on Financing

21. (a) Although a Purchaser of a Market Rate Unit may obtain financing from any lending institution or other source, such Purchaser's obligation to purchase a Residential Unit is not contingent on Purchaser obtaining financing. Neither Sponsor nor Selling Agent makes any representation as to the availability or terms of any form of financing. While the First Closing is projected to occur on or around January 1, 2017, neither Sponsor nor Selling Agent makes any representation as to the actual closing date for any particular Unit. In addition, as set forth in the Plan and the Purchase Agreement for Market Rate Units, Sponsor has the right to adjourn the Closing Date from time to time and such Purchasers should be aware that if the Closing Date is adjourned, Purchaser's financing terms may be adversely affected, the interest rate may increase and the loan commitment could expire. Sponsor shall have no liability as a result of any scheduling or adjournment of Closing to a date beyond the expiration of a loan commitment. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

(b) Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include, among others, requiring that a certain percentage (such as 70% or more) of the units in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulties in obtaining a loan in a building or group of buildings where the percentage of units purchased and owner-occupancy is lower than a lender's particular sales or owner-occupancy minimum. It also may be difficult for a Purchaser to resell a Residential Unit if prospective buyers are unable to obtain a loan due to the same sales or owner-occupancy minimum requirements of lenders.

(c) Even after the Building has been submitted to a condominium regime, lenders may still impose minimum sales and/or owner-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 and/or owner-occupancy requirements.

Purchase Agreement for Inclusionary Units Contingent on Financing Under Certain Circumstances

22. (a) A Purchaser of an Inclusionary Unit may finance the purchase of their Inclusionary Unit with a mortgage loan bearing a fixed rate of interest from an Institutional Lender approved by the Administering Agent, provided that the amount of the mortgage shall not exceed 90% of the Purchase Price of the Inclusionary Unit. All mortgage financing must be approved by the Administering Agent and all mortgage loans for Inclusionary Units must be subordinated to the Regulatory Agreement. See the Section of the Plan entitled "Inclusionary Units" for details.

(b) As set forth in the Purchase Agreement for Inclusionary Units, an Inclusionary Unit Purchaser is not required to obtain financing for the purchase of the Unit pursuant to this Agreement. However, if such Purchaser chooses to obtain financing, such Purchaser's obligation to purchase the Inclusionary Unit is contingent on such Purchaser's obtaining a written mortgage loan commitment ("Commitment") for financing in an amount which shall not exceed 90% of the Purchase Price of the Unit, for a term of not more than 30 years, at the then prevailing fixed or variable rate of interest. The requirements that an Inclusionary Unit Purchaser must fulfill in order to satisfy the financing contingency, including without limitation, the time periods within which the Inclusionary Unit Purchaser must apply for and obtain a Commitment, are set forth in the Section of the Plan entitled "Procedure to Purchase" and the Purchase Agreement for Inclusionary Units set forth in Part II of the Plan. Sponsor shall have no obligation to secure a Commitment for any Purchaser. The failure of Purchaser to comply with the terms and conditions of the Commitment that are unrelated to Sponsor's obligations pursuant to the Plan shall not relieve Purchaser of its obligation to close title to the Unit.

Special Rights of Sponsor

23. (a) Sponsor shall have an exclusive right and easement for providing utility and other services to the Building, and (i) to erect, use, lease, maintain, repair, replace and operate (a) antennae, satellite dishes and other communications equipment, and (b) pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust, or ventilation as required or, as permitted by Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements (excluding Terraces and Storage Lockers appurtenant to Residential Units) and to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith; and (ii) to erect, maintain, replace and/or repair any sign and/or lighting permitted by Law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit or the operation of any business of a tenant or occupant of any Unit. Sponsor shall be entitled to permit any one or more of such easements to be utilized by the Non-Residential Unit Owners and/or Permitted Users. Sponsor reserves the right to install additional mechanical equipment on the roof of the Building. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

(b) Sponsor reserves the right, in its sole and absolute discretion, to sell, lease, license or otherwise transfer to a Unit Owner, any non-material portion of the Common Elements for the exclusive use of such Unit Owner provided that such Common Element was not offered in the Plan as an amenity for the shared use of the Unit Owners of the Condominium. Any such sale, lease, license or transfer will be disclosed in a duly filed amendment to the Plan, and the Declaration and Floor Plans will be amended, if required. (See the Sections of the Plan entitled "Changes in Prices and Units" and "Rights and Obligations of Sponsor" for details.)

(c) During the Initial Sponsor Control Period, the Condominium Board shall have the right, in its sole discretion, to waive Unit Owner obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided the basic operating costs of the Condominium (inclusive of insurance premiums and reserves required by lenders) are paid by Sponsor. If the Condominium Board elects to waive payment of Common Charges, Sponsor shall disclose such waiver of Common Charges and the expected period of time of such waiver of Common Charges ("Waiver Period") in the post-closing amendment to the Plan. In the event the Condominium Board elects to extend the Waiver Period, Sponsor will amend the Plan to disclose the extended Waiver Period. Sponsor shall file an amendment to the Plan disclosing the expiration of the Waiver Period at least thirty (30) calendar days prior to such expiration. Upon commencement of collection of Common Charges from all Unit Owners, there will not be a Special Assessment for any expense set forth in the approved budget for which Common Charges were not collected during the Waiver Period. The Condominium Board shall remain obligated to update the budget in accordance with the terms of the Plan. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners," subsection "Common Charges: Determination and Assessment" for details.)

(d) Sponsor reserves the right to make any changes in the proposed Condominium Documents and modifications to the Plans and Specifications as may be necessary in Sponsor's sole discretion to conform to Law or to expedite the sale of Units, or due to structural, architectural or mechanical considerations provided, however, that any such amendments, additions, or changes shall not materially and adversely affect a Unit Owner or Purchaser, increase any obligation of a Unit Owner or Purchaser to any adverse and material degree and any substitution of appliances, equipment or materials shall be of substantially equal or better quality. Any such material and adverse modification, addition or change will be reflected in a duly filed amendment to the Plan. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit, as set forth in the Schedule A, by 5% or less (using the methodology set forth in the Declaration) is not a material and/or adverse change. (See the Sections of the Plan entitled "Changes in Prices and Units" and "Rights and Obligations of Sponsor" for details.)

(e) No amendment, modification, addition or deletion of the terms of the Declaration, By-Laws or any Residential Rules and Regulations (other than those required by Law) shall be effective (a) against Sponsor unless Sponsor has given its prior written consent, or (b) to adversely affect the Non-Residential Unit Owners unless the affected Non-Residential Unit Owner has given its prior written consent thereto. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" for details.)

Lot Line Windows

24. Lot line windows exist on the west and south façades of the Building. Purchasers should refer to the Description of Property and Improvements set forth in Part II of the Plan for the specific Residential Units containing lot line windows. Lot line windows are windows located on an exterior wall abutting (or less than 30' 0" away from) a property line, where the adjacent property is owned by others. While such windows provide views, light and air to spaces in the Residential Unit, they cannot be utilized to meet light and ventilation required by the Building Code of the City of New York. Residential Units having lot line windows have other windows which satisfy requirements for the lawful use of such Units for habitation. Lot line windows are considered amenities that potentially can be lost. Should an abutting property owner redevelop such property with one or more buildings of different configurations, it may be necessary to close the affected lot line windows and seal them in a manner and with such materials as are acceptable to the Buildings Department and the Condominium. The cost to close-up any lot line windows, if necessary, shall be borne by the affected Residential Unit Owner (including Sponsor with respect to Unsold Residential Units), which cost is currently estimated to be approximately $3,000.00 per window. Sponsor makes no representation that this cost will not increase in the future. Neither Sponsor, Sponsor's architect, the Condominium Board nor any other Person who took part in this offering will have any liability or obligation if the closing-up of any or all lot line windows is required. (See the "Description of Property and Improvements" set forth in Part II of the Plan for details.)

Future Construction

25. No representation is made that future construction in the neighborhood surrounding the Property will not result in obstruction of the views from any windows and/or Terrace in the Building. (See the Section of the Plan entitled "Location and Area Information" for details.)

Unit Square Footage Measurements

26. (a) Floor Plans depicting layouts of Residential Units and the Storage Lockers appear in Part II of the Plan. For purposes of the Declaration and Schedule A to the Plan, each Unit is measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit) to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors,

stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls.

(b) As is customary in New York City, these square footages exceed the usable floor area of each Unit. Dimensions may vary depending on normal construction tolerances, dropped ceilings, ductwork, etc. In addition, the aggregate interior dimensions of the rooms in any Unit as shown on the floor plans in Part II will not equal the square footage of such unit as listed on Schedule A or the Declaration. (See the Footnotes to Schedule A in Part I of the Plan and the "Description of Property and Improvements" set forth in Part II of the Plan for details).

Window Guards / Legally Compliant Window Stops

27. It is the responsibility of each Residential Unit Owner to notify the Managing Agent in writing when a child or children under the age of 11 years live(s) or reside(s) (even temporarily) in the Residential Unit. In the event that window guards and/or legally compliant window stops are to be installed in the Residential Unit, such installation shall be performed at the direction of the Managing Agent and the cost thereof (for the window guards and/or legally compliant window stops and installation thereof and of any additional equipment required by Law) shall be charged to and paid by the Purchaser/Unit Owner of the Residential Unit. It is the responsibility of each Residential Unit Owner to ensure that all operable windows opening into the Residential Unit comply with Laws relating to window guards and/or legally compliant window stops and, if necessary, to install, operate and maintain, at the Residential Unit Owner's expense, any additional equipment required by Law. Sponsor makes no representation, warranty or assurance whether Residential Unit Owners or their tenants will comply with the foregoing obligations. (See the Section of the Plan entitled "Terms of Sale" for further details.)

Excess Development Rights

28. Sponsor does not anticipate that any substantial amount of Excess Development Rights will remain upon completion of the Building. However, if the applicable provisions of the Zoning Resolution change in the future, such changes may generate transferable Excess Development Rights which will not be included in the Property and shall be the exclusive property of Sponsor. Sponsor cannot represent the amount of transferable Excess Development Rights that could result from such changes. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Excess Development Rights. If any Excess Development Rights are transferred to an adjoining premises, the light and air of the Building and views from Units and/or Terraces may be affected. Notwithstanding the foregoing, Excess Development Rights may not be used to expand the size, height, bulk or density of any portion of the Property after the recording of the Declaration. (See the section of the Plan entitled "Rights and Obligations of Sponsor" and the Declaration in Part II of the Plan for details.)

Marketing Materials

29. In no event shall the presence of any furniture, furnishings, finishes, equipment or decorations, wall coverings, window treatments, carpeting and the like ("FFE") in any portion of the Building or Residential Units set forth in any marketing materials and/or advertisements, and/or websites used in connection with the sales and marketing of the Residential Units imply or represent that any such FFE will be located within any portion of the Building or Residential Units. The presence of FFE in such marketing materials is for illustrative purposes only. In addition, marketing materials may use designations, labels or nomenclature to describe certain areas or rooms within Residential Units that differs from the designations utilized on the Floor Plans of the Residential Units set forth in Part II of the Plan, including, without limitation, closets, hallways, dens/media rooms and powder rooms. The use of such designations, labels or nomenclature is for marketing purposes only and does not obligate Sponsor to

deliver such areas or rooms designed or fitted out in the manner depicted or implied in the marketing materials.

Wood Materials

30. Purchasers should note that natural materials used as finishes have certain inherent risks associated with such use. All references in the Plan to wood floors shall be deemed references to engineered wood floors unless otherwise specified. The Residential Units will be delivered with wood floors, which should not be washed with water and need to be maintained in accordance with the manufacturer's recommendations. Risks associated with all wood products (including, without limitation, wood flooring, furniture, cabinetry or interior of cabinetry may or may not be the same material and/or color as the exterior and molding) include, but are not limited to, the following: appearance of cracks between the floor boards, squeaks, variation in color, variation in wood grain, texture, occurrence of knots, crowning, gapping, and cupping. It is recommended to maintain temperature fluctuations in the Unit to a relative humidity of 30 to 50 percent to keep wood floors looking their best. Use a cleaning product recommended for floors and use it regularly. Purchasers should also note that since wood is a product of nature, it can have a great deal of variability in color, grain, texture and appearance. Cracks, occurrence of knots, and grain variation are more noticeable in light colored wood flooring. Furthermore, wood flooring is affected by sunlight and often fades and changes with use and age. Some woods darken and some lighten when exposed to light. Wood flooring can also dent. Protective felt pads and protective sheeting such as plywood or masonite should always be used when placing furniture or appliances. A wet mop should never be used on wood flooring because it can cause warping and cracking. Standing water will cause cupping, swelling, and subsequent gapping. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" and "Rights and Obligations Unit Owners" as set forth in the Plan.)

Principal of Sponsor Has Executed The Certification of Sponsor and Principals for Compliance with the Martin Act and Governing Regulations

31. Consistent with a recent First Department decision, the principal of Sponsor expressly disclaims the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from their execution of the Certification of Sponsor and Principals, absent liability under another statute or under an alter-ego or other veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC. et al, 106 A.D. 3d 542 (1st Dept. 2013).

Insurance

32. (a) The budgeted line item for the insurance premiums set forth in Schedule B represents current insurance premiums at current rates. In recent years, premiums for insurance (especially fire and liability insurance) have increased significantly. Although the projections in Schedule B are believed to be reasonable, Purchasers should note that insurance premiums could increase depending on market and weather conditions. It is not possible to predict whether future premiums will continue to escalate at the same substantial rate or will level off. No guarantee is given that insurance premiums will not increase.

(b) Sponsor makes no representation that the insurance limits set forth in Schedule B will meet the requirements of a lender who finances the purchase of a Unit. If Purchaser's lender requires additional insurance, Purchaser will be obligated to obtain such supplemental insurance at Purchaser's sole cost and expense.

(c) The Garage Unit Owner will be required to maintain certain types of liability insurance. See sections in Part I of the Plan entitled "Rights and Obligations of Unit Owners" and "Rights and Obligations of the Condominium Board/Summary of By-Laws."

Little "e" Designation and Environmental Remediation

33. (a) Sponsor entered into the New York City Voluntary Brownfield Clean Program to investigate and remediate the site, which was designated as a so-called "little "e" site due to the presence of potentially hazardous materials and noise, as part of the rezoning of the Fort Greene/Clinton Hill area by the New York City Department of City Planning and the City Council in 2007. As part of the remediation efforts at the site, the underlying soils have been removed in accordance with the Remedial Action Work Plan ("RAWP") approved by the Mayor's Office of Environmental Remediation ("OER"), the lead agency governing such sites. In addition, as required by the RAWP a vapor barrier and composite cover system were incorporated into the construction of the Building. See the "Description of Property and Improvements" in Part II of the Plan for further details.

(b) According to Sponsor's environmental consultant, periodic inspections and certification reports will likely be required for so long as the site is registered as an e-designated site by OER. The estimated cost for such inspections and certifications is included in the "Contingency" line item of the First Year's Budget set forth in Part I of the Plan. See the footnotes to Schedule B for further details.

INTRODUCTION

Nature of the Transaction

500 Waverly Property Owner, L.L.C. ("Sponsor") is a limited liability company organized and existing under the laws of the State of Delaware. Sponsor acquired the Property on December 20, 2013 from White Memorial Chapels, Inc.

Sponsor presents this offering plan, as the same may be amended from time to time ("Plan") for the establishment of condominium ownership of the Land and Building pursuant to the Condominium Act. The Condominium will be known as 500 Waverly Condominium and located at 500 Waverly Avenue, Brooklyn, New York 11238 ("Property").

The principal of Sponsor who will be actively involved in this offering is Andrew Bradfield (See the Sections of the Plan entitled "Identity of Parties" and the "Certification of Sponsor and Principal" in Part II of the Plan for details.)

The Condominium will consist of: (a) 48 Residential Units (37 Market Rate Units and 11 Inclusionary Units), (b) 31 Storage Lockers (to be sold pursuant to Storage Locker Licenses), (c) 1 Retail Unit, and (d) 1 Garage Unit. The Garage Unit and the Retail Unit are collectively, referred to as the "Non-Residential Units." The Residential Units and the Non-Residential Units are collectively referred to as the "Units."

In order to qualify the Property for a partial real estate tax exemption under Real Property Tax Law Section 421-a ("Section 421-a"), 10 of the Residential Units are being offered to Eligible Purchasers whose annual household income is no greater than 60% of AMI and Unit 5J is being offered to Eligible Purchasers whose annual household income is no greater than 80% of AMI. These Units are collectively referred to in the Plan as "Inclusionary Units". The Inclusionary Units will be constructed for the purpose of qualifying the Property for a zoning bonus under the New York City Inclusionary Housing Program (discussed below and elsewhere in the Plan) and qualifying the Property for 421-a Benefits. Schedule A discloses the type of each Residential Unit being offered.

The marketing of the Inclusionary Units shall be conducted pursuant to a lottery administered by the Administering Agent (as defined in the Section of the Plan entitled "Inclusionary Units"). The Inclusionary Units are subject to the Regulatory Agreement executed by and between Sponsor and HPD. The Regulatory Agreement imposes certain obligations and restrictions on Inclusionary Unit Owners, which are discussed further in the Section of the Plan entitled "Inclusionary Units." A copy of the Regulatory Agreement is set forth in Part II of the Plan. Further information about the marketing of the Inclusionary Units can be found in Section of the Plan entitled "Procedure to Purchase".

There is no guaranty or assurance that the criteria for 421-a Benefits will be satisfied and neither Sponsor nor Sponsor's Counsel makes any representation or opinion with respect to the eligibility of the Units for 421-a Benefits. If, for any reason Sponsor's application is not approved by HPD, the purchase prices of the Inclusionary Units will be reduced as much as required, and to an amount approved by HPD, in order for the units to remain affordable to 60% AMI households (or with respect to Unit 5J, 80% AMI households, as per the Regulatory Agreement). In such event, Market Unit Purchasers will not be entitled to any right of rescission, Purchase Price reduction or other concession.

The Offering Plan

The purpose of the Plan is to set forth in detail all material facts relating to the offering by Sponsor. The Plan contains all of the detailed terms of the transaction.

Sponsor may from time to time amend the Plan by filing an amendment with the New York State Department of Law ("Department of Law") and serving such amendment on Purchasers and Unit Owners.

The Plan is presented in two parts that, together with all documents filed with the Department of Law, constitute the entire offer of Sponsor. Part I sets forth a general description of the offering and the Condominium and Part II contains the basic documents necessary to create the Condominium and otherwise effectuate the Plan. Also included in Part II is a detailed physical description of the Property and certifications as to certain matters discussed in the Plan.

In addition, Sponsor has filed with the Department of Law, Exhibits to the Plan which, along with the Plan, constitute the entire offer of Sponsor. Copies of the Plan and all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the Plan shall be available for inspection by Purchasers and their attorneys without charge and for copying at a reasonable charge by any Person who shall have purchased a Unit offered by the Plan at the Sales Office and available for inspection and copying at the office of the Department of Law. A prospective Purchaser of a Market Rate Unit may borrow the Plan upon payment of a $300 deposit, which amount will be fully refunded upon either (i) the prompt return of the Plan in good condition, or (ii) the execution by the prospective Purchaser of a Purchase Agreement subsequently accepted by Sponsor. As set forth in the Section of the Plan entitled "Procedure to Purchase," subsection "Procedure to Purchase Inclusionary Units," the Administering Agent will invite applicants whom it has preliminarily determined to be eligible to purchase Inclusionary Units to obtain a copy of the Plan at no charge.

Purchasers are also advised to consult with their own attorneys or other advisers before agreeing to purchase. All documents are important and should be carefully read by Purchasers.

All capitalized terms used in the Plan shall have the meanings ascribed thereto in the Section entitled "Definitions," unless otherwise defined.

The Property

The Building will be newly constructed. Based upon the current construction schedule, Sponsor contemplates that, unless delayed by Force Majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about January 1, 2017. Purchasers should note however that: (i) Residential Units will be completed at different times over a period that may begin prior to and/or extend significantly beyond such projected date, and (ii) Residential Units on higher floors generally close later than Residential Units on lower floors. Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to any credit, offset or reduction in the Purchase Price or otherwise be relieved from any obligations under the Purchase Agreement, if the First Closing occurs earlier or later than the projected date, or the time to complete or to close title to any Residential Unit is delayed or postponed by Sponsor. Sponsor has the right to change the projected First Year of Condominium Operation from time to time by an amendment to the Plan. If the First Closing does not occur within 12 months after the commencement date set forth in Schedule B for the First Year of Condominium Operation in effect on the date a Purchaser and Sponsor entered into a Purchase Agreement, Sponsor will offer those affected Purchasers only a right to rescind their Purchase Agreements for 15 calendar days from the Presentation Date of the amendment disclosing Sponsor's failure to close within such time frame. Any Purchasers electing rescission will have their Deposits returned together with any interest earned thereon, except for any Unit Upgrade Funds (if applicable)

A detailed description of the Property is contained in the Section of the Plan entitled "Description of the Property and Improvements" and in the Description of Property and Improvements set forth in Part II of the Plan.

Offering of Residential Units for Sale

Sponsor hereby offers the Residential Units for sale pursuant to the Plan. The Purchase Prices for each of the Residential Units are listed in the Section of the Plan entitled "Schedule A - Purchase Prices and Related Information" ("Schedule A"). THE PRICES OF THE MARKET RATE UNITS HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY. THE PRICES OF THE INCLUSIONARY UNITS HAVE BEEN ESTABLISHED BY SPONSOR IN ACCORDANCE WITH HPD GUIDELINES AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW.

Offering of Non-Residential Units for Sale

The Retail Unit is not being offered for sale at this time. It is the intention of Sponsor to offer the Garage Unit pursuant to a "No-Action," "No Jurisdiction," or similar ruling issued by the Department of Law. All terms of sale or transfer with respect to any Non-Residential Unit are freely negotiable without resort to the form Purchase Agreement set forth in Part II of the Plan, including, but not limited to, the amount of the Deposit, payment of use and occupancy fees from the date of Closing until the Condominium Board's imposition of Common Charges, terms of sale and insurance coverage requirements. THE PRICES FOR NON-RESIDENTIAL UNITS WILL BE SET BY SPONSOR AND WILL NOT BE SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

Sponsor reserves the right to deliver one or more Non-Residential Units as "raw space", subject only to Sponsor's obligation to install such plumbing, electrical and mechanical hook-ups for the future installation by the Non-Residential Unit Owners or to install such other fixtures as Sponsor and the Purchaser of such Non-Residential Unit shall agree upon, if any. In such event, such Non-Residential Unit Owner(s) may be obligated to Close Title prior to the issuance of a TCO or PCO for the Non-Residential Unit, which will be the obligation of such Non-Residential Unit Owner(s) to obtain.

In the event the Closing of Title to a Non-Residential Unit occurs in advance of the First Closing, the First Year of Condominium Operation as defined in the Plan will not commence until the First Closing.

Offering of Storage Locker Licenses for Sale

Sponsor hereby offers the Storage Lockers for sale pursuant to the Plan pursuant to a licensing arrangement ("Storage Locker License") on a first-come, first-served basis. A Storage Locker License may only be purchased by a Purchaser of a Residential Unit. The Purchase Price for each of the Storage Locker Licenses is listed in Schedule "A." THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY. The Condominium Board has the right to impose monthly license fees and Special Assessments in connection with the Storage Locker Licenses.

Purchasers should note that the Closing of a Storage Locker License does not require the issuance of a TCO or PCO. Purchasers will be required to consummate the purchase of the Residential Unit and the Storage Locker License simultaneously at Closing even though a Temporary Certificate of Occupancy has not been issued to the Storage Locker Area. In such event, the proceeds from the sale of the Storage Locker License will be held in escrow ("Storage Locker Escrow") by Escrow Agent until such time as a Temporary Certificate of Occupancy has been issued for the Storage Locker Area. The Storage Locker Escrow will not be held in an interest bearing account for the benefit of Purchaser. Purchaser will earn no interest on the Storage Locker Escrow.

Sponsor reserves the right to offer as many Storage Locker Licenses as it determines and to withhold one or more for future sale. Sponsor reserves the right to designate at Closing the specific Storage Locker which will be subject to the Storage Locker License. In addition, Sponsor has the right to limit the number of

Storage Locker Licenses sold to any single Purchaser of a Residential Unit or to make bulk sales, as it deems fit.

While Sponsor is presently offering the Storage Locker Licenses for sale, based upon market conditions, until such time as Purchasers have executed Purchase Agreements with respect to 75% of the Storage Locker Licenses, Sponsor reserves the right to withdraw the offering of Storage Locker Licenses. The above threshold percentage (i) may be reduced by Sponsor in its sole discretion and without amendment to the Plan; and (ii) may be attained subsequently to the Plan being declared effective. If Sponsor elects to withdraw the offering of Storage Locker Licenses, Sponsor reserves the right to utilize such Storage Locker Area for any use as determined by Sponsor in its sole discretion, including, without limitation, incorporating such areas into the Non-Residential Units. The withdrawal of the offering of Storage Locker Licenses shall be disclosed by Sponsor in an amendment to the Plan and a Purchaser shall only be relieved of Purchaser's obligation to purchase the particular Storage Locker License, but shall remain obligated to purchase the Residential Unit. At Closing, Purchaser will receive a credit against the Balance of the Purchase Price equal to the amount allocated to the withdrawn Storage Locker License, to the extent any such money has been paid to Sponsor. Although the Storage Locker Area(s) are Residential Common Elements, the Condominium Board has granted Sponsor the exclusive right, without charge, to sell Storage Locker Licenses located therein. The Condominium will not be entitled to any of the proceeds from the sale of the Storage Locker Licenses.

Conveyance of Title

In the event of the existence of any lien, encumbrance or title defect other than Permitted Encumbrances which Sponsor fails or refuses to correct, the sole remedy of Purchaser under the Plan, provided Purchaser is not then in default, will be to either (i) take title subject to the title defect (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (ii) terminate the Purchase Agreement, within 15 calendar days after receipt of notice or an amendment disclosing such lien, encumbrance or title defect. If Purchaser fails to notify Sponsor of Purchaser's election within 15 calendar days after Sponsor notified Purchaser of Sponsor's failure or refusal to remedy the title defect, it will be conclusively deemed that Purchaser elected to acquire title subject to the title defect. Sponsor has no obligation to institute any action or proceeding or to expend any sum of money in excess of ½ of 1% of the Purchase Price of the affected Unit to make title insurable or to eliminate any encumbrances or title defects. (See the Section of the Plan entitled "Terms of Sale" for details.)

Sponsor's Reservation of Right to Rent Rather than Sell Residential Units

Sponsor intends, in good faith, to sell rather than rent Market Rate Units. However, Sponsor reserves the unconditional right to rent Market Rate Units rather than sell them. Because Sponsor is not limiting the conditions under which it will rent rather than sell Market Rate Units, Sponsor is not committed to sell more Residential Units than the 15% necessary to declare the Plan effective and, therefore, owner-occupants may never gain effective control and management of the Condominium. Notwithstanding the foregoing, Sponsor may not rent Inclusionary Units without the written consent of HPD.

Sponsor intends to offer Market Rate Units for sale both to Purchasers for personal occupancy and Purchasers who are purchasing for investment or resale. Purchasers for investment or resale may rent such Market Rate Units rather than use such Market Rate Units for personal occupancy. As a result, some and possibly many Residential Units may be occupied by renters instead of Residential Unit Owners. Since the Condominium Board does not have the right to approve or disapprove potential Purchasers of Residential Units, the Condominium Board is unable to limit the number of Purchasers who purchase Market Rate Units for investment or resale rather than for personal occupancy and there may always be a substantial percentage of Residential Unit Owners who are not occupants. It is possible that Residential Unit Owners who occupy Residential Units may have different interests than those Residential Unit Owners who do not occupy

Residential Units. Notwithstanding the foregoing, as set forth in the Section of the Plan entitled "Inclusionary Units," the Administering Agent must approve all sales and resales of the Inclusionary Units and all Inclusionary Units must be occupied by the Inclusionary Unit Owner as a Primary Residence, as defined in the Inclusionary Housing Program. See the Section of the Plan entitled "Definitions."

Sponsor reserves the right to offer the Residential Units in such order of priority as it may determine, and to withhold one or more Market Rate Units for future sale or rental. In addition, Sponsor has the right to limit the number of Market Rate Units sold to any Purchaser and to make Bulk Sales of Market Rate Units. The Purchaser of such Market Rate Units shall be bound by Sponsor's representations in the Plan with regard to Sponsor's commitment to sell Residential Units. The term "Bulk Sales" shall mean the transfer of 10 or more Market Rate Units or 20% of the total number of Residential Units in the Condominium, whichever is less.

Sponsor closed on a $31,000,000 construction loan from East West Bank, having an office at 535 Madison Avenue, New York, NY 10022 to finance the construction of the Building. Pursuant to the terms of the construction loan, Sponsor must sell the Units for certain minimum prices prior to the lender's release of the lien of the construction loan from each Unit at Closing.

Basic Aspects of Condominium Ownership

The ownership of a Unit is similar in many respects to the ownership of a private home in the case of a Residential Unit, and a building in the case of a Non-Residential Unit. Each Unit Owner owns fee title to the Unit and is entitled to the exclusive possession and use thereof and is obligated to comply, with the terms of the Condominium Documents and the 421-a Restrictive Declaration (as more fully discussed in the Section of the Plan entitled "Anticipated Real Estate Tax Exemption Benefits (421-a)", any other requirements implemented by the Condominium Board and, with respect to the Inclusionary Units, the requirements of the Inclusionary Housing Program. Each Unit Owner also owns, in common with the owners of all other Units, an undivided interest in (and right to use) the Common Elements. The Common Elements are comprised of: (i) portions of the Property serving and benefiting all Units, generally, including, for example, the Land upon which the Building stands and foundations and supports of the Building, these Common Elements being more specifically designated as "General Common Elements," (ii) portions of the Building serving and benefiting the Residential Units, exclusively, including for example, and without limitation, the residential lobby, residential hallways, residential corridors and residential elevators exclusively servicing the Residential Units, these Common Elements being more specifically designated as "Residential Common Elements;" and (iii) portions of the Building exclusively serving and benefiting one Residential Unit such as a Terrace, these Common Elements being specifically designated as "Residential Limited Common Elements."

Subject to certain conditions contained in the By-Laws, and with respect to the Inclusionary Units, subject to the Inclusionary Housing Program (see the Section of the Plan entitled "Inclusionary Units" and the Purchase Agreement for Inclusionary Units set forth in Part II of the Plan), each Unit Owner may mortgage the Unit with such lender and in such amount as the Unit Owner chooses. However, Sponsor makes no representations about the financeability of any Unit. There are no limitations or restrictions upon the rights of Sponsor to mortgage Unsold Residential Units or the rights of Non-Residential Unit Owners to mortgage Non-Residential Units. Each Unit is separate and will not be subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

Operation of the Condominium will be vested in a Condominium Board, the members of whom will be elected by the Residential Unit Owners, subject to the rights of Sponsor and the Non-Residential Unit Owners to designate members of the Condominium Board, as set forth in the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws." One member of the Condominium Board shall be an Inclusionary Unit Owner, who will be elected by the Inclusionary Unit

Owners at each annual meeting of Unit Owners. When voting for members of the Condominium Board, each Residential Unit Owner shall be entitled to cast one vote for each .0001% of Common Interest attributable to the Residential Unit per Residential Member to be elected, provided that only the Inclusionary Unit Owners may vote for and elect the Inclusionary Unit Member of the Condominium Board.

A Unit Owner may decorate and construct the interior of the Unit in any way the Unit Owner desires, subject to compliance with the Condominium Documents and Law, and will be solely responsible for the cost of maintenance and interior repairs to the Unit after Closing. Notwithstanding the foregoing, Inclusionary Unit Owners must maintain the Unit Owner's Inclusionary Unit in accordance with the minimum quality standards found in the regulations established the U.S. Department of Housing and Urban Development ("HUD") in Section 24 CFR 982.401 or any superseding regulations, as well as any other Law. Section 24 CFR 982.401also provides that all Inclusionary Units shall be inspected by HPD or its designee prior to any resale.

Each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes assessed against any other Unit. In the opinion of Tax Counsel to Sponsor, which opinion is set forth in full in Part II of the Plan, a Residential Unit Owner who itemizes deductions may be eligible, under current Law, to deduct from income for income tax purposes, real estate taxes and interest paid on the Unit Owner's mortgage, subject to certain exceptions and limitations discussed in the "Attorney's Income Tax Opinion" set forth in Part I of the Plan. (See the Section of the Plan entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" for details.)

The statute concerning condominiums in effect in the State of New York pursuant to which the Condominium will be organized by Sponsor is Article 9-B of the Real Property Law of the State of New York, as amended, commonly known, and hereinafter referred to as the "Condominium Act." The Property will be submitted to the provisions of the Condominium Act by recording the Declaration in the Register's Office by Sponsor. The Condominium will comply with all Laws applicable to condominiums in the State of New York.

The cost of operating the Condominium will be borne entirely by the Unit Owners in accordance with allocations set forth in the "Schedule B – Projected Budget for First Year of Condominium Operation." As more particularly set forth in the By-Laws, the Condominium Board will determine the amount of Common Expenses. On a monthly basis or at such other times as the Condominium Board determines, the Condominium Board will assess Unit Owners for Common Charges to meet Common Expenses. Common Expenses shall be either General Common Expenses attributable to all Unit Owners or Residential Common Expenses attributable to Residential Unit Owners only. The estimated Common Charges for each Unit for the First Year of Condominium Operation are set forth in Schedule A. Purchasers are obligated to pay monthly Common Charges pursuant to the Condominium Act (RPL Sections 339 (i) and (m)). In addition to the foregoing, each Inclusionary Unit Owner will be required to pay a surcharge of $45.45 per year into the Administering Agent Reserve Account, as set forth in the Regulatory Agreement. See the Section of the Plan entitled "Reserve Funds" for further details.

The percentage of Common Interest allocated to each of the Inclusionary Units was adjusted pursuant to Section 339-i(1)(iv) of the Condominium Act, and the Declaration and By-Laws provide authority for the Sponsor to adjust the percentage of Common Interest allocated to each of the Inclusionary Units. Such adjustment in the percentage of Common Interest allocated to the Inclusionary Units was required in order for Sponsor to comply with (i) Section 23-90 et seq. of the Zoning Resolution, which states, in §23-962, that the initial offering price for each Inclusionary Unit shall be established in order to ensure that the combined cost of Common Charges, mortgage payments, utilities, and real estate taxes payable by the respective Inclusionary Unit Owner do not exceed 30% of 60% of AMI, adjusted for family size, or (ii) HPD's section 421-a rules (28 RCNY §6-09), which

provide that the initial offering prices of the Inclusionary Units that are counted for 421-a purposes must be established in order to ensure that Common Charges and mortgage payments, including principal and interest (assuming that a mortgage of 90% of the Purchase Price at the then prevailing rate of interest), do not exceed 30% of 60% of AMI (or 30% of 80% of AMI with respect to Unit 5J), adjusted for family size.

The Common Interests of each Unit in the Common Elements has been determined pursuant to the method set forth in Real Property Law Section 339-i (l) based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

The Residential Common Interest of each Residential Unit in the Residential Common Elements is apportioned in the same proportion that the Residential Unit bears to the aggregate Common Interests of all of the Residential Units in the Condominium.

Certain budgeted items (See the "Notes to Schedule B" for details) are allocated between the Residential Units and the Non-Residential Units on a special basis which reflects actual benefit and/or use associated with that particular item of expense or exclusive control of particular Common Elements. The Condominium Board may not modify these allocations without the unanimous consent of the Non-Residential Unit Owners. In the opinion of Sponsor's budget expert, as set forth in the Certifications of Budget Expert set forth in Part II of the Plan, the allocated Common Charges payable by the Non-Residential Unit Owners are sufficient to cover the expenses fairly attributable to the Non-Residential Units. Unit Owners will have no interest in any rents, net profits or revenues derived from the rental or use of any Unit owned by another. The aggregate Common Interest of all Units equals 100%. The aggregate Residential Common Interests of all Residential Units equals 100%. The percentage of Common Interests are the basis for determining a Unit Owner's share of distribution upon termination of the Condominium with Unit Owners then sharing pro rata in the proceeds of the Condominium, subject to the rights and obligations of the Inclusionary Unit Owners with respect to the payment of Common Charges as set forth above and elsewhere in the Plan. Each Unit's Common Interest and Residential Common Interest, as applicable, and estimate of the Common Charges that will be payable by the Unit Owner during the First Year of Condominium Operation of the Property subsequent to the First Closing are set forth in the Section of the Plan entitled "Schedule A – Purchase Prices of Units and Related Information."

After the Closing of Title to a Unit, a Unit Owner will be solely responsible for maintaining casualty insurance with respect to the Unit, including, without limitation, the flooring, fixtures, finishings, furniture, furnishings, equipment, appliances and personal property located within the Unit, any Residential Limited Common Elements appurtenant thereto, and any Storage Locker licensed by the Unit Owner, as well as liability insurance with respect to occurrences in or about the Unit, any Residential Limited Common Elements appurtenant thereto, and any Storage Locker licensed by the Unit Owner. The Condominium Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements (except for Storage Lockers), in accordance with the provisions of the By-Laws. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" for details.)

Each Purchaser of a Market Rate Unit will be required to make a non-refundable contribution to the Working Capital Fund of the Condominium. Such contribution, to be made at the time of Closing of the Market Rate Unit, shall be in an amount equal to 2 months' Common Charges assessed against the Market Rate Unit at Closing. Inclusionary Unit Purchasers shall not be required to make such a contribution to the Working Capital Fund. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.)

In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes with respect to the Unit (both before and after such taxes are separately assessed and billed against the Unit by the City of New York), interest and amortization payments on any mortgage and charges for electricity consumed in the Unit. Common Charges for Residential Unit Owners will include water and gas, while Non-Residential Units will be submetered or directly metered for water and gas.

A Residential Unit shall be used for residential purposes only, including permitted "home occupation" as defined in the Zoning Resolution (except as described below), and not more than one family may occupy a Residential Unit at one time. A Residential Unit may not be used for any "dormitory," "bed and breakfast" or other transient hotel-type use. A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or any other entity (including, but not limited to, embassies and consulates of foreign governments) may only be occupied by such individual, an officer, director, stockholder or employee of such corporation, a partner or employee of such partnership, a member of such limited liability company, the fiduciary or beneficiary of such fiduciary, a principal or employee of such other entity, respectively, or by members of the immediate family or guests of any of the foregoing. A Residential Unit may be used for any other purpose, provided such use is permitted by, and complies with Law (including the provisions of Section 421-a), does not violate the then existing TCO or PCO covering the Building, and the Condominium Board, in its sole discretion, grants permission for such use. Use and occupancy of the Residential Unit shall be subject to the Residential Rules and Regulations of the Condominium which may be amended from time to time. Use of the Inclusionary Units shall be subject to the Regulatory Agreement and the Inclusionary Housing Program.

A Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein. Except for Sponsor and the Condominium Board, a Storage Locker may not be licensed independently of a Residential Unit.

With certain exceptions, as set forth in the By-Laws, any sale or rental of a Residential Unit (both Market Rate Units and Inclusionary Units) will be subject to a right by the Condominium Board to acquire or lease such Residential Unit or to produce a third party to acquire or lease such Residential Unit on the same terms as were offered to the owner of such Residential Unit. Sponsor and each Non-Residential Unit Owner may sell or lease their respective Units, or portions thereof, without any restriction or limitation. Since the Condominium Board does not have the right to approve or disapprove potential Purchasers of Residential Units, the Condominium Board is unable to limit the number of Purchasers who purchase Market Rate Units for investment or resale rather than for personal occupancy and there may always be a substantial percentage of Residential Unit Owners who are not occupants. It is possible that Residential Unit Owners who occupy Residential Units may have different interests than those Residential Unit Owners who do not occupy Residential Units. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners" subsection "Sales and Leases of Units" for details.)

Each Residential Unit Owner has exclusive use, subject to any and all Residential Rules and Regulations implemented by the Condominium Board, of any Residential Limited Common Element appurtenant to such Residential Unit Owner's Residential Unit, as shown on the Floor Plans included in Part II of the Plan, and is responsible for all normal maintenance, repairs and replacements thereto. However, the costs and expenses of any structural or extraordinary repairs or replacements to any Residential Limited Common Element (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to same) shall be charged to all Residential Unit Owners as a Residential Common Expense. The type, size, weight, location and quantity of plantings and other installations to be placed on Terraces shall be subject to the prior written approval of the Condominium Board and shall be in compliance with Law.

There are no limitations on who may purchase Units, except as set forth in this Plan. Under the New York Real Property Law, a condominium unit may be owned by an individual, a corporation, a partnership, limited liability company, an association, a trust or any other entity which is permitted to take title pursuant to Law. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of any of the Condominium Board, any Unit Owner or mortgagee, but subject to the Inclusionary Housing Program with respect to Inclusionary Units, to refuse to approve and execute Purchase Agreements for one or more Units to any Person. Sponsor shall not discriminate against any person because of race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law. No binding obligation will arise for the sale of a Unit unless and until a Purchase Agreement executed by both Purchaser and Sponsor has been exchanged and Sponsor has collected the funds constituting Purchaser's required Deposit thereunder (see the Section of the Plan entitled "Procedure to Purchase" for details). Sponsor will not accept an offer of purchase from an individual younger than 18 years of age or an incompetent under Law.

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 OF THE STATE OF NEW YORK STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING AN AGREEMENT TO PURCHASE A CONDOMINIUM UNIT.

DEFINITIONS

For convenience of presentation, general definitions of certain of the terms used in the Plan are set forth below, which definitions are subject in most cases to the more particular definitions of such terms set forth in the Declaration, the By-Laws and the Condominium Act. They include the following:

"Administering Agent" shall mean an agent of HPD and the Condominium Board that has been approved by HPD to ensure compliance with the Regulatory Agreement and the Inclusionary Housing Program. The Administering Agent shall be Housing Partnership Development Corp.

"Administering Agent Agreement" shall mean the agreement between the Administering Agent and HPD dated May 19, 2015.

"Adverse Effect," or "adverse effect" shall mean any action or proposed change with respect to any Unit Owner(s), that such action or change could, if realized, (i) increase the Common Charges payable over those set forth in the budget in effect at the time in question by 25% or more, (ii) materially and permanently interfere with such Unit Owner's access to the Unit, (iii) materially and permanently obstruct or degrade the view from the windows and/or Terraces of the Unit (excluding the lot line windows) or (iv) otherwise materially diminish the use and enjoyment of the Unit.

"Appurtenant Interest" shall mean, with respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or rental of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

"Area Median Income" or "AMI" shall mean the area median income for the New York metropolitan statistical area as determined by HUD from time to time.

"Building" shall mean the building located at 500 Waverly Avenue, Brooklyn, New York 11238.

"Buildings Department" or "DOB" shall mean the New York City Department of Buildings or any successor agency.

"Business Day" shall mean any day other than Saturday, Sunday or a legal holiday, on which national banks are open for business in the City or State of New York.

"By-Laws" shall mean the by-laws governing the operations of the Condominium, which are set forth as Exhibit D to the Declaration, as the same may be amended from time to time, which are set forth in Part II of the Plan.

"Closing" or "Closing of Title" shall mean the date, time, place and procedure by which, among other things, fee title to a Unit and its appurtenant Common Interest is conveyed pursuant to a fully-executed Purchase Agreement.

"Closing Date" shall mean the date on which a Closing occurs.

"Common Charges" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata, in accordance with their Schedule B allocations and as provided in the Declaration or in the By-Laws to meet the Common Expenses.

"Common Elements" shall mean the Property, other than the Units themselves, being comprised of the General Common Elements, Residential Common Elements and the Residential Limited Common Elements.

"Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve, or a reserve fund for working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); (iii) payments to cover an Operating Shortfall; and (iv) generally, the conduct of the affairs of the Condominium. Common Expenses shall be either General Common Expenses attributable to all Unit Owners or, Residential Common Expenses attributable to Residential Unit Owners only.

"Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements appurtenant to each Unit, as determined in accordance with the Declaration. The total of all Common Interest percentages appurtenant to all Units equals 100%. The Common Interest attributable to each Unit is set forth on Exhibit B annexed to the Declaration.

"Condominium" shall mean the 500 Waverly Condominium which will be established pursuant to the terms of the Declaration and which is governed pursuant to the terms of the By-Laws.

"Condominium Act" shall mean the New York Condominium Act, as amended from time to time (New York Real Property Law, Article 9-B).

"Condominium Board" shall mean the board of managers of the Condominium who will manage the affairs of the Condominium.

"Condominium Documents" shall mean the Declaration, the By-Laws, the Residential Rules and Regulations and the Floor Plans.

"Declarant" shall mean 500 Waverly Property Owner, L.L.C. and its successors and assigns.

"Declaration" shall mean the instrument creating the Condominium, as the same may be amended from time to time, which is set forth in Part II of the Plan.

"Department of Law" shall mean the Real Estate Finance Bureau of the Department of Law of the State of New York.

"Deposit" shall mean all deposits, advances and payments made by Purchasers prior to the Closing of a Unit.

"Development Rights Owner" shall mean Sponsor or any Person which acquires all or any portion of the Excess Development Rights from Sponsor.

"Eligible Purchaser" shall mean a person satisfying the income limitations and other qualifications for the purchase of an Inclusionary Unit.

"Effective Date" shall mean the date upon which the Plan is declared effective.

"Excess Development Rights" shall mean certain rights, as determined by the Zoning Resolution that are available as of the date of the Declaration or may become available thereafter by any means, and are appurtenant to a zoning lot, whereby (a) contiguous tax lots may be merged into a single zoning lot ("Combined Zoning Lot") and the Combined Zoning Lot or a portion thereof may be developed by erecting thereon one or more structures with (i) "floor area" (as such term is defined in the Zoning Resolution); (ii) any bulk and density development rights permitted under the Zoning Resolution, (iii) any so-called bonus redevelopment rights hereafter appurtenant to the Property; or (b) excess "floor area" not

utilized by the Building as of the date of the Declaration may be utilized on the zoning lot or transferred to other zoning lots as permitted by the Zoning Resolution.

"Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of one or more of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the term "Facilities" shall include all systems, equipment, apparatus, convectors, radiators, heaters, converters, heat exchangers, mechanisms, devices, machinery, induction units, fan coil units, motors, pumps, controls, tanks, tank assemblies, installations, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut off valves, other valves, gongs, panels, receptacles, outlets, relays, alarms, sprinkler heads, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, siamese connections, hoses, plumbing fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, intercom equipment, playground equipment, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drainage systems, sewers and/or storm pipes, drywalls, or detention tanks, drains, catch basins, leaders, filters, incinerators, canopies, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, sheetrock, interior walls, draperies, shades, window coverings, wallpaper, wallcoverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes, sockets, davits and rigs for window cleaning.

"Family Member" with respect to Market Rate Unit Owners, shall mean the spouse, domestic partner, their children, stepchildren, grandchildren, siblings, step siblings, aunts, uncles, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Market Rate Unit Owner who reside in such Unit Owner's Unit.

"Family Member" with respect to Inclusionary Unit Owners, shall mean those persons specified in the Rent Stabilization Code, currently set forth in 9 NYCRR 2520.6(o).

"Filing Date" shall mean the date a letter is issued by the Department of Law accepting the Plan or an amendment to the Plan, as the case may be, for filing.

"First Annual Meeting" shall mean the first annual meeting of the Residential Unit Owners.

"First Closing" shall mean the Closing of Title with respect to the first Residential Unit to be conveyed to a Purchaser pursuant to the terms of the Plan.

"First Year of Condominium Operation" shall mean the first 12 months of operation of the Condominium beginning on the date of First Closing, which may be a calendar or fiscal year.

"First Year's Budget" shall mean the Section of the Plan entitled "Schedule B - First Year's Budget." The First Year's Budget is sometimes referred to as "Schedule B."

"Floor Plans" shall mean the floor plans of the Units certified by a professional engineer or licensed architect, filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental or amended floor plans thereto.

"Force Majeure" shall mean unavoidable delays due to acts of God, weather, fire, flood, explosion, war, riot, sabotage, epidemics, quarantine, acts of terrorism, freight embargos, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, governmental restrictions, preemptions or approvals, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the control of Sponsor, however

for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause beyond control.

"Garage Unit" shall mean the Garage Unit referenced in Exhibit B to the Declaration together with its Common Interest.

"GBL" shall mean Section 352-e of the New York State General Business Law.

"General Common Elements" shall mean those certain portions of the Property (other than the Units), as well as those Facilities therein, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property, as more particularly described in the Declaration and the Floor Plans.

"General Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or By-Laws in connection with (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the General Common Elements; or (ii) the establishment and/or maintenance of a general operating reserve fund for working capital, for replacements with respect to the General Common Elements.

"HPD" shall mean the New York City Department of Housing Preservation and Development or any successor agency.

"HPD Reserve Accounts" shall mean the Operating Reserve Account, the Capital Reserve Account and the Administering Agent Reserve Account as defined in the Regulatory Agreement.

"HUD" shall mean the U.S. Department of Housing and Urban Development or any successor agency.

"Inclusionary Housing Program" shall mean the program established by the City of New York for the creation of affordable housing pursuant to Section 23-90 et seq. of the Zoning Resolution and Title 28, Chapter 41 of the Rules of the City of New York, as each may be amended from time to time.

"Inclusionary Unit" shall mean any one of the 11 Residential Units referenced in Exhibit B to the Declaration, as an Inclusionary Unit, together with its Common Interest. All such Inclusionary Units are, collectively, referred to as the "Inclusionary Units."

"Inclusionary Unit Owner" shall mean any owner of an Inclusionary Unit. All such Inclusionary Unit Owners are, collectively, referred to as the "Inclusionary Unit Owners."

"Inclusionary Unit Purchaser" shall mean any Purchaser of an Inclusionary Unit. All such Inclusionary Unit Purchasers are, collectively, referred to as the "Inclusionary Unit Purchasers."

"Initial Sponsor Control Period" shall mean the period until at least 5 years after the First Closing, where Sponsor owns 10% or more of the common interests in unsold residential units.

"Institutional Lender" shall mean (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, mortgage trust or a group of lenders which shall include one of the foregoing, or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system, or (iii) Sponsor, or (iv) with respect to loans secured by any Non-Residential Unit only, (x) without in any way limiting the scope of the foregoing and for the sake of clarity, any real estate mortgage investment conduit within the meaning of Section 860D of the Internal Revenue Code, (y) any entity not included within any of the foregoing that is regularly engaged in the business of making, owning or servicing mortgage loans, including, without limitation, a so-called "conduit lender," or (z) any group of lenders which shall include one or more of the foregoing.

"Institutional Mortgage" shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either Sponsor or an Institutional Lender.

"Insurance Trustee" shall mean a bank or trust company, in either event having both an office in the City of New York and a capital surplus and undivided profits of $500,000,000 or more, from time to time appointed to serve as such by the Condominium Board.

"Land" shall mean the land located in the Borough of Brooklyn on the Tax Map of the Department of Finance of the City of New York as Block 2011, Lot 30 and more particularly described in Exhibit A to the Declaration.

"Law" shall mean any of the following which are applicable at the time in question: laws, ordinances and codes of any or all of the Federal, New York State, New York City, County and Borough governments, including, without limitation, HUD, HPD, the Buildings Department, the Landmarks Preservation Commission, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public or quasi-public authorities having jurisdiction over the Property and/or the Condominium and/or the direction of any public officer pursuant to Law.

"Majority of Residential Unit Owners" shall mean Residential Unit Owners of more than 50% in aggregate Residential Common Interest appurtenant to all Residential Units or Residential Unit Owners of more than 50% in aggregate Residential Common Interests of only those Residential Unit Owners who are present, in person or by proxy, and voting at a duly constituted meeting of Residential Unit Owners at which a quorum is present.

"Majority of Unit Owners" shall mean Unit Owners of more than 50% in aggregate Common Interests appurtenant to all Units or Unit Owners of more than 50% in aggregate Common Interests of only those Unit Owners who are present, in person or by proxy, and voting at a duly constituted meeting of Unit Owners at which a quorum is present.

"Managing Agent" shall mean the management company or manager named in the Plan or any successor managing agent at the time in question.

"Marketing Guidelines" shall mean the guidelines promulgated by HPD and the New York City Housing Development Corporation for the marketing of the Inclusionary Units, as amended from time to time.

"Market Rate Unit" shall mean any one of the 37 Residential Units referenced in Exhibit B to the Declaration together with its Common Interest which are being offered to Purchasers. All such Market Rate Units are, collectively, referred to as the "Market Rate Units."

"Market Rate Unit Owner" shall mean any owner of a Market Rate Unit. All such Market Rate Unit Owners are, collectively, referred to as the "Market Rate Unit Owners."

"Market Rate Unit Purchaser" shall mean any Purchaser of a Market Rate Unit. All such Market Rate Unit Purchasers are, collectively, referred to as the "Market Rate Unit Purchasers."

"Non-Residential Unit" shall mean the Retail Unit and the Garage Unit designated as such in the Declaration together with its Common Interest. All such Non-Residential Units are, collectively, referred to as the "Non-Residential Units".

"Non-Residential Unit Owner" shall mean the Unit Owner of a Non-Residential Unit at the time in question. All such Unit Owners are, collectively, referred to as the "Non-Residential Unit Owners".

"Operating Shortfall" shall mean the amount by which the Condominium's operating expenses exceed its revenues.

"Permanent Certificate of Occupancy" shall mean the permanent certificate of occupancy for the Building issued by the Buildings Department.

"Permitted Encumbrances" shall mean those matters encumbering title to a Unit subject to which a Purchaser agrees to take title, as more particularly described on Schedule A annexed to the form of Purchase Agreement.

"Permitted Mortgage" shall mean a first mortgage permitted to be placed upon a Unit pursuant to the provisions of the By-Laws (or, with respect to Inclusionary Units, as permitted by the Inclusionary Housing Program).

"Permitted Mortgagee" shall mean any holder or guarantor of a Permitted Mortgage at the time in question.

"Permitted User" shall mean any officer, director, member, stockholder, principal, partner, employee, agent (including managing, sales and leasing agent), guest, tenant, occupant, customer, invitee, licensee, contractor, Permitted Mortgagee or any other Person related, affiliated or designated by Sponsor, the Condominium Board or a Unit Owner who has permission to use a Unit and/or a portion of the Common Elements, subject to the terms of the Condominium Documents, whether written or oral, granted by: (i) a Unit Owner in the case of such Unit Owner's Unit and its appurtenant Common Elements; or (ii) the Condominium Board; or (iii) the Condominium Documents; or (iv) Sponsor.

"Person" shall mean any natural person, partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

"Plan" shall mean that certain Condominium Offering Plan relating to the Property, as accepted for filing by the Department of Law pursuant to the GBL and any and all amendments thereto.

"Plans and Specifications" shall mean the plans and specifications for the construction of the Building which (to the extent required by Law) have been or will be filed with the Buildings Department and which may from time to time be amended in accordance with the provisions of the Plan.

"Presentation Date" shall mean the date on which the Plan or an amendment thereto, as the case may be, is personally delivered or the fifth day after mailing to Purchasers and Unit Owners following acceptance of the Plan or an amendment thereto for filing with the Department of Law.

"Primary Residence" shall mean a Unit Owner's residence in a Unit for 183 days or more in the preceding calendar year, unless such Unit Owner proves to the Condominium Board and to the Administering Agent by providing documentation that his or her residence in the Unit for less than 183 days was caused by active military duty, the Unit Owner's status as a full-time student, a court order, employment requiring temporary relocation from the Unit, hospitalization for medical treatment, or the Condominium Board and Administering Agent approved subletting of the Unit.

"Private Administering Agent Agreement" shall mean the agreement between Sponsor and the Administering Agent, set forth in Part II of the Plan.

"Property" shall mean the Land, the Building (and any structures attached thereto), the Units, all the improvements erected or to be erected on the Land, all easements, rights and appurtenances pertaining thereto and all other property, real, personal, or mixed, used or intended to be used in connection therewith.

"Purchase Agreement" shall mean the agreement to purchase a Unit, the form of which is set forth in Part II of the Plan.

"Purchaser" shall mean any Person named as a Purchaser in a Purchase Agreement which has been duly executed by such Person and accepted by Sponsor.

"Register's Office" shall mean the Office of the Register of the City of New York, County of Kings.

"Regulatory Agreement" shall mean that agreement dated May 19, 2015 between Sponsor and HPD, as amended by Amendment to Regulatory Agreement dated as of September 8, 2015, as may be hereinafter amended, with respect to the Inclusionary Units, which shall require Sponsor and the Condominium Board to abide by certain terms, restrictions and conditions for a period of time set forth therein.

"Residential Common Elements" shall mean those portions of the Common Elements either existing for the common use of the Residential Units or the Residential Unit Owners or necessary for, or convenient to, the existence, maintenance or safety of the Residential Units, as more particularly described in the Declaration and the Floor Plans, except with respect to the Storage Lockers, which are only available for use by the licensee of the particular Storage Locker.

"Residential Common Expenses" shall mean all costs and expenses to be incurred generally by the Residential Unit Owners pursuant to the Declaration and/or By-Laws in connection with (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Residential Common Elements and/or the Residential Limited Common Elements; or (ii) the establishment and/or maintenance of an operating reserve fund for working capital, for replacements with respect to the Residential Common Elements and/or Residential Limited Common Elements.

"Residential Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, of each Residential Unit Owner in the Residential Common Elements. The total of all Residential Common Interest percentages appurtenant to all Residential Units equals 100%. The Residential Common Interests are the basis for determining a Residential Unit Owner's liability for such Unit Owner's share of the Residential Common Expenses, subject to the rights of Inclusionary Unit Owners.

"Residential Limited Common Elements" shall mean those portions of the Property (other than the Units, the General Common Elements and the Residential Common Elements), existing for the use and enjoyment of certain Residential Unit Owners to the exclusion of all other Unit Owners, as more particularly described in the Declaration and the Floor Plans.

"Residential Member" shall mean any member of the Condominium Board representing the Residential Unit Owners.

"Residential Unit" shall mean any of the Inclusionary Units and the Market Rate Units designated as a Residential Unit in the Declaration together with its Common Interest. All such Residential Units are, collectively, referred to as the "Residential Units."

"Residential Rules and Regulations" shall mean the Residential Rules and Regulations of the Condominium promulgated in accordance with the By-Laws, as any of such Rules and Regulations may be amended, added to, or deleted from time to time pursuant to the terms of the By-Laws.

"Residential Unit Owner" shall mean any Unit Owner of a Residential Unit at the time in question. All such Residential Unit Owners are, collectively, referred to as the "Residential Unit Owners."

"Retail Unit" shall mean the Retail Unit referenced in the Declaration together with its Common Interest, and in the event of a subdivision of such Retail Unit, any Retail Units resulting from such subdivision together with its Common Interest. Such Retail Unit is referred to as the "Retail Unit."

"Sales Office" shall mean the sales office for Sponsor or Selling Agent, at a location to be designated by either Sponsor or Selling Agent from time to time.

"Schedule A" shall mean the Section of the Plan entitled "Schedule A - Purchase Prices and Related Information."

"Schedule B" shall mean the Section of the Plan entitled "Schedule B - First Year's Budget." Schedule B is sometimes referred to as the "First Year's Budget."

"Schedule B-1" shall mean the Section of the Plan entitled "Schedule B-1 for Individual Energy Costs."

"Section 421-a" shall mean Section 421-a of the New York Real Property Tax Law, as amended from time to time.

"Selling Agent" shall mean the selling agent named in the Plan or any successor Selling Agent at the time in question.

"Special Assessment" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners in accordance with the By-Laws of the Condominium.

"Sponsor" shall mean 500 Waverly Property Owner, L.L.C. and its successors and assigns as well as any Person(s) designated by Sponsor, in a writing to the Condominium Board or by amendment to the Plan, to retain Sponsor's rights under the Plan and the Condominium Documents.

"Storage Locker" shall mean any storage locker located in the Storage Locker Area and shall include the structural framework and materials out of which the storage locker is constructed. Each Storage Locker is a Residential Common Element. Any reference in the Plan to "owning a Storage Locker" means that the Residential Unit Owner has entered into a Storage Locker License for the Storage Locker.

"Storage Locker Area" shall mean an area located in the cellar of the Building containing the Storage Lockers.

"Storage Locker License" shall mean the agreement pursuant to which a Storage Locker is licensed to a Residential Unit Owner.

"Storage Locker Licensees" shall mean any Residential Unit Owner who licenses a Storage Locker at the time in question. All such Residential Unit Owners are, collectively, referred to as "Storage Locker Licensees."

"Temporary Certificate of Occupancy" shall mean a temporary certificate of occupancy for the Building issued by the Buildings Department.

"Terrace" shall mean any terrace, balcony or garden which is appurtenant to a Residential Unit or portion thereof as a Residential Limited Common Element and shall include any pavers, decking and drains, hose bibs, electrical outlets, lighting and light fixtures, enclosures and dividers installed as part of the original construction of the Building. All such terraces, balconies or gardens are, collectively, referred to as the "Terraces". Terraces shall not include the common terraces for the Residential Unit owners on the 2nd floor and roof of the Building.

"Title Company" shall mean First American Title Insurance Company, having an office at 666 Third Avenue, New York, New York 10017. Telephone: (212) 551-9402, Facsimile: (212) 331-1576, or any successor Title Company at the time in question.

"Unit" shall mean any of the Units designated as a Unit in the Declaration together with its Common Interest. All such Units are, collectively, referred to as the "Units."

"Unit Owner" shall mean any Person (including Sponsor, if Sponsor owns any Unit) who holds fee title, of record, to one or more Units at the time in question. All such Unit Owners are, collectively, referred to as the "Unit Owners."

"Unit Upgrade Funds" shall mean all amounts expended by, or reimbursable to, Sponsor for upgrades or extras requested by a Market Rate Unit Purchaser and agreed to in writing by Sponsor. No Unit Upgrades are offered or available to Inclusionary Unit Purchasers.

"Unsold Storage Locker License" shall mean the license for any Storage Locker owned or retained by Sponsor or a principal of Sponsor at the time in question. All such Unsold Storage Locker Licenses are, collectively, referred to as the "Unsold Storage Locker Licenses."

"Unsold Storage Locker Licensee" shall mean Sponsor or a principal of Sponsor and (if applicable) a Person designated by Sponsor.

"Unsold Residential Unit" shall mean any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained by Sponsor or a principal of Sponsor at the time in question. All such Unsold Residential Units are, collectively, referred to as the "Unsold Residential Units."

"Unsold Residential Unit Owner" shall mean Sponsor or a principal of Sponsor and (if applicable) a Person designated by Sponsor.

"Zoning Resolution" shall mean the Zoning Resolution of the City of New York, as amended from time to time, or replacement rule, regulation or resolution pertaining to development of a zoning lot.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The following is a general description of the Property as well as certain facilities and services to be provided at the Condominium. For a more detailed description of the Property, see the "Description of Property and Improvements" contained in Part II of the Plan.

Location

The Property is located at 500 Waverly Avenue in the Borough of Brooklyn, City and State of New York.

Improvements - General Description of Units

The Condominium will consist of Residential Units, Storage Lockers, and Non-Residential Units located within a 7 story structure.

There will also be various amenities for the benefit of the Residential Unit Owners, including a fitness center, 2 outdoor terraces, an indoor recreation space and various utility and service areas located throughout the Building. (See the subsection entitled "Services and Facilities" for details.)

Purchasers should refer to the Description of Property and Improvements contained in Part II of the Plan for more details.

Residential Units

There will be 48 Residential Units located on Floor 2 through Floor 7, the square footages of which are set forth on Schedule A.

Purchasers are urged to consult the Floor Plans and Description of Property and Improvements contained in Part II of the Plan for details regarding the Residential Units.

Storage Lockers

Storage Lockers will be located in the Storage Locker Area of the Building and are offered for sale by license agreement (each a "Storage Locker License" and collectively, "Storage Locker Licenses"). The approximate square footages of the Storage Lockers and the Purchase Prices of the Storage Locker Licenses are set forth on Schedule A. Storage Locker Licenses will be offered in such order as Sponsor shall determine from time to time. A Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein. Sponsor, however, shall have the right to use any unassigned Storage Locker for any purpose permitted by Law or to change the permitted use of any unassigned Storage Locker, subject, to the provisions of the By-Laws. Except for Sponsor and the Condominium Board, a Storage Locker may not be licensed independently of a Residential Unit.

While Sponsor is presently offering the Storage Locker Licenses for sale, based upon market conditions, until such time as Purchasers have executed Purchase Agreements with respect to 75% of the Storage Locker Licenses, Sponsor reserves the right to withdraw the offering of Storage Locker Licenses. The above threshold percentage (i) may be reduced by Sponsor in its sole discretion and without amendment to the Plan and (ii) may be attained subsequent to the Plan being declared effective. If Sponsor elects to withdraw the offering of Storage Locker Licenses, Sponsor reserves the right to utilize such Storage Locker Area for any use as determined by Sponsor in its sole discretion, including, without limitation, incorporating such areas into Non-Residential Units. The withdrawal of the offering of Storage Locker Licenses shall be

disclosed by Sponsor in an amendment to the Plan and a Purchaser shall only be relieved of Purchaser's obligation to purchase the particular Storage Locker License, but shall remain obligated to purchase the Residential Unit. At Closing, Purchaser will receive a credit against the Balance of the Purchase Price equal to the amount allocated to the withdrawn Storage Locker License to the extent any such money has been delivered to Sponsor. Although the Storage Locker Area is a Residential Common Element, the Condominium Board has granted Sponsor the exclusive right, without charge, to sell Storage Locker Licenses located therein. The Condominium will not be entitled to any of the proceeds from the sale of the Storage Locker Licenses. The Condominium Board has the right to impose monthly license fees and Special Assessments in connection with the Storage Locker Licenses.

Non-Residential Units

The Condominium will contain 2 Non-Residential Units consisting of 1 Retail Unit and 1 Garage Unit. Purchasers should refer to the Section of the Plan entitled "Non-Residential Units" for a detailed description of the Non-Residential Units. The Retail Unit is not being offered for sale at this time. It is the intention of Sponsor to offer the Garage Unit pursuant to a "No-Action," "No Jurisdiction," or similar ruling issued by the Department of Law.

Parking Spaces

Parking will be available in the Garage Unit which will be operated by an independent operator who will rent the available spaces on a monthly basis in an amount determined by such operator. Sponsor makes no representation or warranty as to the availability of parking spaces or the cost thereof. The number of parking spaces in the Garage Unit shall be no fewer than 25 for monthly use by the residents of the Condominium, who will be required to pay the monthly rates charged, provided however, that if there are more than 25 parking spaces or if there is insufficient demand from residents for any such spaces at such prices, the non-utilized spaces may be used for other purposes consistent with applicable law.

Construction Data for Units and Common Elements

Sponsor has engaged Gerner Kronick + Valcarcel as architect of record, Gerner Kronick + Valcarcel as design architect, WSP Group as structural engineer and GEA Consulting Engineers as mechanical engineer. The Plans and Specifications have been prepared by such architects and engineers. (See the Section of the Plan entitled "Identity of Parties" for further detail.)

The construction of the Building will be completed in accordance with the Plans and Specifications, and applicable Law. However, Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures and other construction details) and substitute in place of any materials, appliances, equipment and fixtures set forth in the "Description of Property and Improvements," items of substantially equal or better quality, provided, however: (i) any material change shall be set forth in an amendment to the Plan; (ii) any necessary approval of any governmental authority having jurisdiction is first obtained; and (iii) no such amendments, modifications or substitutions may be made if the same would materially and adversely affect any binding Purchase Agreement unless the same is dictated by construction conditions at the Property, and in such event, Sponsor will, in the amendment disclosing such change and delivered to the Purchaser(s), offer the affected Purchaser(s) the right, for 15 calendar days, to rescind their Purchase Agreement(s) and receive a refund of their Deposits, together with all interest earned thereon, except for Unit Upgrade Funds (if applicable).

Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by Force Majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about January 1, 2017. Purchasers will not be excused from paying their full Purchase Prices (without credit or set-off), and will have no claim against Sponsor for damages or losses, in the event that the First Closing occurs earlier or later than the projected date or the time to complete or to

close title to any Residential Unit is delayed or postponed by Sponsor. Sponsor has the right to change the projected First Year of Condominium Operation from time to time by an amendment to the Plan. If the First Closing does not occur within 12 months after the commencement date set forth in Schedule B for the First Year of Condominium Operation in effect on the date a Purchaser and Sponsor entered into a Purchase Agreement, Sponsor will offer those affected Purchasers only a right to rescind their Purchase Agreement for 15 calendar days from the Presentation Date of the amendment disclosing Sponsor's failure to close within such time frame. Any Purchasers electing rescission will have their Deposits returned together with any interest earned thereon, except for any Unit Upgrade Funds (if applicable). In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections. If the Common Charges in the amended budget exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all Purchasers the right, for 15 calendar days, to rescind their Purchase Agreements and receive a refund of their Deposits, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

Services and Facilities

The services and facilities described below will be provided to Residential Unit Owners and are included in the Common Charges, unless otherwise specified below.

a. Doorman/Concierge

There will be a doorman stationed in the residential lobby 16 hours a day, 7 days a week. The hours of access may be modified by the Condominium Board, in its sole discretion. The hours and duties of the doorman may be reduced until certain occupancy levels in the Condominium are achieved. However, at all times after the First Closing of a Residential Unit, the residential lobby will be attended 16 hours per day, 7 days a week by a doorman/concierge.

b. Building Staff

The staff of the Condominium will be supervised by the non-resident manager. Purchasers should refer to the Footnotes to Schedule B for a complete description of the Building Staff.

c. Residential Elevator Service

All automatic passenger elevators will be in service 24 hours a day, 7 days a week subject to temporary interruption for maintenance and repairs. Purchasers should refer to the Description of the Property and Building Condition set forth in Part II for details concerning the passenger elevators.

Sponsor reserves the right to restrict access to any full floor Residential Unit, solely to the individual owner/occupant of such Unit, by way of elevator lock off, or other means permissible by Law.

d. Telecommunications

The Building will be pre-wired for telephone, cable television and internet services to the Residential Units. Residents will be able to subscribe for telephone, television and internet services. Charges for activating cable television, telephone and/or internet, installing and attaching appropriate receptacles, additional installations and monthly usage charges will be determined by and payable directly to the cable company by each resident subscribing for and activating such service. Sponsor reserves the right to enter into an agreement with a service provider to provide a building wide internet access package, the monthly cost of which will be paid by the Condominium Board and billed to each Residential Unit Owner as a Residential Common Expense.

e. Mail

All incoming mail will be delivered to the Building and will either, as determined by the Condominium Board, be delivered to the individual Residential Units by Building Staff or placed by the United States Postal Service in mail boxes located in the residential lobby of the Building.

f. Laundry Facilities

There will be a common laundry room located in the Building. Market-Rate Units will have washer/dryers in the Unit.

g. Refuse Disposal

There will be recycling bins and access to refuse chutes located on each floor containing Residential Units. The refuse chutes will lead directly to a compactor located in the compactor room in the cellar.

h. Communication Facilities and Intercom System

The Building will be equipped with an intercom system which will enable the occupants to communicate directly with the concierge and/or doorman over a telephone or mobile phone. The system will have video capabilities if the Unit Owner has a phone with video capability, which may require the downloading of a compatible smartphone application. Sponsor reserves the right to substitute an alternate service to enable communication between the concierge/doorman and the residents.

i. Smoke and Carbon Monoxide Detector/Sprinklers

A combination smoke and carbon monoxide detector will be provided in each Residential Unit in compliance with the Law. Additionally, the Building will be fully sprinklered in compliance with the Law.

j. Fitness Center

A Fitness Center will be located in the cellar of the Building. Sponsor anticipates that Sponsor or the Condominium Board will enter into a service contract for the leasing of equipment to be located in the Fitness Center, as described in the footnotes to Schedule B.

k. Indoor Recreational Area and Outdoor Terrace

The Residential Unit Owners will have use of an indoor recreational area located on Floor 2 of the Building, with an adjacent outdoor terrace.

l. Residential Lobby

The residential lobby will contain furniture and furnishings for the use and enjoyment of the residents of the Condominium.

m. Sales Center Furniture, Furnishings and Equipment

Sponsor reserves the right to utilize the furniture, furnishings and equipment through-out various parts of the Building which were used in the Sales Center. All such furniture, furnishings and equipment, however, will be re-conditioned, if needed.

n. Marketing Material

In no event shall the presence of any furniture, furnishings, finishes, equipment or decorations, wall coverings, window treatments, carpeting and the like ("FFE") in any portion of the Building or Residential Units set forth in any marketing materials and/or advertisements, and/or websites used in connection with the sales and marketing of the Residential Units imply or represent that any such FFE will be located within any portion of the Building or Residential Units. The presence of FFE in such marketing materials is for illustrative purposes only. In addition, marketing materials may use designations, labels or nomenclature to describe certain areas or rooms within Residential Units that differs from the designations utilized on the Floor Plans of the Residential Units set forth in Part II of the Plan, including, without limitation, closets, hallways, dens/media rooms and powder rooms. The use of such designations, labels or nomenclature is for marketing purposes only and does not obligate Sponsor to deliver such areas or rooms designed or fitted out in the manner depicted or implied in the marketing materials.

o. Outdoor Terrace and Rooftop Deck

The Residential Unit Owners will have shared access to a rooftop deck and 2nd floor outdoor terrace. Hours of access and use of the roof terrace will be regulated by the Condominium Board in its sole discretion. Such regulations may include, without limitation: (i) restrictions concerning the number of people permitted on the roof terrace at one time; (ii) noise constraints; (iii) prohibitions from utilizing glassware; (iv) restrictions concerning access during inclement weather; and (v) requiring a chaperone for children under the age of 18. The Condominium Board, however, has the right to change such times and dates. There will be mechanical equipment belonging to the Condominium located on the roof which may generate noise and vibration.

p. Bicycle Rack Area

The Residential Unit Owners will have the opportunity to rent bicycle racks located in a designated portion of the Garage Unit. A minimum of 24 bicycle racks will be installed, which will be rented to Residential Unit Owners on a monthly basis, at market rates to be determined soley by the Garage Unit Owner. Neither Sponsor nor the Condominium Board assumes any liability with respect to the cost, safety and/or security of any bicycles stored in the bicycle rack area.

q. General

Use of the services and facilities shall be available only to individuals who reside in a Residential Unit in the Building (i.e., a Residential Unit Owner or permitted tenant) and such individual's guests, provided that such Residential Unit Owner or tenant accompanies the guest during such use. In addition, use of the services and facilities are subject to such Rules and Regulations as may be promulgated from time to time by the Condominium Board, including, without limitation, the right to impose usage fees and restrictions on hours of access and use.

While it is anticipated that these services and facilities will be available at the time of the First Closing, Purchasers are advised that some of these services and facilities (such as a full staff of Building personnel and usage of the amenity areas) may not be available until approximately 12 months after the First Closing. Purchasers will not be entitled to any credit or abatement against the Purchase Price or Common Charges if any of the services and/or amenities or facilities are not available for use on or after Purchaser's Closing. Notwithstanding the foregoing, the Condominium Board shall have the right, but not the obligation, in its sole and absolute discretion, to adjust the First Year's Budget to reduce the Common Charges for the period in which such services and/or facilities are not available.

Purchasers should also be aware that the hours and dates for move-ins, move-outs and/or alterations, as well as the use of the passenger and/or service elevators will be restricted during the period that

Sponsor is performing work in the Building. However, at all times after the First Closing, the residential lobby will be attended 16 hours a day, 7 days a week by a doorman/concierge.

Additionally, as more fully set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor," it is anticipated that for a significant period of time following the First Closing through, including and beyond the Closing of Title to any Residential Unit, work should be expected to be undertaken and performed by or on behalf of Sponsor to complete construction of the Building, including without limitation, the Residential Units, the amenities and facilities, Storage Lockers, the decoration or finishing of the residential lobby, corridors, elevator finishes and other portions of the Building, including installing light fixtures, painting, hanging wall coverings or laying carpeting. All of the foregoing work and conditions may create a noisy or otherwise disruptive condition in the Building. The Condominium Board may refuse to permit a Residential Unit Owner to perform alterations in a Residential Unit until such time as the Building has been completed and a PCO has been obtained. Certain services, such as telecommunications, and other similar services may be provided by outside suppliers and delays in providing these services will not be the responsibility of Sponsor. Such suppliers may not provide these services until occupancy in the Building has reached certain levels. In addition, the presence of scaffolding, hoists or construction elevator shafts or similar temporary construction facilities, may delay the Closing of Title to certain Residential Units or lines of Residential Units until such scaffolding, hoists, elevators or temporary facilities are no longer needed and are removed.

LOCATION AND AREA INFORMATION

Location

The Property is located at 500 Waverly Avenue at the corner of Fulton Street in the Clinton Hill neighborhood, in the Borough of Brooklyn, City and State of New York.

Surrounding Area, Shopping, Museums, Theatre and Parks

The Property borders a number of neighborhoods, including Downtown Brooklyn, Fort Greene, Prospect Heights, Park Slope, and Boerum Hill. There are a number of cultural institutions in these neighborhoods that have a positive influence on the area. BAM Theatre, Rose Cinemas, BRIC Arts, New York Transit Museum, Barclay's Center and Brooklyn Botanical Gardens are just a few of the institutions general vicinity.

Along with the Brooklyn Botanical Gardens there are a number of green spaces in the area such as Fort Greene Park and Prospect Park.

Transportation

New York City is served by three major airports: LaGuardia Airport, Kennedy International Airport and Newark Liberty International Airport. Passenger railroad service is provided from Pennsylvania Station, located at Seventh Avenue and 33rd Street, and from Grand Central Station, located at Lexington Avenue and 42nd Street.

Transportation to and from the Condominium and through New York City, is available by taxi, limousine, private automobiles, subways or bus. The Building is minutes within walking distance to the 6 subway line. The C, G, 2, 3, B and Q are all located in close proximity to the Building for optimal transportation to a number of different neighborhoods and boroughs, including:

(i) A/C at Franklin Ave

(ii) G at Clinton/Washington

(iii) 2, 3, 4, 5, B, Q at Atlantic /Barclays Center

(iv) LIRR at Atlantic Center

(v) B44 Bus at Fulton Ave Street

Medical, Educational and Religious Facilities

A number of medical centers are located within close proximity to the Building, such as New York Methodist Hospital and The Brooklyn Hospital-Downtown Campus, and Memorial Sloan Kettering.

The Building is zoned for Elementary School PS 011, and there are a large number of public Middle Schools and High Schools in the vicinity. There are also a vast amount of Private Schools to choose from in the New York City area. Many colleges are in the New York City area, with Long Island University and Pratt Institution in close proximity to the Building.

There are houses of worship of most major denominations in the vicinity of the Condominium.

Municipal Services

The City of New York will provide water, sanitation, police and fire services to the Building.

The local police station is the 88th Precinct located at 298 Classon Avenue Brooklyn, New York.

The local fire station is Engine 219, Ladder 105 located at 494 Dean Street, Brooklyn, New York.

Mailing Address

The mailing address for the Building is 500 Waverly Avenue, Brooklyn, New York 11238.

Zoning

The Property is located within a R7A with C2-4 Commercial Overlay zoning district in which residential and commercial use is permitted.

Landmark Designation

The Building does not have landmark status and is not in a historic district.

General

Sponsor makes no representations to the continued existence of any of the named establishments or transportation lines. Additionally, no representation is made that future construction in the neighborhood surrounding the Condominium will not result in the obstruction of the views from any windows and/or Terraces.

SCHEDULE A – PURCHASE PRICES OF UNITS AND RELATED INFORMATION

500 WAVERLY CONDOMINIUM

Schedule A: Purchase Prices and Related Information for the Projected First Year of Condominium Operation (1/1/17-12/31/17)

Unit	Number Bedrooms (BR) / Bathrooms (BA)	Unit Square Footage	Terrace/Bal Sq. Footage	Offering Price	General Common Interest	Resid Common Interest	Estimated Monthly Common Charges	Estimated Monthly Real Estate Taxes With 421-a 1st Year	Estimated Annual Real Estate Taxes With 421-a 1st Year	Estimated Monthly Real Estate Taxes Without 421-a 1st Year	Estimated Annual Real Estate Taxes Without 421-a 1st Year	Estimated Total Monthly Charges With 421-a 1st Year	Estimated Total Monthly Charges Without 421-a 1st Year
	(1)	(2)	(2)	(3)	(4)(a)	(4)(b)	(5)	(6)	(6)	(6)	(6)	(7)	(7)
2A	3BR / 2.5BA	1,459	1,028	$ 1,865,000	3.0142%	3.9352%	$ 1,598.37	$ 114.64	$ 1,375.69	$ 1,208.95	$ 14,507.41	$ 1,713.01	$ 2,807.32
2B	2BR / 2BA	981		1,185,000	1.9448%	2.5391%	1,031.31	73.97	887.63	780.05	9,360.58	1,105.28	1,811.36
2C	3BR / 2BA	1,215		1,465,000	2.4087%	3.1447%	1,277.29	91.61	1,099.34	966.10	11,593.17	1,368.90	2,243.39
2D	1BR / 1BA	642		780,000	1.2727%	1.6617%	674.94	48.41	580.91	510.50	6,125.98	723.35	1,185.44
2E**	1BR / 1BA	654		*174,605*	0.4538%	0.5924%	240.62	17.26	207.09	181.99	2,183.93	257.87	422.61
2F**	1BR / 1BA	686		*171,845*	0.4760%	0.6214%	252.40	18.10	217.23	190.90	2,290.84	270.50	443.30
2G	0BR / 1BA	515	147	635,000	1.0554%	1.3779%	559.66	40.14	481.69	423.31	5,079.73	599.81	982.98
2H	2BR / 2BA	939	361	1,205,000	1.9172%	2.5030%	1,016.65	72.92	875.01	768.96	9,227.50	1,089.57	1,785.61
3A	3BR / 2BA	1,419		1,605,000	2.8131%	3.6727%	1,491.75	106.99	1,283.92	1,128.31	13,539.68	1,598.74	2,620.06
3B**	2BR / 1BA	1,021		*169,714*	0.7084%	0.9249%	375.67	26.94	323.33	284.14	3,409.71	402.61	659.81
3C	3BR / 2BA	1,215		1,475,000	2.4087%	3.1447%	1,277.29	91.61	1,099.34	966.10	11,593.17	1,368.90	2,243.39
3D	1BR / 1BA	642		785,000	1.2727%	1.6617%	674.94	48.41	580.91	510.50	6,125.98	723.35	1,185.44
3E	1BR / 1BA	649		785,000	1.2866%	1.6798%	682.29	48.94	587.23	516.06	6,192.71	731.22	1,198.35
3F	1BR / 1BA	690		800,000	1.3679%	1.7859%	725.38	52.03	624.32	548.65	6,583.85	777.41	1,274.04
3G	0BR / 1BA	517		590,000	1.0249%	1.3381%	543.50	38.98	467.78	411.08	4,933.01	582.48	954.58
3H**	2BR / 1BA	872		*183,909*	0.6051%	0.7899%	320.84	23.01	276.14	242.67	2,912.03	343.85	563.50
3J**	1BR / 1BA	677		*172,917*	0.4697%	0.6133%	249.11	17.87	214.40	188.41	2,260.98	266.97	437.52
4A	3BR / 2BA	1,419		1,615,000	2.8131%	3.6727%	1,491.75	106.99	1,283.92	1,128.31	13,539.68	1,598.74	2,620.06
4B**	2BR / 1BA	1,021		*169,714*	0.7084%	0.9249%	375.67	26.94	323.33	284.14	3,409.71	402.61	659.81
4C	3BR / 2BA	1,215		1,485,000	2.4087%	3.1447%	1,277.29	91.61	1,099.34	966.10	11,593.17	1,368.90	2,243.39
4D	1BR / 1BA	642		790,000	1.2727%	1.6617%	674.94	48.41	580.91	510.50	6,125.98	723.35	1,185.44
4E	1BR / 1BA	649		790,000	1.2866%	1.6798%	682.29	48.94	587.23	516.06	6,192.71	731.22	1,198.35
4F	1BR / 1BA	690		805,000	1.3679%	1.7859%	725.38	52.03	624.32	548.65	6,583.85	777.41	1,274.04
4G**	0BR / 1BA	521		*157,119*	0.3615%	0.4720%	191.71	13.75	165.00	145.01	1,740.06	205.46	336.72
4H**	2BR / 1BA	866		*184,402*	0.6009%	0.7845%	318.64	22.85	274.25	241.01	2,892.12	341.50	559.65
4J	1BR / 1BA	679		785,000	1.3461%	1.7574%	713.81	51.20	614.36	539.90	6,478.79	765.00	1,253.71
5A	3BR / 2BA	1,417		1,625,000	2.8092%	3.6675%	1,489.64	106.84	1,282.10	1,126.71	13,520.51	1,596.48	2,616.35
5B	2BR / 2BA	1,024		1,245,000	2.0301%	2.6504%	1,076.52	77.21	926.54	814.24	9,770.90	1,153.73	1,890.76
5C	3BR / 2BA	1,215		1,495,000	2.4087%	3.1447%	1,277.29	91.61	1,099.34	966.10	11,593.17	1,368.90	2,243.39
5D	1BR / 1BA	642		805,000	1.2727%	1.6617%	674.94	48.41	580.91	510.50	6,125.98	723.35	1,185.44
5E	1BR / 1BA	649		805,000	1.2866%	1.6798%	682.29	48.94	587.23	516.06	6,192.71	731.22	1,198.35
5F	1BR / 1BA	690		820,000	1.3679%	1.7859%	725.38	52.03	624.32	548.65	6,583.85	777.41	1,274.04
5G	0BR / 1BA	517		595,000	1.0249%	1.3381%	543.50	38.98	467.78	411.08	4,933.01	582.48	954.58
5H**	2BR / 1BA	872		*183,909*	0.6051%	0.7899%	320.84	23.01	276.14	242.67	2,912.03	343.85	563.50
5J*	1BR / 1BA	677		*255,958*	0.4697%	0.6133%	249.11	17.87	214.40	188.41	2,260.98	266.97	437.52
6A	4BR / 2.5BA	1,650		1,975,000	3.2711%	4.2706%	1,734.60	124.41	1,492.94	1,311.99	15,743.89	1,859.01	3,046.59
6C	3BR / 2BA	1,215		1,505,000	2.4087%	3.1447%	1,277.29	91.61	1,099.34	966.10	11,593.17	1,368.90	2,243.39
6D	1BR / 1BA	642		810,000	1.2727%	1.6617%	674.94	48.41	580.91	510.50	6,125.98	723.35	1,185.44
6E	1BR / 1BA	649		810,000	1.2866%	1.6798%	682.29	48.94	587.23	516.06	6,192.71	731.22	1,198.35
6F	1BR / 1BA	690		825,000	1.3679%	1.7859%	725.38	52.03	624.32	548.65	6,583.85	777.41	1,274.04
6G	0BR / 1BA	517		600,000	1.0249%	1.3381%	543.50	38.98	467.78	411.08	4,933.01	582.48	954.58
6H**	2BR / 1BA	870		*184,106*	0.6037%	0.7881%	320.10	22.96	275.51	242.12	2,905.39	343.06	562.22
6J	1BR / 1BA	679		790,000	1.3461%	1.7574%	713.81	51.20	614.36	539.90	6,478.79	765.00	1,253.71
PH1	4BR / 3.5BA	1,751	799	2,335,000	3.5704%	4.6612%	1,893.25	135.79	1,629.49	1,431.99	17,183.86	2,029.04	3,325.24
PH2	3BR / 2BA	1,666	1,205	2,280,000	3.4422%	4.4937%	1,825.22	130.91	1,570.93	1,380.53	16,566.36	1,956.13	3,205.75
PH3	3BR / 2.5BA	1,365	562	1,855,000	2.7817%	3.6316%	1,475.06	105.80	1,269.55	1,115.68	13,388.16	1,580.85	2,590.74
PH4	2BR / 2BA	1,080	791	1,380,000	2.2393%	2.9235%	1,187.45	85.17	1,022.01	898.14	10,777.70	1,272.61	2,085.59
PH5	2BR / 2BA	989	593	1,265,000	2.0393%	2.6624%	1,081.39	77.56	930.74	817.93	9,815.14	1,158.95	1,899.32
Totals		***43,961***	***5,486***	**$ 45,273,195**	**76.5953%**	**100.0000%**	**$ 40,617.24**	**$ 2,913.21**	**$ 34,958.52**	**$ 30,721.45**	**$ 368,657.46**	**$ 43,530.45**	**$ 71,338.70**
	****Inclusionary Units***												
	*****Inclusionary Units w/421-a***												
Retail Unit	Upper Lower	7,568 1 184	8,752	Not Offered	16.6464%	71.1244%	3,500.83	$ 717.48	8,609.78	5,542.90	66,514.76	4,218.31	9,043.73
Garage Unit	Upper Lower	2,436 3,164	5,600	Not Offered	6.7583%	28.8756%	1,421.29	213.39	2,560.74	2,250.37	27,004.44	1,634.69	3,671.66
Totals		***14,352***		**$ -**	**23.4047%**	**100.0000%**	**$ 4,922.13**	**$ 930.88**	**$ 11,170.52**	**$ 7,793.27**	**$ 93,519.20**	**$ 5,853.00**	**$ 12,715.39**
Totals		***58,313***		**$ 45,273,195**	**100.0000%**		**$ 45,539.37**	**$ 3,844.09**	**$ 46,129.04**	**$ 38,514.72**	**$ 462,176.66**	**$ 49,383.45**	**$ 84,054.09**

SCHEDULE A-1				
License Fee $/SF/Month				
Storage Unit	***Footage***	***Purchase Price***	***License Fee Per Month***	***License Fee Per Year***
1	27	$ 19,000	$ -	$ -
2	27	$ 19,250	$ -	$ -
3	32	$ 20,000	$ -	$ -
4	22	$ 15,000	$ -	$ -
5	22	$ 15,000	$ -	$ -
6	22	$ 15,000	$ -	$ -
7	25	$ 17,500	$ -	$ -
8	25	$ 17,500	$ -	$ -
9	25	$ 17,500	$ -	$ -
10	25	$ 17,500	$ -	$ -
11	25	$ 17,500	$ -	$ -
12	25	$ 17,250	$ -	$ -
13	25	$ 17,500	$ -	$ -
14	43	$ 27,000	$ -	$ -
15	34	$ 23,250	$ -	$ -
16	34	$ 24,000	$ -	$ -
17	19	$ 14,000	$ -	$ -
18	28	$ 19,750	$ -	$ -
19	21	$ 14,750	$ -	$ -
20	18	$ 13,500	$ -	$ -
21	18	$ 13,500	$ -	$ -
22	18	$ 13,500	$ -	$ -
23	18	$ 13,500	$ -	$ -
24	19	$ 14,000	$ -	$ -
25	31	$ 22,500	$ -	$ -
26	25	$ 17,500	$ -	$ -
27	22	$ 15,500	$ -	$ -
28	20	$ 14,500	$ -	$ -
29	14	$ 11,500	$ -	$ -
30	22	$ 15,500	$ -	$ -
31	22	$ 15,500	$ -	$ -
TOTAL	**747**	**$ 528,750**	**$ -**	**$ -**

NOTES TO SCHEDULE A

1. Purchasers should refer to the Floor Plans included in Part II of the Plan for an approximation of the dimensions and typical layouts of the Residential Units. The number of bedrooms and bathrooms for each Residential Unit was determined by Sponsor's architect in accordance with industry practice for new construction condominiums and does not necessarily conform to the zoning room count or the method utilized by the Real Estate Board of New York. Each Residential Unit should be inspected to determine its actual dimensions, layout and physical condition prior to Closing. Certain Residential Units contain home offices which may not be used as legal bedrooms under current Law.

2. The square footage of the Units listed in Schedule A or in the Declaration are approximate and may change due to field conditions, construction variances and tolerances and were obtained by using the method customarily used in New York City to measure condominium units. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit by 5% or less (using the methodology set forth in the Declaration) is not a material and/or adverse change. In the absence of such proof to the contrary, Sponsor's sole obligation if the net square footage of the Unit is so decreased shall be to refund the Deposit made under the Purchase Agreement and any interest earned thereon, except for any Unit Upgrade Funds (if applicable). Each Unit is measured horizontally from the exterior face of the concrete wall or exterior face of glass surfaces to the outside face of the walls separating the Unit from a Common Element. Where there is demising wall between two Units the dimension is to the centerline of the demising wall. Columns, shafts, etc. are included in the Unit measurement. Dimensions may vary depending on normal construction tolerances, dropped ceilings, ductwork, etc. As is customary in New York, these square footages exceed the usable floor area of each Unit. The method of measurement is applicable to all Units. Any Common Elements located within or appurtenant to any Unit shall not be considered as part of that Unit. Terraces shown on Schedule A are Residential Limited Common Elements. Notwithstanding the foregoing, the measurements of Inclusionary Units are in compliance with the Inclusionary Housing Program.

3. The Purchase Prices of the Market Rate Units and other terms of sale (as more fully set forth in the Section of the Plan entitled "Changes in Prices and Units") of Residential Units may be negotiated by Sponsor and, therefore, may be changed. Accordingly, Purchasers may pay different Purchase Prices for similar Residential Units. The effect of this, as well as the right of Sponsor to change Purchase Prices for Market Rate Units, is more particularly discussed in the Section entitled "Changes in Prices and Units." In addition to the payment of the Purchase Price, each Purchaser will be responsible for the payment of certain closing costs and expenses at the time of Closing, as explained in the Section of the Plan entitled "Closing Costs and Adjustments". If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of additional closing costs and expenses relating to such loan. There will be an apportionment of certain charges relating to the Units at the Closing. THE PRICES OF MARKET RATE UNITS HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY. THE PRICES OF THE INCLUSIONARY UNITS HAVE BEEN ESTABLISHED BY SPONSOR IN ACCORDANCE WITH HPD GUIDELINES AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW. HPD MUST APPROVE ANY CHANGE IN THE PURCHASE PRICE OF AN INCLUSIONARY UNIT.

The Condominium Board has the right to impose license fees and Special Assessments on Storage Locker Licensees in connection with the Storage Locker Licenses.

(a) The Common Interests of each Unit in the Common Elements has been determined pursuant to the method set forth in Real Property Law Section 339-i (l) based upon floor space, subject to the location of such space and the additional factors of relative value to other space in

the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance Real Property Law Section 339-i (l)(iv).

(b) The percentage interest of each Residential Unit in the Residential Common Elements is apportioned in the same proportion that the Residential Unit bears to the aggregate Common Interests of all of the Residential Units in the Condominium.

The estimated monthly Common Charges for each Unit are based on Schedule B - First Year's Budget prepared by Sponsor's Condominium Budget Expert on the assumption that the First Year of Condominium Operation will be the year from January 1, 2017 through December 31, 2017. The actual First Year of Condominium Operation may be earlier or later than such year. In addition to these estimated payments, each Unit Owner will be responsible for real estate taxes on the Unit, mortgage payments under a loan, if any, obtained to finance the purchase of the Unit, the cost of electricity supplied to the Unit which will be directly metered or submetered and payable either directly to the utility company or to the Condominium Board for payment to the utility company, the cost of any insurance which the Unit Owner obtains for the Unit and the cost of interior repairs and decorations to the Unit. See the Section of the Plan entitled "Schedule B-1 - Budget for Individual Energy Costs" concerning estimates of certain electric costs for the Residential Units. In addition to the foregoing, each Inclusionary Unit Owner will be required to pay a surcharge of $45.45 per year into the Administering Agent Reserve Account, payable in equal monthly installments, as set forth in the Regulatory Agreement.

As discussed in the Section of the Plan entitled "Description of Property and Improvements" subsection "Services and Facilities," the full range of services and facilities described in the Plan may not be available until approximately 12 months after the First Closing.

4. Sponsor has applied for partial exemption from real estate taxes with respect to the Residential Units, the Garage Unit and the Retail Unit pursuant to Section 421-a of the New York Real Property Tax Law ("421-a Benefits"). Based on the opinion of Tuchman, Korngold, Weiss, Liebman & Gelles, LLP ("Sponsor's Real Estate Tax Counsel") set forth in Part I of the Plan, if the 421-a Benefits are granted, the real estate tax estimate for the First Year of Condominium Operation will be based upon the taxable assessed valuation of the Property in the tax year prior to construction commencement, which is commonly referred to as the "mini-tax." As construction commenced on or about May 29, 2015, the "mini-tax" will be based upon the assessed valuation of the Property in the 2013/2014 tax year. Based on the opinion of Sponsor's Real Estate Tax Counsel, the 2013/2014 transitional assessed valuation of the Property was $344,457. Therefore, in the First Year of Condominium Operation, the "mini-tax" for the Residential Units will be approximately $34,959, the "mini tax" for the Garage Unit will be approximately $2,561 and the "mini-tax" for the Retail Unit will be approximately $8,610, based on a residential tax rate of $13.25 per $100 of assessed valuation and a commercial tax rate of $11.00 per $100 of assessed valuation. The estimated real estate taxes set forth in Schedule A, are based on the assumption that the partial exemption will be in effect for the First Year of Condominium Operation, and that there will not be any change in the taxable status of the Property. Notwithstanding the foregoing, no warranty or guarantee is made as to the amount of any tax exemption that will actually be received. In addition, no warranty or guarantee is made that the actual assessed valuation or the assessed valuation for the Property if 421-a Benefits are granted will be as projected above, that the projected tax rate will be in effect for all or any portion of the Property during the First Year of Condominium Operation, that the real estate taxes will be allocated among Units in proportion to their Common Interests or Schedule A purchase prices or that such benefits will be in effect as of the Closing Date of any particular Unit. In no event will Sponsor, Seiden & Schein, P.C., Holland & Knight LLP, Income Tax Counsel, Sponsor's Real Estate Tax Counsel, Selling Agent or any offeror be liable to any Purchaser, nor will any Market Unit Purchaser have the right to rescind the Purchase Agreement, in the event 421-a Benefits are not granted or are not in effect at a

particular time, or, if granted, in the event the amount of such exemption and the resulting taxes differ from those projected.

If for any reason the 421-a tax exemption is not granted or is not in effect for the First Year of Condominium Operation, it is estimated that the aggregate real estate taxes payable with respect to all Residential Units for the First Year of Condominium Operation will be approximately $368,657 assuming (a) a transitional assessed valuation for the Property of $1,351,899 for the last 6 months of the 2016/2017 tax year reflecting the assessment for a partially constructed property and $4,212,742 for the first 6 months of the 2017/2018 tax year, based on the real estate tax projection opinion prepared by Sponsor's Real Estate Tax Counsel dated February 23, 2016 set forth in Part I of the Plan, and (b) a tax rate of $13.25 per $100 of assessed valuation for the 2016/2017 and 2017/2018 tax years. Purchasers should note that once the Building is assessed as being fully constructed, it is estimated that the real estate taxes for the Residential Units will total approximately $558,188 assuming no change in the above-listed tax rates or assessments. This tax projection does not take into account any 421-a Benefits that may be applicable to the Property at such time.

5. These figures represent the aggregate estimated monthly carrying charges which include estimated Common Charges and estimated real estate taxes. Reference should be made to note (5) of these Notes for certain other "home ownership" costs that may be incurred by Residential Unit Owners.

A Purchaser of a Market Rate Unit will be required to make a non-refundable contribution at the Closing of Title to the Working Capital Fund in an amount equal to 2 months' Common Charges with respect to the Residential Unit based on the Condominium budget in effect on the Closing Date of the Unit. A Purchaser of an Inclusionary Unit shall not be required to make such a contribution. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.)

In the opinion of Olshan Frome Wolosky LLP a copy of which is set forth in Part I of the Plan, a Residential Unit Owner who uses the Residential Unit as a personal residence will, under present Law, for Federal, New York State and New York City income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that deductions, if applicable, may vary in future years due to changes in the interest rate or the Residential Unit Owner's mortgage or from changes in the allocation of the constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property. Sponsor makes no representation concerning the availability of any tax deductions. (See the Section of the Plan entitled "Income Tax Deductions to Residential Unit Owners and Tax Status of the Condominium" for more details)

SCHEDULE B – BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

SCHEDULE B

500 Waverly Condominium
500 Waverly Avenue
Brooklyn, New York 11238

Projected Budget for First Year of Condominium Operation (See Note 1)
January 1, 2017 to December 31, 2017

ESTIMATED INCOME

Common Charges – Residential Units (Note 2)	$487,407
Common Charges – Commercial Unit A (Note 2)	$42,010
Common Charges – Garage Unit (Note 2)	$17,0566
License Fees – Storage Units (Note 3)	$8,964
Total Estimated Common Charges	$555,436

ESTIMATED EXPENSES (Note 4)

Payroll and Related Expenses (Note 5)	$ 233,490
Gas (Cooking/Heat/Hot Water) (Note 6)	$ 26,705
Electricity (Note 7)	$ 8,395
Water Charges and Sewer Rent (Note 8)	$ 25,796
Repairs and Maintenance (Note 9)	$ 24,500
Service Contracts (Note 10)	$ 72,300
Insurance (Note 11)	$ 52,750
Management Fee (Note 12)	$ 37,500
Legal and Audit Fees (Note 13)	$ 15,000
Other Expenses (Note 14)	$ 15,000
Contingencies (Note 15)	$ 20,000
Reserve for Replacements (Note 16)	$$ 24,000
Total (Note 17)	$ 555,436

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

ALLOCATION OF COMMON EXPENSES BETWEEN RESIDENTIAL, RETAIL AND GARAGE

COMMON EXPENSES	TOTAL EXPENSES	RESIDENTIAL UNITS SHARE	RETAIL UNIT A SHARE	GARAGE UNIT SHARE
LABOR AND BENEFITS	$ 233,490	$ 216,354	$ 12,188	$ 4,948
ELECTRIC	$ 8,395	$ 8,395	N/A	N/A
HEAT/HOT WATER & COOKING (GAS)	$ 26,705	$ 26,705	N/A	N/A
WATER AND SEWER	$ 25,796	$ 25,796	N/A	N/A
REPAIRS	$ 24,500	$ 23,330	$ 832	$ 338
SERVICE CONTRACTS	$ 72,300	$ 69,983	$ 1,648	$ 669
INSURANCE	$ 52,750	$ 40,404	$ 8,781	$ 3,565
MANAGEMENT	$ 37,500	$ 28,723	$ 6,242	$ 2,534
ADMINISTRATION	$ 15,000	$ 11,489	$ 2,497	$ 1,014
OTHER	$ 15,000	$ 11,489	$ 2,497	$ 1,014
CONTINGENCY	$ 20,000	$ 15,319	$ 3,329	$ 1,352
REPLACEMENT RESERVE	$ 24,000	$ 18,383	$ 3,995	$ 1,622
Sub-Total	**$ 555,436**	**$ 496,371**	**$ 42,010**	**$ 17,056**
STORAGE UNIT LICENSE FEE		(8,964)		
Total Common Charges	**$ 555,436**	**$ 487,407**	**$ 42,010**	**$ 17,056**

All General Common Charges have been allocated based upon each Unit's Common Interest unless otherwise stated.

FOOTNOTES TO SCHEDULE B

(1) First Year of Condominium Operation

The receipts and expenses for the projected First Year of Condominium Operation. The Common Charges projected herein are based upon estimated expenses for the twelve (12) month period commencing January 1, 2017. The actual First Year of Condominium Operation may begin earlier or later that year.

If the actual or anticipated date of commencement of the First Year of Condominium Operation is to be delayed by more than six (6) months from the budget year projected in the Offering Plan, the Plan will be amended to include a revised budget disclosing the current projections. If such amended projections exceed the original projections by twenty-five (25%) percent or more, the Sponsor will offer all Purchasers, (other than Purchasers who are then in default beyond any applicable grace period, if the plan has not been declared effective) the right, to rescind their agreements within not less than fifteen (15) days after the presentation date of the amendment containing such revised budget, and any Purchasers electing rescission pursuant to such offer will have their deposit and any accrued interest returned.

Sponsor shall not declare the Plan effective where there are any material changes to the Budget if the changes are not disclosed by a duly filed amendment to the Plan.

(2) Common Charges

These amounts represent the total Common Charges to be levied against and collected from the Residential Unit Owners, the Garage Unit Owner, and the Commercial Unit Owners during the anticipated First Year of Condominium Operation. The Common Charges will be utilized by the Condominium Board to defray the operational expenses of the Condominium. Except as otherwise set forth herein, the General Common Charges have been allocated between the Residential Unit Owners and the Garage Unit Owner and Commercial Unit Owners based on anticipated usage and benefits derived by such Unit Owners, respectively, and between and among the Unit Owners on the basis of percentage of Common Interest allocated to each Unit. Where the allocation of Common Expenses is not based on percentage of Common Interest, or Common Expenses have been allocated only to certain categories of Units, such circumstances are set forth in the following notes. The Garage and Commercial Unit Owners will only be obligated to pay their respective allocable share of those expenses that are incurred by the Condominium Board in furnishing services, operating and maintaining those Common Elements which are utilized by and serve such Garage and Commercial Unit Owners. Those General Common Charges that have been allocated on the basis of Common Interest have been allocated on such a basis as follows: Those expenses to be borne by the Residential Unit Owners have been allocated on the basis of the combined percentage of Common Interest of such Residential Units, for a total of 76.5953%. General Common Charges to be borne by the Owner of Commercial A Unit has been allocated on the basis of such Commercial A Units' Common Interest for a total of 16.6464%. General Common Charges to be borne by the Owner of the Garage Unit has been allocated on the basis of such Garage Units Common Interest for a total of 6.7583%.

(3) License Fees for Storage Units: $8,964

There are a total of 31 Storage Units. The Storage Units are located on the Cellar Level. The Condominium will charge a license fee for the use of the individual Storage Unit. Each Storage Unit Licensee will be charged a monthly License Fees. The Monthly License Fee projected herein are based upon estimated expenses for the twelve (12) month period commencing January 1, 2017. The Residential Common Charges will be offset by the income derived by the Storage Unit fees in the amount of $8,964.

The Storage Unit license fees will be subject to increases based on the percentage increase in subsequent budgets approved by the Board of Managers.

(4) General Common Charges

General Common Charges include the costs and expenses in connection with the maintenance and operation of, and any alteration to, the General Common Elements and the provision of services to all Unit Owners in general, such as service contracts applicable to the Building as a whole, employees who will provide services to the entire Condominium, the Managing Agent for the Condominium, and insurance coverage for the Common Elements.

(5) Payroll and Benefits: ($233,490)

The Building staff will be retained by a third party provider and will not be employees of the Condominium.

This cost reflects salary/benefits of one Non-Resident Manager working 40 hours/week, 1 Porters working 40 hours/week and Concierge shifts providing front door coverage 16 hours per day/7 days per week.

Position	Hours	Rate	Annual Cost	Holiday and Tax	Total
Non-Resident Manager (8 hours per day x 5 days)	40	$25.00	$66,560.00	$6,656.00	$ 73,216.00
Porter (7 am to 3 pm, 5 days per week)	40	$16.50	$34,320.00	$3,432.00	$ 37,752.00
Concierge (16 hours per day x 7 days)	119	$18.00	$111,384.00	$11,138.40	$ 122,522.40
Total					**$233,490.00**

The projected level of staffing for the Condominium complies with all applicable housing and labor laws. The building staff will be non-union and wages meet state minimum wage laws. The projected expenses for wages, salaries and benefits as well as the assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's budget expert, FirstService Residential New York Inc., in managing comparable buildings. These expenses are allocated among all Unit Owners based on their Common Interest percentage with the exception of the Commercial and Garage Units. The Commercial and Garage Unit Owners will utilize the services of only the Non-Resident Manager and will pay their share of the Non-Resident Manager labor

expense based on their Common Interest. The Residential Units will utilize all labor expenses and same will be allocated based on Common Interest.

(6) Gas (Cooking/Heat/Hot Water): $26,705

Based on an estimate made as of July 23, 2015 by GEA Consulting Engineers, located at 545 Eighth Avenue, 11th Floor, New York, New York 10018, it is anticipated that gas for cooking, heat and hot water will be provided to the Residential Units by natural gas and will cost $43,121. This estimate is based on a projected usage of 19,944 Therms of gas per year at an anticipated average cost of $1.30 per Therm. A 3% inflation factor has been added. All Units will be directed metered by Con Edison. PH1, PH2, PH3, PH4 and PH5 will also have sub-meters that will provide the electrical usage of the VRF condenser units that serve these units exclusively.

(7) Electricity: $8,395

This estimate is based on an estimate made as of July 23, 2015 by GEA Consulting Engineers, located at 545 Eighth Avenue, 11th Floor, New York, New York 10018, that light and power for the Common Elements as well as the mechanical equipment will be approximately 41,166 KW/HR/YR at an annual cost of $.198/kWh. A 3% inflation factor has been added. The Commercial and Garage Units will be separately metered.

Electricity (including current necessary to operate HVAC Systems) shall be supplied to all Units through a separate sub-meter for each such Unit, and the cost of electricity consumed or used in each such Unit or any Residential Limited Common Elements appurtenant thereto shall be payable to the Condominium based on the sub-metered readings. The sub-meters will be read on a monthly basis by a third party metering company. All electric charges attributed to a Unit will be billed to each Unit on a monthly basis on their monthly Common Charge Statement.

(8) Water Charges and Sewer Rent: $25,796

This amount is based on an estimate made as of July 23, 2015 by GEA Consulting Engineers, located at 545 Eighth Avenue, 11th Floor, New York, New York 10018, that water charges for the Residential Units and all Common Elements, will be approximately 253,750 cf/year at a cost of $9.87/100cf. A 3% inflation factor has been added. The Commercial and Garage Units will be separately metered.

The budgeted amount constitutes a projection of the water charges and sewer rents that will be payable with respect to the Building.

(9) Repairs and Maintenance: $24,500

This estimate includes painting, maintenance and repair costs of General Common Elements, and the Residential Common Elements only. Unit Owners will be responsible for the cost of repairs and painting in the interiors of their Units. No provision has been made to cover the cost of any capital expenditure. This estimate also includes the estimated annual cost of services and supplies (excluding service contracts) provided to and for the benefit of the Units.

Supplies and Hardware	$10,000
Plumbing	$ 2,000

Electrical	$ 2,000
Windows, Locks and Doors	$ 1,000
Intercom	$ 1,000
Plastering and Painting	$ 2,500
Elevators	$ 1,000
General Repairs	$ 5,000
Total	**$24,500**

This estimate is based on experience of Sponsor's budget expert, First Service Residential in operating comparable buildings.

(10) Service Contracts: $72,300

This estimate includes the cost of various services used in or for the Common Elements, including but not limited to elevator service, landscaping, extermination, fire alarm and window washing.

Elevator Maintenance	$ 14,400
Exterminating	$ 2,000
Landscaping	$ 2,500
Flowers	$ 5,000
Central Station Monitoring	$ 1,200
Supplies	$ 10,000
Fire Extinguishers	$ 500
Fire Alarm	$ 5,000
Gym Equipment Lease	$ 5,000
Telephone/Internet/Cable	$ 7,500
Sprinkler	$ 1,200
HVAC Service	$ 10,000
Affordable Agent	$ 5,000
Sub-Metering Electric	$ 3,000
Total	**$ 72,300**

No maintenance or service contracts have been entered into as of the filing date of the Plan. The budgeted amounts are based on estimates received from contractors and the experience of Sponsor's budget expert, First Service Residential, in operating comparable buildings. While this Schedule B includes a reasonable allowance for possible increases in cost, which may occur prior to and during the First Year of Condominium Operation, no warranty or guarantee is made that the actual cost for these services or other services will be in accordance with this projection. The Commercial and Garage Units will share in the expense of all Service Contracts with the exception of the elevator, landscaping, HVAC, gym equipment lease, telephone and sub-metering. The Commercial and Garage Unit's allocation of Service Contract Expenses is based on their Common Interest percentage.

(11) Insurance: $52,750

The insurance premiums are based on the letter, dated June 18, 2014, from MR Coopers, LTD, at 622 Third Avenue, New York, New York 10017. The fire, casualty and general liability are on the terms set therein:

	COVERAGES	LIMITS OF LIABILITY
A.	Property (Building Limit)	$24,400,000
	Business Personal Property Limit	$ 50,000
	Loss of Maintenance Fee	Included
	Demolition and Increased Cost	$ 1,000,000
	Flood	$ 1,000,000
	Earthquake	$ 1,000,000
	Deductibles	
	Building, Underground Water & Sewer	$ 10,000
	Earthquake	$ 50,000
	Flood	$ 25,000
B.	General Liability	
	(General Aggregate)	$ 2,000,000
	Each Occurrence	$ 1,000,000
	Fire Damage Liability	$ 50,000
	Personal and Advertising Injury	$ 1,000,000
	Medical Expenses	$ 5,000
	Hired/Non Owner Auto Liability	$ 1,000,000
	Water Damage Legal Liability	$ 1,000,000
C.	Directors & Officers Liability	$ 1,000,000
D.	Umbrella Liability	$100,000,000
	Self Insured Retention	$ 10,000
	Included Excess Director's & Officers	
E.	Crime	
	Employee Dishonesty Limit	$ 500,000
	Managing Agent's Rider	$ 500,000
F.	Boiler and Machinery or Equipment Breakdown	
	Limit	$100,000,000
	Deductible	$ 5,000

The total premium for these various coverages is estimated at $52,750.

The fire, casualty and general liability insurance carried by the Condominium will provide: that each Unit Owner is an additional insured party; that there will be no cancellation without notice to the Condominium Board; a waiver of subrogation; a waiver of invalidity because of acts of the

insured and Unit Owners; and a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

This coverage does not include claims for personal injury or property damage resulting from occurrences in individual Units or any Common Elements exclusive to such Units, nor does it include coverage of any Unit (as such term is more particularly described in the Plan and the Declaration.

This quotation is an indication of insurance premiums at current rates. Because conditions in the insurance marketplace are volatile, it is not possible to predict what the premiums will be for the First Year of Condominium Operation. Purchasers should be aware of the possibility of rate increases. The insurance is adequate for the replacement of the building in the event of a total loss. The carrier will be selected at the time the coverage is bound. This will occur prior to the First Closing. The agent quoting the proposed insurance is MR Coopers, LTD., located at 622 Third Avenue, New York, New York, 10017

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

This insurance coverage meets the requirements of the mortgage lender procured by Sponsor.

Unit Owners will be solely responsible for maintaining casualty insurance with respect to the Unit, including, without limitation, the flooring, fixtures, finishings, furniture, furnishings, equipment, appliances and personal property located within the Unit, any Limited Common Elements appurtenant thereto, and any Storage Locker licensed by the Unit Owner, as well as liability insurance with respect to occurrences in or about the Unit, any Limited Common Elements appurtenant thereto, and any Storage Locker licensed by the Unit Owner.

(12) Management Fee: $37,500

Based on the management agreement to be entered into with First Service Residential New York, Inc. at or before the First Closing, it is expected that the Managing Agent will receive an annual fee of $37,500 for the first year. Reference should be made to "Management Agreement, Contracts and Leases" in Part I for further discussion of the terms of the Management Agreement.

(13) Legal and Audit Fees: $15,000

Based upon the estimate set forth in a letter dated June 18, 2014 from Tarlow & Co., CPA's located at 7 Penn Plaza, New York, New York, 10001, Sponsor has budgeted $12,000 for estimated auditing and accounting fees in connection with the preparation of the audited financial statements for the First Year of Condominium Operation and Federal, state and city income tax returns. The balance of the budgeted amount ($3,000) has been estimated to provide for minor legal services to be rendered in connection with the operation of the Building such as attendance at Condominium Board meetings, preparation of Condominium Board minutes and negotiation of minor agreements. This amount has been allocated between the Residential and Commercial and Garage Units on the basis of Common Interest.

(14) Other Expenses $15,000

Other Expenses covers telephone, office supplies, office equipment, postage, special communications and mailings to the Unit Owners, annual meetings, and general expenses.

Office Supplies/Mobile Communications	$ 2,500
Permits	$ 2,000
Printing and Postage	$ 2,000
Sprinkler Fees	$ 1,000
General	$ 7,500

(15) Contingency $20,000

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

(16) Replacement Reserve $24,000

The funds collected under this line item are for deposit into an account established by the Board of Managers to hold the Replacement Reserve Fund which is to be funded out of Common Charges and used for periodic maintenance, repair and replacement of the Common Elements, in accordance with the By-laws.

****

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

****

(17) Total Expenses

IN THE OPINION OF FIRST SERVICE RESIDENTIAL NEW YORK, INC., THE PROJECTED INCOME IS ADEQUATE TO MEET THE PROJECTED COMMON EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE 12-MONTH PERIOD COMMENCING JANUARY 1, 2017. THE FOREGOING SCHEDULE, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL COMMON CHARGES OR OTHER INCOME AND EXPENSES FOR SUCH FISCAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY WILL BE AS SET FORTH IN SAID SCHEDULE, SINCE THE ANNUAL COMMON CHARGES AND OTHER ITEMS OF INCOME AND EXPENSE MAY VARY FROM AMOUNTS SHOWN IN THE SCHEDULE.

Sponsor reserves the right to enter into additional or other service, maintenance, employment, concessionaire and other agreements that will be binding on the Condominium upon commencement of condominium operation. Sponsor shall not, however, enter into any binding service, maintenance, employment, concessionaire or other agreements that will materially

increase the first year's projected Common Charges or that will be binding on the Condominium for a period of more than two (2) years, unless the Plan is amended.

SCHEDULE B-1 - PROJECTED INDIVIDUAL ENERGY COSTS BUDGET

SCHEDULE B-1

Residential Building
500 Waverly Avenue
Brooklyn, NY 11238

ESTIMATED CHARGES

Architect:
Gerner Kronick + Valcarcel
443 Park Avenue, 2nd Floor
New York, NY 10016
Tel: (212) 679-6362

Engineer:
GEA Consulting Engineers
545 Eighth Ave., 11th Floor
New York, NYC 10018
Tel: (212) 643-8006

June 24, 2015



I GENERAL

The charges indicated below are based on the following assumption:

1. Heating is based on 5,000 degree days. System shall maintain 70 degree Fahrenheit in the residential units when outdoor air temperature is 8.7 degrees Fahrenheit.

2. Air conditioning system shall maintain 75 degree Fahrenheit when outdoor air temperature is 92.4 degree Fahrenheit. Windows to have curtains, Venetian blinds or other shading materials.

3. Each residential unit is calculated to have a gas range, and all other appliances included in the sale.

4. Construction of the building will begin in or about November 2015, and it is anticipated that the building will be sufficiently complete for issuance of a Temporary Certificate of Occupancy in or about November 2017.

5. The estimated first year cost for water and sewer is based on the New York City rate, for 7/1/15 – 6/30/16 is an estimated rate of $9.87 per hundred cubic feet of water and the average of 40 gal. per day per person, for the projected first year of condominium operation. Unit occupancy is assumed as follows: 2 people for the first bedroom and 1 person per bedroom for additional bedrooms. Charges for waste and storm sewer services are billed at 159% of applicable water charge or $6.06, for a combined water/sewer charge of $9.87 per 100 cf of water.

6. Residential Unit electricity rates are based upon Con Ed rate structure SC-01 as of June 2015 with the following summer and winter charges:

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

   For winter months - $ 0.08907/kWh per all kWh

   In addition, the utility cost includes an average Market Supply Charge (MSC) of $0.05582 / kWh, an average Monthly Adjustment Clause (MAC) of $0.0854/ kWh, a System Benefits Charge of $0.38/ kWh, a Renewable Portfolio Standard program charge of $0.0026/ kWh, Merchant Function charge of $0.001982/ kWh, and Gross Receipts Tax (GRT) of 5.2794%. Charges also include a $15.76 per month meter charge and $1.20 per month billing and payment processing charge. Sales tax is not included.

Common space charges are based upon Con Ed rate structure SC-9 as of September 2014. Public space costs are based upon Demand and Energy Delivery charges for winter and summer months. The Demand charges for summer and winter periods are as follows:

For summer months- $140.89 per first 5 kW or less and $21.83/kW for over 5 kW

For winter months- $112.54 per first 5 kW or less and $17.23/kW for over 5 kW

In addition, the total cost includes an average Market Supply Demand charge of $0.216/kWh and an average MSC and MAC combined Energy Delivery charge of $0.11835/kWh, a System Benefits Charge of $0.38/kWh, a Renewable Portfolio Standard program charge of $0.0026/kWh, Merchant Function charge of $0.001354/kWh, and Gross Receipts Tax (GRT) of 2.7254%. Charges also include a $2.76 per month meter charge and $1.20 per month billing and payment processing charge. Sales tax is not included.

7. The Residential Unit gas rates are based upon Con Ed rate structure SC-01 as of June 2015 with the following charges:

For all months- $18.60 per first 3 therms or less and $ 0.9875/therm for over 3 therms

In addition, the total cost includes an incremental System Benefits Charge which varies yearly, a Temporary State Assessment Surcharge of $0.062041/therm, and a Merchant Function charge of $0.011037/therm. Charges also include a $1.20 per month billing and payment processing charge, and an additional charge based on both the applicable Gas Cost Factor, currently $0.288125/therm, and the Monthly Rate Adjustment, currently $0.0079439/therm, which reflect the average total cost of gas for the month. Sales tax is not included.

The figures below can vary considerably depending on the severity of the weather, the efficiency of the actual equipment installed, occupants' personal habits as well as other operating parameters. These figures are not intended to be a guarantee.

II ESTIMATED UTILITY COMMON COSTS (does not include submetered components)

1. The estimated first year cost for electric consumption:

   41,166 kWh/yr x $0.198/kWh = $8,150.86/yr

   This includes common areas stairway, hallway, exterior, lobby, and mechanical rooms lighting, AC, pumps, elevators, and fans.

2. The estimated first year cost for water and sewer:

   240,089 cf/year x $9.87/100 cf = $23,697/yr

3. The estimated first year cost for gas consumption for heating:

   2,700 therms/yr x $1.30/therm = $3,510.00/yr.

4. The estimated first year cost for gas consumption for domestic hot water:

   15,735.70 therms/yr x $1.30/therm = $20,456.40/yr

5. The estimated first year cost for gas consumption for cooking:

   8,761 therms/yr x $1.30/therm = $11,389.30/yr

   Estimated Total: $67,203.56 for the entire building's first year

III ESTIMATED RESIDENTIAL UNIT ELECTRIC COSTS

Each residential unit will be metered separately for electric usage by utility provided electrical meters. This electric usage will include the power consumption of the packaged electric heat pump that provides both heating and cooling to the residential unit. The Penthouse units will have VRF units for both heating and cooling. The effective price of electricity used was $0.198/kWh.

Annual Residential Unit Energy Costs

	Energy Consumption (kWh)	Utility Cost
2A	12,608	$2,496
2B	8,751	$1,733
2C	10,736	$2,126
2D	5,535	$1,096
2E	5,702	$1,129
2F	5,948	$1,178
2G	4,498	$891
2H	8,294	$1,642
3A	12,379	$2,451
3B	8,988	$1,780
3C	10,613	$2,101
3D	5,658	$1,120
3E	5,702	$1,129
3F	5,948	$1,178
3G	4,498	$891
3H	7,530	$1,491
3J	6,045	$1,197
4A	12,379	$2,451
4B	8,988	$1,780
4C	10,613	$2,101
4D	5,658	$1,120
4E	5,702	$1,129
4F	5,948	$1,178
4G	4,498	$891
4H	7,530	$1,491
4J	6,045	$1,197
5A	12,379	$2,451
5B	8,988	$1,780
5C	10,613	$2,101
5D	5,658	$1,120
5E	5,702	$1,129
5F	5,948	$1,178
5G	4,498	$891
5H	7,530	$1,491
5J	6,045	$1,197
6A	12,379	$2,451
6B	8,988	$1,780
6C	10,613	$2,101

	Energy Consumption (kWh)	Utility Cost
6D	5,658	$1,120
6E	5,702	$1,129
6F	5,948	$1,178
6G	4,498	$891
6H	7,530	$1,491
6J	6,045	$1,197
PH1	10,403	$2,060
PH2	12,169	$2,409
PH3	12,019	$2,380
PH4	9,383	$1,858
PH5	8,610	$1,705

SCHEDULE B-1
Projected Individual Energy Costs Budget

GEA Consulting Engineers, having an office at 545 Eighth Avenue, New York, New York 10018 provided the following estimate of annual electric energy costs for lighting and for operating the typical electrical appliances located in each Residential Unit.

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

OPINION OF COUNSEL RE: REAL PROPERTY LAW SECTION 339-I

SEIDEN & SCHEIN, P.C.
ATTORNEYS AT LAW

JAY G. SEIDEN
ALVIN SCHEIN
ADAM A. LEVENSON
ELISE J. KESSLER
JANE ROSENBERG

570 LEXINGTON AVENUE, 14TH FLOOR
NEW YORK, NEW YORK 10022

TELEPHONE: (212) 935 1400
FACSIMILE: (212) 593-4545

JASON C. HERSHKOWITZ
NICHOLAS DILORENZO
IVAN HUI
FRANK BAQUERO

OF COUNSEL:
DAVID F. YAHNER
HILLARY POTASHNICK

December 23, 2015

500 Waverly Property Owner, L.L.C.
350 Seventh Avenue, Suite 1604
New York, New York 10001

Re: 500 Waverly Condominium
500 Waverly Avenue
Brooklyn, New York 11238 ("Property")

Ladies and Gentlemen:

You have requested our opinion regarding the allocation of Common Interests to the Units at the Property as required by NYCRR Section 20.3(y)(5). Except where otherwise indicated, the terms used in this opinion shall have the same meaning as set forth in the Condominium Offering Plan ("Plan") for the Property.

In connection with the rendering of this opinion we have reviewed the determination of Common Interests as shown on Schedule A of the Plan and the Declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. Our opinion is also based upon the factual determinations made by FirstService Residential ("Real Estate Broker") set forth in its opinion contained in the Plan as required by NYCRR Section 20.3(i). We have made no independent investigation of the truth or accuracy of the factual determinations of Real Estate Broker. Accordingly, in the event that facts presented by Real Estate Broker were or prove incorrect in no event will Seiden & Schein, P.C be liable.

Based upon our review of the foregoing, we have determined that the method selected by Real Estate Broker to calculate the percentage of Common Interests is permissible under Real Property Law ("RPL") Section 339-i(l) based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with Real Property Law Section 339-I (l)(iv).

This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to Purchasers. In no event will Sponsor, Seiden & Schein, P.C., Selling Agent,

Managing Agent or the Condominium Board be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in RPL Section 339 or other applicable Law.

The opinion expressed herein is based solely on New York Law.

Very truly yours,

SEIDEN & SCHEIN, P.C.

By: Alvin Schein

REAL PROPERTY LAW SECTION 339-I COMPLIANCE LETTER

FirstService
RESIDENTIAL

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-(i)

January 20, 2016

500 Waverly Property Owner LLC.
C/O Orange Management
350 Seventh Avenue, 16th Floor
New York, New York 10001

Re: 500 Waverly Condominium

Gentlemen:

This is with respect to the Offering Plan for the above referenced condominium to be located upon the premises at the above address and the allocation of the Percentage of Common Interest to the respective Units therein.

It is our opinion that the allocation of Percentages of Common Interest allocated to the respective Units as set forth in Schedule A on the Plan of Condominium Organization are in compliance with the regulations issued pursuant to Real Property Law, Section 339-i.

The Sponsor has used the method described in subsection (iv) contained in Section 339-i (1) of the Real Property Law, and therefore the allocation of common interests is based upon floor space, subject to the location of such space, and the additional factors of relative value to the other space in the Condominium, the uniqueness of the Unit, the availability of the common elements for exclusive or shared use, and the overall dimensions of the particular Unit.

FirstService Residential New York, Inc. is a licensed Real Estate Broker in the State of New York and has been actively engaged in the management and sales of residential property for over 25 years. We have also been active in the sale of cooperative and condominium apartments for the past fifteen years.

This firm will not act as the selling agent of the property. We have no beneficial interest in the Sponsor and no interest in the profits of this conversion plan other than the fee for this service.

We hereby authorize the use of our name and this letter in connection with the proposed plan of condominium operation.

Very truly yours,

Marc Kotler
Senior Vice President
New Development Group

622 Third Avenue | New York, NY 10017
Tel 212.634.8900 | Fax 212.634.3946
www.fsresidential.com

INCLUSIONARY UNITS

Purchase of Inclusionary Units

The Building is being constructed, in part, pursuant to Section 23-90 et. seq. of the Zoning Resolution of the City of New York (the "Zoning Resolution") and Title 28, Chapter 41 of the Rules of the City of New York (the "Rules") (the Zoning Resolution and the Rules are hereinafter referred to as the "Inclusionary Housing Program"). Sponsor entered into a regulatory agreement with HPD (as amended, the "Regulatory Agreement") pursuant to which 11 of the Residential Units will constitute "Affordable Housing" under the Inclusionary Housing Program. Pursuant to the Regulatory Agreement, 10 of these Residential Units are being offered by Sponsor to persons who have a household income of no more than 60% of Area Median Income ("AMI") and 1 of these Residential Units (Unit 5J) is being offered to persons who have a household income of no more than 80% of AMI. In return for the construction of the 11 Residential Units under the Inclusionary Housing Program, the legal permitted floor area ratio that may be built on the Property was increased, allowing Sponsor to construct a Building with more legal floor area than would otherwise be permitted.

Pursuant to the Regulatory Agreement and the Inclusionary Housing Program, all Inclusionary Units shall be overseen by an Administering Agent selected by Sponsor and approved by HPD. Sponsor entered into a Private Administering Agent Agreement (the "Private AA Agreement") with the Housing Partnership Development Corporation (the "Housing Partnership"), a New York not-for-profit corporation, having an office at 242 West 36th Street, 3rd Floor, New York, New York, dated as of May 15, 2015, pursuant to which the Housing Partnership agreed to act as Administering Agent for the Inclusionary Units in the Building on the terms and conditions set forth in the Private AA Agreement. The term of the Private AA Agreement commenced on May 15, 2015 and ends on the 5th anniversary of the date on which the first Eligible Buyer (as defined therein) takes occupancy of an Inclusionary Unit, subject to certain conditions. The Private AA Agreement will be assigned by Sponsor and assumed by the Condominium Board upon the First Closing. A copy of the Private AA Agreement is set forth in Part II of the Plan.

Contemporaneously with the execution of the Regulatory Agreement, HPD and the Housing Partnership entered into a separate Administering Agent Agreement pursuant to which the Housing Partnership agreed to perform the obligations of an Administering Agent in compliance with the Regulatory Agreement and the Inclusionary Housing Program. A copy of the executed Administering Agent Agreement between HPD and the Housing Partnership is attached as Exhibit F to the Regulatory Agreement. A copy of the Regulatory Agreement is set forth in Part II of the Plan.

The Administering Agent's responsibilities will include determining the eligibility of Inclusionary Unit Purchasers as "Eligible Purchasers" for the initial purchase from Sponsor and subsequent resale of the Inclusionary Units, determining the eligibility of tenants of an Inclusionary Unit Owner, and supervising, in conjunction with the Condominium Board, the transfer of ownership of an Inclusionary Unit from one Inclusionary Unit Owner to another. It will be the responsibility of the Administering Agent and the Condominium Board to ensure that the Inclusionary Units remain permanently affordable, in accordance with the terms of the Regulatory Agreement. The fees for the Administering Agent's services to the Condominium shall be paid in part through the payment of Common Charges.

The Regulatory Agreement also imposes certain other obligations and restrictions on Inclusionary Unit Owners, which are discussed below.

The following schedule, effective as of March 6, 2015 for the year 2015, summarizes the maximum household income which will qualify an Eligible Purchaser with respect to household size, at 60% of AMI.

Household Size	Maximum Household Income (60% of AMI)
1	$36,300
2	$41,460
3	$46,620
4	$51,780
5	$55,980
6	$60,120
7	$64,260
8	$68,400

In order to qualify as an Eligible Purchaser of an Inclusionary Unit, the combined cost of Common Charges, mortgage payments, utilities and real estate taxes that would be payable with respect to the Inclusionary Unit can be no more than 35% and no less than 25% of the Inclusionary Unit Purchaser's household income, and the Inclusionary Unit Purchaser must be able to make a Deposit of 10% of the Purchase Price. HPD may be able to provide Inclusionary Unit Purchasers with assistance in funding the required 10% Deposit. Inclusionary Unit Purchasers are encouraged to discuss the feasibility of this assistance with HPD. **The Purchase Prices of the Inclusionary Units are not subject to the review or approval of the Department of Law, but were approved by HPD.**

Pursuant to the 421-a Real Estate Tax Exemption Opinion Letter prepared by Holland & Knight LLP (a copy of which is set forth in Part I of the Plan), the Building is located within the geographic exclusion area pursuant to Section 421-a(7)(a)(ii) and will meet the affordability requirements of Section 421-a in that more than 20% percent of the total Residential Units in the Building 1(i.e., 10 of the 48 Residential Units) will be reserved for occupancy by Persons whose household incomes do not exceed 60% of AMI.

There is no guaranty or assurance that the criteria for 421-a Benefits will be satisfied and neither Sponsor nor Sponsor's Counsel makes any representation or opinion with respect to the eligibility of the Units for 421-a Benefits. If, for any reason Sponsor's application is not approved by HPD, the purchase prices of the Inclusionary Units will be reduced as much as required, and to an amount approved by HPD, in order to remain affordable to 60% AMI households (or with respect to Unit 5J, 80% AMI households, as per the Regulatory Agreement). The Plan will be amended to reflect that none of the Units will obtain 421-a Benefits. In such event, Market Unit Purchasers will not be entitled to any right of rescission, Purchase Price reduction or other concession.

The following summarizes the maximum household income which will qualify an Eligible Purchaser with respect to household size, at 80% of AMI (with respect to unit 5J).

Household Size	Maximum Household Income (80% of AMI)
1	$48,400
2	$58,280
3	$62,160
4	$68,500
5	$74,640
6	$80,160
7	$85,680
8	$91,200

The purchase and sale of Inclusionary Units will be conducted under the supervision of HPD and the Administering Agent, in accordance with HPD's guidelines, as more fully discussed in the Section of the Plan entitled "Procedure to Purchase".

As set forth in the Purchase Agreement for Inclusionary Units, an Inclusionary Unit Purchaser is not required to obtain financing for the purchase of the Unit. Inclusionary Unit Purchasers may finance the purchase of their Inclusionary Units with a mortgage loan bearing a fixed rate of interest from an Institutional Lender approved by the Administering Agent, provided that the amount of the mortgage shall not exceed 90% of the Purchase Price of the Inclusionary Unit. All mortgage financing must be approved by the Administering Agent and all mortgage loans for Inclusionary Units must be subordinated to the Regulatory Agreement.

Special Obligations of Inclusionary Unit Owners

Pursuant to the Regulatory Agreement, each Inclusionary Unit must be occupied by the Inclusionary Unit Owner as such Unit Owner's Primary Residence. The Administering Agent shall be responsible for annually certifying to HPD that each Unit is being occupied by the Inclusionary Unit Owner as such Unit Owner's Primary Residence, subject to an Inclusionary Unit Owner's limited right to lease the Unit, as discussed below. Pursuant to the Regulatory Agreement, if it is determined by HPD that an Inclusionary Unit Owner falsely or fraudulently certifies income or household composition to the Administering Agent, or if the Inclusionary Unit Owner fails to occupy the Inclusionary Unit as a Primary Residence, the sale of the Inclusionary Unit may be rescinded after the Closing, and the Inclusionary Unit Owner may be evicted from the Unit.

An Inclusionary Unit Owner may, notwithstanding the Primary Residence requirement, lease the Inclusionary Unit, subject to the right of first refusal of the Condominium Board and the consent of the Administering Agent, to another person who is eligible (pursuant to the Inclusionary Housing Program) for not more than 2 years in any 4 year period. The rent or other payments made by such lessee to the lessor (i.e., the Inclusionary Unit Owner), in any calendar month cannot exceed the sum of the monthly Common Charges, mortgage payments, utilities and real estate taxes payable by the Inclusionary Unit Owner.

An Inclusionary Unit Owner must maintain the Inclusionary Unit in accordance with the minimum quality standards or any superseding regulations established by HUD and any other Law. All Inclusionary Units shall be inspected by HPD or its designee prior to any resale. Upon resale, an Inclusionary Unit must contain the same number of rooms and the same size rooms as existed on the day the Inclusionary Unit was conveyed from Sponsor. If an Inclusionary Unit is found, in the sole judgment of HPD, to be in a condition which is below HPD's livability standard, the cost of returning the Inclusionary Unit to HPD's livability standard shall be deducted by HPD from the proceeds of the sale of such Inclusionary Unit.

An Inclusionary Unit Owner may refinance the Inclusionary Unit with a mortgage loan bearing a fixed rate of interest issued by an Institutional Lender approved by the Administering Agent, provided that the amount of the new loan shall not exceed 90% of the lesser of the "Appreciated Price" or the "Appreciation Cap," defined below. No representation is made as to the amount of a mortgage loan that an Institutional Lender may be willing to provide to any Inclusionary Unit Owner, which will depend on a variety of factors including, without limitation, the Inclusionary Unit Owner's income and credit score, prevailing interest rates and other eligibility criteria of such lender.

An Inclusionary Unit Owner who intends to transfer or modify title to the Unit for any reason must notify the Administering Agent in writing of such intent and provide documentation supporting such proposed transfer or modification of title and must obtain the written consent of the Administering Agent to such transfer or modification.

A "Family Member" as defined in the Rent Stabilization Code (9 NYCRR §2520.6(o)) who inherits an Inclusionary Unit, either by testamentary disposition or intestate succession ("Successor") may own an Inclusionary Unit, provided the Successor qualifies as an Eligible Purchaser by the Administering Agent. If the Administering Agent qualifies the Successor as an Eligible Purchaser, but the Successor does not intend to own the Inclusionary Unit, or if the Successor does not qualify as an Eligible Purchaser, then the Inclusionary Unit must be sold by such Successor or the estate of the deceased Inclusionary Unit Owner to another Eligible Purchaser (as determined by the Administering Agent) and the net proceeds of such sale will be paid to the Successor. The definition of "Family Member" set forth in the Definitions section of the Plan does not apply to the provisions of this Paragraph and is applicable only to Market Rate Unit Owners.

Any Successor who intends to qualify as an Eligible Purchaser for an Inclusionary Unit shall have 3 months after inheriting an Inclusionary Unit to provide the Administering Agent with a valid death certificate and proof of succession such as a will, plus proof of the Successor's annual household income.

The percentage of Common Interest allocated to each of the Inclusionary Units was adjusted pursuant to Section 339-i(1)(iv) of the Condominium Act, and the Declaration and By-Laws provide authority for the Sponsor to adjust the percentage of Common Interest allocated to each of the Inclusionary Units. Such adjustment in the percentage of Common Interest allocated to the Inclusionary Units was required in order for Sponsor to comply with (i) Section 23-90 et seq. of the Zoning Resolution, which states, in §23-962, that the initial offering price for each Inclusionary Unit shall be established in order to ensure that the combined cost of Common Charges, mortgage payments, utilities, and real estate taxes payable by the respective Inclusionary Unit Owner do not exceed 30% of 60% of AMI, adjusted for family size, or (ii) HPD's section 421-a rules (28 RCNY §6-09), which provide that the initial offering prices of the Inclusionary Units that are counted for 421-a purposes must be established in order to ensure that Common Charges and mortgage payments, including principal and interest (assuming that a mortgage of 90% of the Purchase Price at the then prevailing rate of interest), do not exceed 30% of 60% of AMI (or 30% of 80% of AMI with respect to Unit 5J), adjusted for family size.

The Inclusionary Housing Program requires that the combined cost of Common Charges and Special Assessments charged to and payable by an Inclusionary Unit Owner in any 12 month period shall not exceed 35% of an Inclusionary Unit Owner's annual household income. In the event an Inclusionary Unit Owner does not pay such Unit Owner's share of Common Charges and Special Assessments, the Condominium Board will have the right to record a lien against such Unit, to secure repayment of such unpaid Common Charges and Special Assessment. Notwithstanding any other provisions of the Declaration or By-Laws, the Condominium Board will not have the right to foreclose on such lien. Any unpaid Common Charges and/or Special Assessment shall be paid by such Inclusionary Unit Owner to the Condominium Board (a) prior to the sale of the Unit, or (b) upon the sale of the Unit, (c) or upon the refinancing of any mortgage loan secured by the Unit. In the event of the death of an Inclusionary Unit Owner, any unpaid Common Charges shall be paid to the Condominium Board by the Successor or the estate of the deceased Unit Owner at the time of conveyance of the Inclusionary Unit by such estate or Successor.

Since the Common Charges and Special Assessments payable by the Inclusionary Unit Owners in any 12 month period will be limited by each Inclusionary Unit Owner's annual household income, the Condominium may not have sufficient funds to operate the building if there is an Operating Shortfall. "Operating Shortfall" means the amount by which expenses of the Condominium exceed revenue. If an Operating Shortfall occurs, the Condominium Board will determine, in its sole discretion, the method of payment of such Operating Shortfall, which may result in a Special Assessment imposed on all Market-Rate Unit Owners (see the Section of the Plan entitled "Reserve Funds" and the Regulatory Agreement). Alternatively, the Condominium Board may determine, in its sole discretion, to utilize other funds of the Condominium to cover such Operating Shortfall or the Condominium Board may be permitted by HPD to withdraw funds from the HPD Reserve Accounts. Such payments, if required by the Condominium Board to be paid by Non -Inclusionary Unit Owners only, are authorized pursuant to Section 339-m of the Condominium Act and may be funded through either increased monthly Common Charges or by one or more Special Assessments imposed on Market-Rate Unit Owners. See the Section of the Plan entitled "Reserve Fund" and the By-Laws for further information.

Resales of Inclusionary Units

An Inclusionary Unit Owner may sell the Inclusionary Unit, subject to certain restrictions as provided below and in the Inclusionary Housing Program. An Inclusionary Unit Owner who intends to sell the Inclusionary Unit must notify the Administering Agent of such intent on an HPD approved "Notice of Intent to Sell" form. The Administering Agent shall, within 14 Business Days after receipt of such "Notice of Intent to Sell" form, notify HPD of the proposed sale, list the availability of the Inclusionary Unit for sale on the Administering Agent's website, and deliver a copy of such listing to both the Community Board in which the Property is located and to the City Council member(s) in whose district the Property is located. Thereafter, applicants will be determined by a lottery conducted by HPD. A log of potential resale purchasers will be compiled by HPD at random from the applications received on or before the application deadline and delivered to the Administering Agent.

The Administering Agent will select Eligible Purchasers from the log, beginning with the first name on the log. The first Eligible Purchaser who meets the requirements of the Inclusionary Housing Program will be offered an opportunity to (a) inspect the Inclusionary Unit at least 2 weeks prior to the closing date for the Inclusionary Unit, and (b) purchase the Inclusionary Unit.

The resale price of Inclusionary Units is regulated by the Inclusionary Housing Program and must be approved by the Administering Agent. The maximum gross resale price that an Inclusionary Unit Owner may obtain from the sale of such Inclusionary Unit is calculated based upon the lower of the "Appreciated Price" or the "Appreciation Cap". The Appreciated Price is the product of the sale price paid by the seller of the Inclusionary Unit upon acquisition of this Unit and the "Appreciation Index" applicable at resale. The Appreciation Index is a number which is determined by HPD. The Appreciation Cap is the resale price

at which the combined cost of Common Charges, mortgage payments, utilities and real estate taxes to be paid by the prospective Inclusionary Unit Purchaser would equal 30% of 125% of AMI.

By way of example only (rounded to the nearest dollar), the Appreciated Price of an Inclusionary Unit which is sold in 2021 would be calculated as follows:

- Previous sale price: $174,097
- Appreciation Index on previous sale date (this number is adjusted yearly) =100
- In 2021, the Appreciation Index at resale = 139.4 (assumes sum of increase in Consumer Price Index +l % for 10 years equal to 39.4%)
- Appreciated Price = $174,097x (139.4/100) = $242,691

By way of example only (rounded to the nearest dollar), the Appreciation Cap for the same Unit would be calculated as follows:

- 125% of the AMI at the time that the Unit is re-marketed = $99,000
- Assume that a low income household will pay 30% of its income toward monthly housing costs. 30% x $99,000 = $29,730
- $29,700 x .09 (HPD's "Household Factor" for number of persons permitted to occupy a two-bedroom Unit) = $26,730 (annual housing costs at 125% AMI)
- Monthly housing costs = $2,228 ($26,730 divided by 12)
- Assume a mortgage of $373,470 (Based on a 30-year fixed mortgage at 6% interest per annum. The maximum allowable amount that may be mortgaged is 90% of the Purchase Price)
- $373,470 divided by 90% =$414,967 (Appreciation Cap includes a 10% Deposit)

Therefore, in this example, the maximum resale price for the Unit, based on the assumptions provided above, would be the Appreciated Price of $242,691.

NO REPRESENTATION, WARRANTY, OR GUARANTY IS MADE BY SPONSOR THAT ANY INCLUSIONARY UNIT WILL BE ABLE TO BE SOLD FOR THE MAXIMUM RESALE PRICE.

Pursuant to the Regulatory Agreement, an Inclusionary Unit Owner will also be required to pay a transfer fee or "flip tax" to the Condominium Board in the amount of 7% of the net profits from the sale of the Unit. Since HPD has not promulgated a list of "reasonable and customary" closing costs, Sponsor makes no representation as to the closing costs that HPD will deem "reasonable and customary". The funds from the transfer fee or flip tax will be deposited in the Administering Agent Reserve Account. See the Section of the Plan entitled "Reserve Funds" for further details.

The foregoing rights and obligations of Inclusionary Unit Owners are in addition to, and not in lieu of, the rights and obligations of all Residential Unit Owners.

Rental of Inclusionary Units by Sponsor

Sponsor reserves the right to rent some or all of the Inclusionary Units, instead of selling them, after obtaining the consent of HPD. If this occurs, Sponsor will amend the Plan at such time as HPD grants its approval to Sponsor to rent one or more Inclusionary Units. Pursuant to the Regulatory Agreement, the Inclusionary Units (or any part thereof) rented by Sponsor shall be subject to rent stabilization.

NON-RESIDENTIAL UNITS

As more particularly described in the Declaration and in the Description of Property and Improvements, each of which are contained in Part II of the Plan, the Condominium will contain 2 Non-Residential Units.

Non-Residential Units

The Retail Unit will consist of approximately 8,752 square feet and will be located on portions of the 1st floor and the cellar level.

The Retail Unit may be used for any lawful purpose except for the following ("Prohibited Uses"): (1) an establishment which displays, sells, rents or offers for sale or rent any pornographic material; adult bookstore or facility selling or displaying pornographic books, literature, or videos (materials shall be considered "adult" or "pornographic" for such purpose if the same are not available for the sale or rental to children under 18 years old because they explicitly deal with or depict human sexuality), excluding any establishment for which the sale or rent of such products constitutes a de minimis space in such establishment (2) so-called head shop or other similar establishment which stocks, displays, sells, rents or offers for sale or rent any drug-related paraphernalia or merchandise or material commonly used or intended for use with or in consumption of any narcotic, dangerous drug or other controlled substance, including, without limitation, any hashish pipe, water pipe, bong, cilium, pipe screens, rolling papers, rolling devices, coke spoons or roach clips, (3) automotive parts, lube and oil or repair shop, (4) Bingo or similar games of chance, (5) check cashing store (except as is typical in connection with the operation of a financial services institution), (6) church, mosque, temple or other place of religious worship or meeting hall, (7) dumping, disposing, incinerating or reducing of garbage (exclusive of dumpsters for temporary storage of garbage and any garbage compactors, in each case which are routinely emptied so as to minimize offensive odors), (8) manufacturing, assembling, displaying or selling fireworks, ammunition or explosives, (9) funeral home or mortuary, (10) dormitory use, (11) so-called gentleman's club featuring topless waitresses, nude dancing or private "one-on-one" booths or rooms, (12) illicit non-therapeutic massage parlor, (13) off-track betting parlor or other gambling facility, (14) circus, carnival or amusement park, or other similar entertainment facility, (15) pawn shop, (16) shooting gallery, (17) tattoo parlor, (18) office, store, reading room, headquarters, center or other facility principally devoted or opposed to the promotion, advancement, representation, purpose or benefit of: any religion, religious group or religious denomination, (19) an arcade, (20) dry cleaning plant, central laundry or laundromat (excluding a drop-off dry cleaning store and/or an "organic" (non-chemical) process dry cleaner) (21) psychic, hypnotist, tarot card or palm reading business or similar establishment, (22) business practicing satanic or cult ritualistic activities including so-called "devil worship," black magic or rites of passage involving self-mutilation or degradation, (23) an international organization unless such international organization waives its sovereign or diplomatic immunity, (24) employment agency, except for executive placement firms, legal and other professional search firms, (25) a legal services office or legal clinic, (26) a nightclub, cabaret, discotheque or dance club (whether open to the general public or "members-only") which uses live or amplified music.

The Garage Unit will consist of approximately 5,600 square feet and will be located on portions of the cellar and 1st floors.

General

The Retail Unit is not being offered for sale at this time. It is the intention of Sponsor to offer the Garage Unit pursuant to a "No-Action," "No Jurisdiction," or similar ruling issued by the Department of Law. All terms of sale or transfer with respect to the Non-Residential Unit are freely negotiable without resort to the form Purchase Agreement set forth in Part II of the Plan, including, but not limited to, the

amount of the Deposit, payment of use and occupancy fees from the date of Closing until the Condominium Board's imposition of Common Charges, terms of sale and insurance coverage requirements. THE PRICES FOR NON-RESIDENTIAL UNITS WILL BE SET BY SPONSOR AND WILL NOT BE SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

All or any part of the Non-Residential Units may be leased or subleased by the respective Non-Residential Unit Owner, subject to compliance with Law, and the Declaration and By-Laws.

Each Non-Residential Unit may be combined or subdivided by the Non-Residential Unit Owner into two or more separate condominium units without prior notice and without amendment to the Plan. Additionally, any Non-Residential Unit created as a result of such subdivision will retain the same rights afforded the Non-Residential Unit Owners as set forth herein.

The Non-Residential Unit(s) or any additional condominium units created as a result of a subdivision of a Non-Residential Unit may be offered for sale at any time by a duly filed amendment to the Plan or pursuant to a "No-Action," "No Jurisdiction," or similar ruling issued by the Department of Law.

Residential Unit Owners will not have any interest in the rents, profits or revenues from the rental or use of any space in any of the Non-Residential Units.

No representation is made with respect to the ownership of all or any portion of the Non-Residential Units or as to who the future owners or tenants of any portion of the Non-Residential Units may be at any time or as to the uses to which any portion of the Non-Residential Units may be put at any time except that each of the Non-Residential Units may be used for any purpose permitted by Law. No assurance, representation, or warranty is given that any tenants, occupants or users of the Non-Residential Units will not be objectionable to Residential Unit Owners or other parties. The uses of the Non-Residential Units may generate noise, traffic, fumes or other disturbances over which the Residential Unit Owners will have no control.

Each Non-Residential Unit Owner will be obligated to pay its portion of the Common Charges in accordance with the Schedule B allocations. Certain budgeted items (See the "Notes to Schedule B" for details) are allocated between the Residential Units and the Non-Residential Units on a special basis which reflects actual benefit and/or use associated with that particular item of expense or exclusive control of particular Common Elements. The Condominium Board may not modify these allocations without the unanimous consent of the Non-Residential Unit Owners. In the opinion of Sponsor's budget expert, the allocated Common Charges payable by the Non-Residential Units are sufficient to cover the expenses fairly attributable to the Non-Residential Units. (See the Certification of Budget Expert Concerning the Adequacy of Common Charges Payable by the Non-Residential Unit Owners set forth in Part II of the Plan.)

The following is a summary of certain additional rights and obligations of the Non-Residential Unit Owners relating to the use and ownership of the Non-Residential Units (see the Declaration and By-Laws for details):

(i) Each Non-Residential Unit may be combined or subdivided by the Non-Residential Unit Owner into two or more separate condominium units without prior notice and without amendment to the Plan. Additionally, any Non-Residential Unit created as a result of such subdivision will retain the same rights afforded the Non-Residential Unit Owners as set forth herein.

(ii) The Non-Residential Unit(s) or any additional condominium units created as a result of a subdivision of a Non-Residential Unit may be offered for sale at any time by a duly filed amendment to the Plan or pursuant to a "No-Action," "No Jurisdiction," or similar ruling issued by the Department of Law.

(iii) Each Non-Residential Unit Owner shall have the right and easement (i) for ingress and egress through all Common Elements (except for Residential Limited Common Elements appurtenant to a particular Residential Unit) for the purpose of accessing any portion of such Non-Residential Unit or any portions of the Building servicing such Non-Residential Unit; and (ii) to erect, maintain, replace and/or repair any sign and/or lighting of such size and content as the Non-Residential Unit Owner shall determine (without the consent of the Condominium Board), (a) in the storefronts (if any) and windows of such Non-Residential Unit; (b) on the exterior façade of the Building on any non-operational area of the louver band, for the purposes of advertising the sale or lease of all or any portion of such Non-Residential Unit and/or operation of any business of a tenant or occupant of such Non-Residential Unit. Each Non-Residential Unit Owner shall be entitled to utilize such rights and easements for their own account or the account of their respective Permitted Users. Any signage proposed to be installed in any other location on the façade of the Building, other than on the non-operational area of the louver band, by a Non-Residential Unit Owner shall require the prior written consent of the Condominium Board. Notwithstanding the foregoing, no Signage may include (i) blinking, neon, or strobe-type lighting, (ii) loudspeakers or other devices by which music or announcements of any kind may emanate from the Signage or the Unit, or (iii) any lighting which will shine or reflect into the windows of any Residential Unit.

(iv) Each Non-Residential Unit Owner (subject to the Condominium Board's prior written consent) shall have the right, but not the obligation, at such Non-Residential Unit Owner's sole cost and expense to alter, modify, and/or restore the exterior façade of the Building appurtenant to such Non-Residential Unit (including storefronts, if any, and windows of such Non-Residential Unit) and to create additional means of egress and ingress to such Non-Residential Unit, provided that such alterations, modifications and/or restorations are in compliance with Law and the terms of the Declaration and By-Laws.

(v) Each Non-Residential Unit Owner and its Permitted Users shall have an easement to use the sidewalks (if any) adjacent to such Non-Residential Unit for any purposes permitted by Law, including without limitation, food and beverage services and the placement of outdoor seating, tables, lighting and signage on such sidewalks (if any) adjacent thereto provided the entrances and exits to the Building are not impeded by such use. The daily cleaning and snow removal of the sidewalks (if any) adjacent to a Non-Residential Unit shall be the responsibility of such Non-Residential Unit Owner. The maintenance and repair of sidewalks shall be the responsibility of the Condominium Board as if such sidewalks were General Common Elements, provided that in the event a Non-Residential Unit Owner utilizes such sidewalks (if any), the cost of maintenance and repair of such sidewalks (if any) during the period of such use or resulting from such usage shall be borne solely by such Non-Residential Unit Owner.

(vi) Each Non-Residential Unit Owner shall have the right to make all arrangements for the prompt repair and restoration of such Non-Residential Unit to the extent the Non-Residential Unit is damaged or destroyed by fire or other casualty.

(vii) The Condominium Documents may not be amended or modified so as to adversely affect a Non-Residential Unit Owner without the prior written consent of the affected Non-Residential Unit Owner.

(viii) Each Non-Residential Unit Owner shall have the right to sell or lease all or any portion of a Non-Residential Unit without complying with any right of first refusal or transfer fee contained in the Declaration or By-Laws.

(ix) Notwithstanding any subdivision of a Non-Residential Unit, the Non-Residential Unit Owners shall have the right to designate 2 Members to the 7 member Condominium Board (i.e., one Member designated by the Retail Unit Owner and one Member designated by the Garage Unit Owner).

(x) The Member of the Condominium Board designated by a Non-Residential Unit Owner may only be removed by such Non-Residential Unit Owner, who alone will have the right to elect or designate a replacement.

(xi) Any decisions by the Condominium Board which solely affect a Non-Residential Unit may be made only by the Member of the Condominium Board designated by such Non-Residential Unit Owner.

The Owner of any non-residential condominium unit created as a result of the subdivision of a Non-Residential Unit will retain the same rights afforded the Non-Residential Unit Owners as set forth herein.

CHANGES IN PRICES AND UNITS

Purchase prices for the Market Rate Units offered hereby are negotiable and Sponsor reserves the right, at any time and from time to time before and after the recording of the Declaration, without giving prior notice (except as otherwise provided herein) and without the consent of the Condominium Board, any Unit Owner or mortgagee, to change the price by a duly filed amendment to the Plan, including, without limitation, the manner of payment thereof and other terms of sale of any Unit, except that no change in purchase price with respect to any Unit for which a Purchase Agreement is then in effect may be made without the consent of the Purchaser. However, Sponsor reserves the right to decrease Purchase Prices or modify other terms of sale without filing an amendment to the Plan at any time during the offering period if such a decrease in the Purchase Price or modification of such other terms of sale does not constitute a general offering or an advertised price but is rather the result of an individually negotiated transaction. If any such change is made, a Purchaser of a Unit affected thereby may pay more or less than other Purchasers under the Plan for similar Units, but this will not affect any prior or subsequent sale of Units which are not the subject of such change. However, the Purchase Prices set forth in Schedule A must be changed by a duly filed amendment to the Plan when the change in Purchase Price (i) is an across the board increase or decrease affecting one or more lines of Units or Unit models; (ii) is to be advertised; or (iii) is a Purchase Price increase for an individual Purchaser.

Any increase in the Purchase Price of an Inclusionary Unit requires the written consent of HPD.

Sponsor reserves the right to negotiate with each Purchaser on a case-by-case basis the terms and conditions of the Purchase Agreement. No Purchaser will benefit from any terms and conditions negotiated with any other Purchaser, and a Purchaser's failure to so benefit will not give rise to any right of rescission under a Purchase Agreement. Notwithstanding the foregoing, the Purchase Prices of the Inclusionary Units are not negotiable.

The location in the Building, approximate size and layout of the Units are shown on the Floor Plans set forth in Part II of the Plan. In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of Purchasers, or for any other reason, Sponsor 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 giving prior notice and without the consent of the Condominium Board, any Unit Owner or mortgagee, to (a) change the size, layout and square footage of, or number of rooms in, any Unsold Market Rate Residential Unit, (b) change the size and/or number of Unsold Market Rate Residential Units by dividing one or more such Units into two or more separate Unsold Residential Units, combining separate Unsold Market Rate Residential Units (including those resulting from such subdivision or otherwise) into one or more Unsold Residential Units, altering any boundary walls between one or more Unsold Market Rate Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Market Rate Residential Unit into such Unsold Residential Unit without changing the percentage of Common Interest of such Unit, and (c) if appropriate, reapportion among the Unsold Residential Units affected by any such change, their aggregate Common Interests. In the event of any change pursuant to either (b) or (c) above, such change shall be disclosed in a duly filed amendment to the Plan. No such change, including any change in the Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Unit, will be made with respect to such Unsold Residential Unit for which a Purchase Agreement is then in effect which increases or decreases the square footage or Common Interest by more than 5%, or materially changes the Unsold Residential Unit size, the layout or Common Interest of such Unsold Residential Unit, unless the Purchaser consents to such changes. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit, as set forth in Schedule A, by 5% or less (using the methodology set forth in the Declaration) is not a material nor adverse change. Provided Purchaser's consent is not required, a Purchaser will not be excused from purchasing the Unit and will not have any claim against Sponsor as a result of any such change and such change will not affect a Purchaser's

obligations under the Purchase Agreement or the Plan. If Purchaser's consent is required as a result of such change and Purchaser refuses to consent, then in such event, Sponsor's sole obligation shall be to refund to Purchaser the Deposit made under the Purchase Agreement and any interest earned thereon, except for any Unit Upgrade Funds, if applicable.

Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to a credit, offset or reduction in the Purchase Price of the Unit or otherwise be relieved from any obligations under the Purchase Agreement, by virtue of a non-material inaccuracy or error in the Floor Plans.

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 or Residential Common Interest of any Unit be changed, unless, in each such event, the Declaration and Floor Plans and the Plan are amended with the consent of each Unit Owner whose Unit is directly affected by such change. In the case of a material and adverse change in the size or quality of the Common Elements, no such change shall be made without the consent of every Unit Owner. In such event, Sponsor will have the right to amend or to cause the Condominium Board to amend the Declaration to reflect any such material and adverse change and to file such amendment and any necessary plans and specifications in connection therewith.

Sponsor reserves the right, in its sole and absolute discretion, to sell, lease, license or otherwise transfer to a Unit Owner, any non-material portion of the Common Elements for the exclusive use of such Unit Owner, provided that such Common Element was not offered in the Plan as an amenity for the shared use of the Unit Owners of the Condominium. Any such sale, lease, license or transfer will be disclosed in a duly filed amendment to the Plan and the Declaration and Floor Plans will be amended, if required.

The provisions set forth in this Section of the Plan shall also apply to Storage Lockers, as applicable.

PROCEDURE TO PURCHASE

A Purchaser desiring to purchase a Residential Unit will be required to execute a Purchase Agreement. The forms of Purchase Agreement for Market Rate Units and for Inclusionary Units are set forth in Part II of the Plan. A Purchaser also interested in acquiring a Storage Locker License will be required to execute the form of Storage Locker Rider annexed to the Purchase Agreement set forth in Part II of the Plan.

Purchasers shall be afforded not less than 3 Business Days to review the Plan prior to executing a Purchase Agreement. A prospective Purchaser of a Market Rate Unit may obtain a copy of the Plan upon payment of a $300 deposit, which amount will be fully refunded upon either (i) the prompt return of the Plan in good condition or (ii) the execution by the Purchaser of a Purchase Agreement subsequently accepted by Sponsor. If a Purchaser has not received the Plan at least 3 Business Days prior to executing a Purchase Agreement, a Purchaser shall have the right to rescind the Purchase Agreement within 7 calendar days from the date Purchaser delivers an executed Purchase Agreement together with the required Deposit to Sponsor or Selling Agent. As set forth in the subsection of this Section entitled "Procedure to Purchase Inclusionary Units," the Administering Agent will invite applicants whom it has preliminarily determined to be eligible to purchase Inclusionary Units to obtain a copy of the Plan at no charge.

The Purchase Agreement sets forth in detail the terms of sale with respect to each Unit and should be read carefully by Purchaser.

Although a Purchaser may obtain financing from any lending institution or other source, a Purchaser of a Market Rate Unit's obligation to purchase a Residential Unit is not contingent on such Purchaser obtaining financing. Neither Sponsor nor Selling Agent makes any representation as to the availability or terms of any form of financing for Purchasers of Market Rate Units.

As set forth in the Purchase Agreement for Inclusionary Units, an Inclusionary Unit Purchaser is not required to obtain financing for the purchase of the Unit pursuant to this Agreement. However, if such Purchaser chooses to obtain financing, such Purchaser's obligation to purchase the Inclusionary Unit is contingent on such Purchaser's obtaining a written mortgage loan commitment ("Commitment") for financing in an amount which shall not exceed 90% of the Purchase Price of the Unit, for a term of not more than 30 years, at the then prevailing fixed or variable rate of interest. The requirements that an Inclusionary Unit Purchaser must fulfill in order to satisfy the financing contingency, including without limitation, the time periods within which the Inclusionary Unit Purchaser must apply for and obtain a Commitment, are set forth in the Purchase Agreement for Inclusionary Units set forth in Part II of the Plan. Sponsor shall have no obligation to secure a Commitment for any Purchaser. The failure of Purchaser to comply with the terms and conditions of the Commitment that are unrelated to Sponsor's obligations pursuant to the Plan shall not relieve Purchaser of its obligation to close title to the Inclusionary Unit.

While the First Closing is projected to occur on or around January 1, 2017, neither Sponsor nor Selling Agent makes any representation as to the actual closing date for any particular Unit. In addition, as set forth in the Plan and the Purchase Agreement, Sponsor has the right to adjourn the Closing Date from time to time and Purchasers should be aware that if the Closing Date is adjourned, Purchaser's financing terms may be adversely affected, the interest rate may increase and the loan commitment could expire. Sponsor shall have no liability as a result of any scheduling or adjournment of Closing beyond the expiration of a loan commitment.

Purchase Agreements will not be binding on Sponsor until approved and executed by it, and delivered by Sponsor to the Purchaser. Sponsor reserves the right to request thorough identification and financial information (including credit reports and litigation searches) concerning any Purchaser, subject to any limitations and requirements imposed by Law.

Sponsor will have 30 calendar days after delivery by Purchaser of an executed Purchase Agreement and the required Deposit, within which to accept or reject the Purchase Agreement. If a Purchase Agreement is not accepted by Sponsor within the 30 calendar day period, the Purchase Agreement shall be deemed to have been rejected and cancelled and the Deposit shall be returned to Purchaser within 30 calendar days thereafter. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, to refuse to approve and execute (a) a Purchase Agreement for any Residential Unit, except as prohibited by Law, and (b) a Purchase Agreement for more than one Residential Unit to any Person.

The signing of the Purchase Agreement signifies Purchaser's acceptance of the condition of the Property (as represented by Sponsor in the Plan), including, but not limited to, the Unit, the Storage Lockers, the Building and all Common Elements contained in the Building. In the event of any inconsistency between the provisions of the Purchase Agreement and the Plan, the provisions of the Plan will govern and be binding. The Purchase Agreement shall not contain, and shall in no event be modified to contain, a provision waiving the Purchaser's rights or abrogating Sponsor's obligations under the Plan or under Article 23-A of the General Business Law of the State of New York.

At the time of execution of a Purchase Agreement, Purchaser will be required to make a Deposit ("Deposit") in an amount equal to 10% of the Purchase Price. Sponsor may require that Purchasers of more than 1 Residential Unit deliver a Deposit in excess of that set forth in the Plan, which amount shall be on terms individually negotiated with each Purchaser. All Deposits must be made payable to the direct order of "Seiden & Schein, P.C., as Escrow Agent." All checks delivered in payment of the Deposit shall be accepted by Sponsor subject to collection, and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Purchase Agreement to be cancelled and of no further force or effect.

All Deposits made pursuant to a Purchase Agreement are subject to the requirements of Section 71a (3) of the State of New York Lien Law and 352-e (2)(b) and 352-h of the General Business Law of the State of New York. Pursuant to these laws, Sponsor will cause all Deposits received by it directly or by its agents or employees to be promptly deposited and held in accordance with the procedures set forth in the Section of the Plan entitled "Escrow and Trust Fund Requirements."

The Balance of the Purchase Price shall be payable simultaneously with the delivery of the deed to the Residential Unit and, if applicable, the Storage Locker License by wire transfer (at Sponsor's sole option) or, official bank check drawn on or issued by a bank or trust company which is a member of The New York Clearinghouse Association and shall be payable to the direct order of Sponsor, or otherwise if Sponsor shall so notify Purchaser. Any wiring fees charged by the initiating and/or receiving bank shall be paid by Purchaser. The deed and Storage Locker License will be substantially in the forms as set forth in Part II of the Plan. Interest, if any, on Purchaser's Deposit will be credited or paid to Purchaser at Closing.

Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by Force Majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about January 1, 2017. Purchasers will not be excused from paying their full Purchase Prices (without credit or set-off), and will have no claim against Sponsor for damages or losses, in the event that the First Closing occurs earlier or later than the projected date or the time to complete or to close title to any Residential Unit is delayed or postponed by Sponsor. Sponsor has the right to change the projected First Year of Condominium Operation from time to time by an amendment to the Plan. If the First Closing does not occur within 12 months after the commencement date set forth in Schedule B for the First Year of Condominium Operation in effect on the date a Purchaser and Sponsor entered into a Purchase Agreement, Sponsor will offer those affected Purchasers only a right for 15 calendar days from the Presentation Date of the amendment disclosing Sponsor's failure to close within such time frame, to rescind their Purchase Agreement. Any Purchasers electing rescission will have their Deposits returned together with any interest earned thereon, except for any Unit Upgrade Funds, if applicable. In the event the actual or

anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections. If the Common Charges in the amended budget exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all Purchasers the right, for 15 calendar days, to rescind their Purchase Agreements and receive a refund of their Deposits, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

Following the Plan being declared effective, Sponsor will deliver to each Purchaser a written notice of the time and place of Closing at least 30 calendar days prior to the Closing Date specified therein ("Scheduled Closing Date"). In the event a Purchaser defaults under the Purchase Agreement, time being of the essence with regard to the obligations of Purchaser under the Purchase Agreement, Sponsor, in its sole discretion, may elect by notice to Purchaser to either: (i) cancel the Purchase Agreement or (ii) only with respect to Market Rate Units, seek specific performance. If Sponsor elects to cancel, Purchaser shall have 30 calendar days from the giving of notice of cancellation to cure the specified default. If the default is not cured within such 30 calendar days, TIME BEING OF THE ESSENCE, then the Purchase Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages, (a) the entire Deposit and any interest earned on the Deposit and (b) Unit Upgrade Funds, if applicable. Upon the cancellation of the Purchase Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though the Purchase Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale. If Sponsor elects to seek specific performance (only with respect to Market Rate Units) , then Purchaser shall have 30 calendar days from the giving of notice of Sponsor's election to close title to the Unit in accordance with the Purchase Agreement, without prejudice to Sponsor's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled under the Purchase Agreement (including, but not limited to, attorneys' fees, disbursements and costs of collection).

If Purchaser fails for any reason to close title to the Residential Unit on the Scheduled Closing Date, other than due to Sponsor's failure or inability to Close: (a) the Closing apportionments described in the Section of the Plan entitled "Closing Costs and Adjustments" will be made as of midnight of the day preceding the Scheduled Closing Date, regardless of when the actual Closing occurs ("Actual Closing Date"), and (b) a Market Rate Purchaser will be required to pay to Sponsor an amount equal to 0.03% of the Purchase Price of the Residential Unit per day commencing with the Scheduled Closing Date through the Actual Closing Date, as a reimbursement of Sponsor's increased carrying costs for the Residential Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan. If through no fault of Purchaser, Sponsor postpones the Scheduled Closing Date, these provisions shall apply to the Rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the Rescheduled Closing Date.

TIME IS OF THE ESSENCE AS TO PURCHASER'S OBLIGATIONS UNDER THE PURCHASE AGREEMENT, INCLUDING, WITHOUT LIMITATION, FOR THE PAYMENT OF ALL DEPOSITS AND THE BALANCE OF THE PURCHASE PRICE. FUNDS DRAWN ON FOREIGN BANKS WILL NOT BE ACCEPTED IN PAYMENT OF THE PURCHASE PRICE.

If a Purchaser has entered into Purchase Agreements to purchase more than one Unit, a default by Purchaser in the payment or performance of any obligations under any of such Purchase Agreements, beyond any applicable grace periods, shall be deemed a default under the other Purchase Agreements. In the event of such a default, Sponsor may, at its option, cancel each such Purchase Agreements and retain, as liquidated damages, all of the entire Deposits made by Purchaser, together with any interest earned thereon, if any, under each of the Purchase Agreements.

Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Any Foreign Government Purchaser shall designate and authorize a lawful agent to receive process for and on behalf of the Foreign Government Purchaser in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Such Foreign Government Purchaser will be required to deposit with the Condominium at Closing an amount equal to 2 years' Common Charges with respect to the Residential Unit, based on the Condominium budget in effect as of the Closing Date of the Residential Unit, which will be in addition to the required contribution to the Working Capital Fund. Such amount shall be maintained on deposit and at all times by such Foreign Government Purchaser and shall increase from time to time as such Common Charges increase, together with the full amount of any Special Assessment levied against, or allocable to, such Unit, as security for the faithful observance by such Unit Owner of the terms, provisions and conditions of the By-Laws of the Condominium. In the event that such Foreign Government Unit Owner defaults in respect of the terms, provisions and conditions of the By-Laws, the Condominium Board may use, apply or retain the whole or any part of the security so deposited, to the extent required for the payment of any Common Charges or any other sum to which such Foreign Government Unit Owner is in default. Thereafter, the Foreign Government Unit Owner shall deposit with the Condominium Board the amount so applied or retained so that such Condominium Board has the full amount of said security on hand at all times.

Prior to the Closing of Title to a Residential Unit, the Purchase Agreement for Market Rate Units prohibit a Purchaser from listing the Residential Unit for sale or rental with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale or rental, without Sponsor's prior written consent, which consent may be unreasonably withheld or delayed in Sponsor's sole and absolute discretion. A Purchaser of an Inclusionary Unit is prohibited from taking any of the above-listed actions. Any such action by Purchaser in violation of the terms of the Plan will be deemed a material default under the Purchase Agreement, and Sponsor may, at its option, cancel the Purchase Agreement and retain, as liquidated damages, the entire Deposit made by Purchaser, together with interest earned thereon.

If the Plan is withdrawn or abandoned, all Deposits previously paid to and actually collected by Sponsor, together with any interest earned thereon, shall be returned to Purchasers in accordance with the provisions set forth in the Section of the Plan entitled "Effective Date."

From and after the Closing of each Residential Unit, Purchaser will become obligated for the payment of Common Charges (once Common Charges are assessed by the Condominium Board), real estate taxes and assessments whether or not separately assessed (including water charges and sewer rents, if separately assessed) and all other expenses with respect to the Residential Unit, whether or not Purchaser has taken possession of the Residential Unit, and whether or not all work required to be performed by anyone in or to the Residential Unit has been completed.

The risk of loss to any Residential Unit by fire or other casualty until the Closing for such Residential Unit is assumed by Sponsor (unless and until Purchaser takes possession of the Residential Unit, at which time such risk, to the extent not covered by existing insurance, shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Residential Unit. In the event of damage or destruction of a Residential Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Residential Unit, the Purchase Agreement shall continue in full force and effect, and,

thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price of the Residential Unit. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Residential Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Residential Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Residential Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws"), the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return the Deposit, together with any interest earned thereon, except for Unit Upgrade Funds (if applicable), to Purchaser, whereupon Sponsor and Purchaser shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan; provided, however, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

If the Purchase Agreement covers both a Residential Unit and one or more Storage Locker Licenses and Sponsor does not elect, or the Unit Owners do not resolve to make such repair or restoration to the affected Storage Locker or Storage Locker Area pursuant to the By-Laws following the fire or casualty, then the Purchase Agreement shall only be cancelled, as described above, with respect to the particular Storage Locker in question, and Purchaser shall remain obligated to purchase the Residential Unit. At the Closing of Title to the Residential Unit, Purchaser will receive a credit against the Balance of the Purchase Price equal to the amount allocated to the affected Storage Locker, to the extent any such money has been delivered to Sponsor.

Sponsor is obligated to provide only the equipment, fixtures and furnishings set forth in the "Description of Property and Improvements" set forth in Part II of the Plan. If a Person desiring to purchase a Market Rate Residential Unit requests that Sponsor perform special or additional work in the Residential Unit or provide extra or upgraded fixtures or finishes, including, but not limited to, any deviation from the materials or specifications described in the Description of Property and Improvements set forth in Part II of the Plan, and Sponsor agrees in writing to perform such work and/or provide such fixtures or finishes, then Sponsor may require such Person to deposit an amount greater than the Deposit required under the Purchase Agreement. "Unit Upgrade Funds").

SPONSOR SHALL IN NO EVENT BE OBLIGATED TO PERFORM ANY WORK TO THE PROPERTY, THE BUILDING, THE UNITS OR THE COMMON ELEMENTS OTHER THAN AS REQUIRED BY THE TERMS OF THE PLAN AND THE "DESCRIPTION OF PROPERTY AND IMPROVEMENTS" SET FORTH IN PART II OF THE PLAN.

Each Purchaser shall be given an opportunity to examine the Residential Unit prior to the Closing during normal business hours and in the company of Sponsor's representative and is urged to make a careful inspection thereof, as more fully set forth in the Purchase Agreement set forth in Part II of the Plan. At the Closing, each Purchaser of a Residential Unit shall be required to sign and deliver to Sponsor an Inspection Statement in substantially the form set forth in Part II of the Plan wherein Purchaser acknowledges the condition in which Purchaser has inspected the Residential Unit. Under no circumstances shall any item included on an Inspection Statement (i) constitute grounds for a Purchaser to postpone or otherwise delay the date scheduled for the Closing nor (ii) obligate Sponsor to deposit any monies in escrow at Closing.

At Closing, each Purchaser will be required to execute and deliver a Unit Power of Attorney in favor of the Condominium Board and Sponsor, the failure of which shall be a default under the Purchase Agreement entitling Sponsor to all of the remedies set forth in the Plan and the Purchase Agreement.

Sponsor's obligations, regardless of any limitations in any warranty or in the Plan, cannot go below the duty to construct the Building in accordance with all applicable Laws and the Plans and Specifications, and any conflict between any such disclaimers and Sponsor's obligation to construct the Building in accordance with all applicable Laws and the Plans and Specifications shall be resolved in favor of the latter.

Procedure to Purchase Inclusionary Units

The Inclusionary Units shall initially be sold to prospective Purchasers pursuant to a lottery, which will be conducted in accordance with HPD's Marketing Guidelines. Applications for the lottery shall be completed by prospective Purchasers of the Inclusionary Units during the application period, the time and duration of which shall be in accordance with the Marketing Guidelines. The following disclosure is based upon the HPD Marketing Guidelines in effect on the Filing Date and may be subject to change after the Filing Date. There shall be no fee for each application; however there shall be a credit investigation fee, as set forth below. The lottery will be held approximately 7 to 10 Business Days after the close of the application period.

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

Sponsor must provide preferences to certain persons in accordance with the Marketing Guidelines and the Inclusionary Housing Program or as otherwise determined by HPD, as follows:

1) The Internal Transfer Preference which provides a priority status to an Inclusionary Unit Purchaser who already owns an Inclusionary Unit in the Building and desires to purchase another Inclusionary Unit in the Building;

2) The First Time Homebuyer Preference, which provides a priority status to an Inclusionary Unit Purchaser who is purchasing a home for the first time. In order to qualify as a First Time Homebuyer, no member of the qualifying household shall have owned a home, including, an interest in a cooperative corporation or a residential condominium unit, for the 5 year period immediately prior to the application deadline for the lottery;

3) Persons with mobility impairments, and persons with visual and/or hearing impairment; and

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

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

Each candidate for the purchase of an Inclusionary Unit selected in the lottery shall be interviewed by the Administering Agent. Applicants shall receive a notice in the mail prior to the interview and shall have not less than 10 Business Days between the postmark date on the letter and the interview date. In cases where the prospective Purchaser does not respond to the notice, Sponsor shall mail such prospective Purchaser a second letter to request an interview. The prospective Purchaser shall be given 5 Business Days from the postmark date on the second letter in which to respond. Pursuant to the Marketing Guidelines,

Sponsor or the Administering Agent may make home visits in order to assess the prospective Purchaser's qualification for eligibility.

If it is determined that an applicant meets the income eligibility requirements of the Inclusionary Housing Program, then a credit check shall be performed on the applicant at applicant's expense. The fee for the credit check shall be $50.00 for households with 1 or 2 adult members or $75.00 with 3 or more such members. Any increase in the credit check fee must first be approved by HPD. The credit investigation fee is non-refundable under all circumstances. Applicants who are advised that they do not meet the eligibility requirements, will be informed in writing.

Prior to qualification as an Eligible Buyer, each applicant for an Inclusionary Unit shall be required to attend a first-time homebuyer course which is conducted by an HPD-approved provider, and each applicant must provide the Administering Agent with evidence of completion of such course.

By written notice, the Administering Agent will invite applicants whom it has preliminarily determined to be eligible to purchase, to obtain a copy of the Plan. Applicants shall have a period of 10 Business Days from the date of the postmark on the notice to deliver the requisite Deposit, and executed Purchase Agreement to the Administering Agent, or another party, as directed by Sponsor. Purchasers who fail to deliver the requisite Deposit and executed Purchaser Agreement within such time frame shall be deemed to have waived their right to purchase an Inclusionary Unit, and Sponsor shall proceed to offer the Inclusionary Unit to the next eligible applicant on the log.

Non-residents of New York City shall be considered only after applications for all eligible current New York City residents have been processed.

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

In the event Inclusionary Units are available after all applications have been processed and the applicant log has been reviewed in its entirety, Sponsor must contact HPD for HPD's consent to conduct open marketing. Open marketing would allow Sponsor to implement additional marketing strategies to identify potential Eligible Purchasers.

Sponsor is not permitted to either countersign Purchase Agreements or to collect any Deposit from any Purchaser until either HPD or the Administering Agent determines that such Purchaser is an Eligible Purchaser. Any assignment of the Purchase Agreement by an Eligible Purchaser shall require the prior approval of HPD.

The Marketing Guidelines are available on HPD's website, which prospective Inclusionary Purchasers are encouraged to review.

ESCROW AND TRUST FUND REQUIREMENTS

All deposits, down payments, advances and payments made by Purchasers prior to the Closing ("Deposits") will be held in escrow in conformity with the disclosure contained in this Section of the Plan and in accordance with the escrow provisions contained in the Purchase Agreement.

Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e (2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto. The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of Escrow Agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in the escrow agreement or Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds. However, notwithstanding anything to the contrary set forth herein or anywhere else in the Plan, in the Event of Default by Purchaser, as that term is defined the Purchase Agreement, Purchaser shall be obligated to reimburse Sponsor for any legal fees, expenses and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement or otherwise enforcing Purchaser's obligations thereunder.

All Deposits made by Purchasers prior to the Closing of each individual transaction will be placed in a segregated special escrow account of Seiden & Schein, P.C., the escrow agent ("Escrow Agent"), whose address is 570 Lexington Avenue, 14th Floor, New York, New York 10022 and whose telephone number is (212) 935-1400. As of the Filing Date of the Plan, the attorneys who are signatories on these accounts authorized to withdraw funds, acting singly, are Jay G. Seiden, Esq., Alvin Schein, Esq. and Adam A. Levenson, Esq. ("Authorized Signatories"). All Authorized Signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any Authorized Signatory is the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

Escrow Agent has established a master escrow account entitled "Seiden & Schein, P.C. Attorney Escrow Account" ("Master Escrow Account") at Citibank, N.A. located at 399 Park Avenue, New York, New York 10022 ("Escrow Bank"). Escrow Bank is authorized to do business in the State of New York. Deposits properly made payable to "Seiden & Schein, P.C., as Escrow Agent" will be placed in the Master Escrow Account within 5 Business Days after tender by Purchaser to Sponsor or Selling Agent. Escrow Agent shall execute the Purchase Agreement Escrow Rider with respect to its obligations in this Section.

All Deposits will be placed initially in the non-interest bearing portion of the Master Escrow Account (including Unit Upgrade Funds with respect to Market Rate Units, if applicable,). Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8 (Certificate of Foreign Status) in the forms set forth in Part II to the Plan, to Sponsor or Selling Agent at the time Purchaser tenders the Deposit and the Purchase Agreement. If a Deposit is accompanied by a completed and signed Form W-9 or Form W-8, the Deposit will thereafter be promptly transferred to an individual interest bearing sub-escrow account in the name of Purchaser (except for Deposits for Unit Upgrade Funds, if applicable). If a Purchaser does not deliver the Form W-9 or Form W-8, the Deposit will remain in the non-interest bearing portion of the Master Escrow Account. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow account to the non-interest bearing portion of the Master Escrow Account so that checks may be drawn thereon. The Master Escrow Account is not an IOLA account.

All Deposits, except for Unit Upgrade Funds (if applicable), are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, until such time as Sponsor is entitled to the Deposit as per GBL § 352-h. Unit Upgrade Funds (if applicable) will initially be placed in the Master Escrow Account. However, Purchasers should note that such funds may be released from the Master Escrow Account by Escrow Agent to Sponsor to pay, or reimburse Sponsor, for such upgrades or extras. As a result, in the event Sponsor cancels the Purchase Agreement or Purchaser is entitled to rescind the Purchase Agreement in accordance with the Plan, Purchaser will not receive a refund of any of the Unit Upgrade Funds. Escrow Agent shall be under no duty to verify that Sponsor used or committed such funds for upgrades or extras.

The sub-escrow account number and the initial interest rate, if any, will be disclosed to each Purchaser, as appropriate, in a letter from Escrow Agent to each Purchaser sent within 10 Business Days after the tender of the Deposit. If Purchaser does not receive notice that the Deposit has been placed in the Master Escrow Account within 15 Business Days after tender of the Deposit, Purchaser may cancel the Purchase and rescind the Purchase Agreement so long as the right to rescind is exercised within 90 calendar days after tender or crediting of the Deposit by notice delivered to Sponsor and to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations. Escrow Agent will not be required to send the letter referred to above to each Purchaser in connection with any additional Deposits tendered by Purchaser after the Deposit or in connection with any changes in the interest rate.

Escrow Agent shall maintain the Master Escrow Account under its direct supervision and control. A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and as set forth in the Escrow Agreement Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h).

Under current Law, the sub-accounts at the Escrow Bank are insured by the Federal Deposit Insurance Corporation ("FDIC") to a maximum of $250,000 per individual Deposit. The following are SPECIAL RISKS of this offer: (i) if a Purchaser makes a Deposit in excess of $250,000 such Deposit will not be FDIC insured in excess of $250,000; and (ii) while the Deposit is in the non-interest bearing portion of the Master Escrow Account, the Deposit may not be fully FDIC insured even if the Deposit does not exceed $250,000. If a Purchaser maintains accounts at the Escrow Bank, the funds in such accounts, together with the Deposit, will be aggregated by the Escrow Bank for purposes of determining the $250,000 federally insured limit. No representation is made with respect to any further changes in Law which may increase or decrease such limit.

The Deposit may be tendered by Purchaser to Sponsor or Selling Agent by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested, overnight courier or express mail service. The Deposit shall be deemed tendered by Purchaser on the date it is actually received by Sponsor or Selling Agent.

Acceptance of the Deposit by Sponsor or the Partnership and the Deposit thereof by Escrow Agent into escrow shall not be deemed a binding agreement by Sponsor to sell to Purchaser unless and until Purchaser executes a Purchase Agreement and Sponsor or the Partnership executes a duplicate thereof and delivers the fully-executed Purchase Agreement to Purchaser in accordance with the terms of the Plan. All Deposits made by check are subject to collection.

If a Purchaser tenders a Deposit without an executed Purchase Agreement, Sponsor shall have the right to reject the Deposit and return it to Purchaser: (i) within 5 Business Days after tender, if the Deposit has

not been deposited into escrow, and (ii) within 10 Business Days, if the Deposit has been deposited into escrow and the Purchase Agreement has not yet been delivered by Purchaser. In the event a Deposit or portion thereof is delivered by wire transfer to Escrow Agent, any wiring fees charged by the initiating and/or receiving banks will be Purchaser's obligation.

The checking account portion of the Master Escrow Account will not be interest-bearing. The sub-escrow account portion of the Master Escrow Account will be interest-bearing. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to Sponsor only in the event there is a Consummation of the Plan (as such term is defined in the Attorney General's regulations) and Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts. As of June 23, 2015 the interest rate for the Escrow Bank is 0.05%. The interest rate is subject to change by the Escrow Bank. Sponsor makes no guarantee of, and shall have no liability to Purchaser for changes to, the interest rate. Interest will begin to accrue within: (x) 3 Business Days, if the Deposit is cash or cash equivalent, or (y) 5 Business Days, if the Deposit is other than cash or cash equivalent, of the transfer of the Deposit from the checking account portion of the Master Escrow Account into the sub-escrow account portion of the Master Escrow Account, as determined by whether and when the Deposit clears.

All instruments shall be made payable directly to the order of "Seiden & Schein, P.C. as Escrow Agent." Endorsed instruments will not be accepted.

If a check delivered by a Purchaser fails for collection, the Purchase Agreement will be deemed void ab initio (as if the Purchase Agreement had never been executed).

Sponsor or its agents, including any selling agents, shall deliver to Escrow Agent all Deposits within two (2) Business Days of tender of the Deposit by a Purchaser, using such transmittal forms as required by Escrow Agent from time to time. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary and statutory obligations set forth in GBL §§ 352(e) (2-b) and 352(h) and the Department of Law's regulations promulgated thereto.

Under no circumstances shall Sponsor seek the release of the Deposits of a defaulting Purchaser until after Consummation of the Plan (as such term is defined in the Attorney General's regulations). Consummation of the Plan does not relieve Sponsor of its obligations pursuant to General Business Law Section 352-h.

Escrow Agent shall release the Deposits if so directed:

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

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

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

If the Deposits are not released pursuant to this paragraph and Escrow Agent receives a request by Sponsor or Purchaser to release the Deposits, Escrow Agent shall give both parties prior written notice of not fewer than 30 days before releasing the Deposits. If Escrow Agent has not received notice of objection to the release of the Deposits at the expiration of the 30 day period, the Deposits shall be released and Escrow Agent shall provide further written notice to both parties informing them of the release of the Deposits. If Escrow Agent receives a written notice from either party objecting to the release of the Deposits within the 30 day period set forth in the notice, Escrow Agent shall continue to hold the Deposits until otherwise directed pursuant to subsections (i) through (iii) of this paragraph. However, Escrow Agent shall also have the right at any time to deposit the Deposits with the clerk of a

court in the county in which the Unit is located and shall give written notice to both parties of such deposit.

Sponsor will not object to the release of the Deposits to:

(i) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan,

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

The Purchase Agreement provides that Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Deposit to Sponsor in the event Sponsor and Purchaser close title under the Purchase Agreement.

If Sponsor elects to change the Escrow Bank and/or Escrow Agent, such change will be disclosed in a duly filed amendment to the Plan prior to transferring any Deposits.

Set forth in Part II of the Plan is a copy of the form of escrow agreement between Sponsor and Escrow Agent which incorporates the terms of the Attorney General's regulations. Purchaser's execution of the Purchase Agreement shall be deemed to constitute Purchaser's acceptance of the terms of the escrow provisions set forth herein and the escrow agreement set forth in the Plan. Escrow Agent shall be a signatory to the Purchase Agreement solely with respect to Escrow Agent's obligations as set forth herein and the escrow agreement set forth in the Plan.

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

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

Sponsor has agreed to indemnify Escrow Agent from all claims, losses, judgments, costs, expenses and damages, including those brought by third-parties, including purchasers, incurred in connection with or arising out of the escrow agreement or the performance or non-performance of Escrow Agent's duties under the Escrow Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the Escrow Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, professional fees, including attorneys' fees, court costs and disbursements, either paid to retain attorneys or representing the value of all legal services rendered by Escrow Agent to itself and any and all attorneys' and professional fees, court costs, expenses and disbursements incurred by Escrow Agent in connection with a bankruptcy case filed by Sponsor for protection under the United States Bankruptcy Code, the enforcement of any rights, or defense of any claims against Escrow Agent in any bankruptcy proceeding, or any other matter arising in or in connection with Sponsor's bankruptcy case.

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

Escrow Agent and all Authorized Signatories submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of their obligations with respect to this Section or otherwise concerning the maintenance of or release of the Deposits from escrow.

Escrow Agent will maintain all records concerning the Master Escrow Account for 7 years after the release of Deposits.

ASSIGNMENT OF PURCHASE AGREEMENTS

No Assignment

Purchaser does not have the right to assign the Purchase Agreement without the prior written consent of Sponsor (or HPD, with respect to Inclusionary Units), which consent may be unreasonably withheld or delayed. Any purported assignment by Purchaser in violation of this Section will be voidable at the option of Sponsor. Sponsor's or HPD's (as applicable) 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. 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 to Seiden & Schein, P.C. a fee of $500, 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 default remedies set forth in the Section of the Plan entitled "Procedure to Purchase," and shall be voidable at the option of Sponsor.

Notwithstanding the foregoing, a Purchaser of an Inclusionary Unit does not have the right to assign the Purchase Agreement.

EFFECTIVE DATE

The offering by Sponsor of the Residential Units under the Plan is contingent upon the Plan being declared effective. The First Closing shall not occur until the Plan has been declared effective. The Plan may be declared effective, at Sponsor's option by (i) an amendment to the Plan or (ii) notice to each Purchaser stating that the Plan is declared effective and submission of an amendment to the Department of Law within 5 Business Days confirming that the Plan was declared effective on a specified date. The Plan may be declared effective, at Sponsor's option, at any time when bona fide purchasers, including investors, have executed Purchase Agreements with respect to not less than 15% of all of the Units offered for sale (i.e. 8 Units assuming 48 Units offered for sale). The Plan must be declared effective at such time as Purchase Agreements have been executed and are in effect with respect to 80% of all of the Units offered for sale (i.e., 40 Units assuming 48 Units offered for sale).

The Plan will not be declared effective based on Purchase Agreements: (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) signed by Purchasers who have not been afforded at least 3 Business Days to review the Plan and all filed amendments prior to executing a Purchase Agreement or, in lieu thereof, at least 7 calendar days to rescind after executing a Purchase Agreement; or (iii) signed by any Purchaser who is Sponsor, Selling Agent, Managing Agent or a principal of either, or is related by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner of Sponsor, Selling Agent, Managing Agent or a principal of either, except that such a Purchaser (other than Sponsor or a principal of Sponsor) may be counted only if Sponsor has submitted proof satisfactory to the Department of Law establishing that Purchaser is bona fide.

Once the Plan has been declared effective, it may not thereafter be abandoned, except that, prior to the First Closing, the Plan may, at the option of Sponsor, be abandoned in the event of: (1) the existence of one or more title defects (including violations of record or work orders of a mortgagee or insurance carrier) affecting any one or more Units or the Property that cannot be removed, complied with or cured without litigation or for less than ½ of 1% of the total offering amount in the aggregate, and which are not waived by the Purchasers thereof; (2) a substantial damage to or destruction of the Building (or any portion thereof) by fire or other casualty that cannot be repaired prior to the date set for the First Closing for less than ½ of 1% of the total offering amount in the aggregate; or (3) a taking of a material portion of the Property in condemnation proceedings or by eminent domain. Excluded from the dollar amounts set forth in (1) and (2) above are attorneys' fees and title defects (including violations of record or work orders) or determinations of any authority or regulatory association which existed on the Filing Date of the Plan and were either known to Sponsor or were a matter of public record.

If the Plan is abandoned and Sponsor has accepted Purchase Agreements, then Sponsor shall file an amendment with the Department of Law abandoning the Plan together with a form RS-3. If Sponsor has accepted Purchase Agreement, all Deposits, together with any interest earned thereon, including Unit Upgrade Funds (if applicable), will be returned to Purchasers 5 Business Days after the Filing Date of the amendment abandoning the Plan. Upon the return of the Deposits, as aforesaid, the Purchase Agreement will be null and void and Sponsor will have no further obligation or liability to Purchaser under the Plan or the Purchase Agreement. If the Plan is abandoned and Sponsor has not accepted Purchase Agreements, then Sponsor shall file a form RS-3 with the Department of Law without an amendment, which form RS-3 shall be served simultaneously by Sponsor on all commercial and professional tenants, if any.

Pursuant to the Regulatory Agreement, Sponsor is not permitted to request or accept a permanent Certificate of Occupancy or a temporary Certificate of Occupancy for any portion of the "Compensated Development," as that term is used in the Regulatory Agreement, that utilizes "Floor Area Compensation," as that term is used in the Regulatory Agreement, until HPD issues a Certificate

of Completion for the Inclusionary Units. A Certificate of Completion shall not be issued by HPD until, among other requirements provided in the Regulatory Agreement, Purchase Agreements have been fully executed for at least 50% of the Inclusionary Units (i.e., 6 Purchase Agreements). Sponsor makes no representation as to the date upon which HPD will issue a Certificate of Completion. This will necessarily impact Sponsor's ability to close on Residential Units even if Sponsor is able to declare the Plan effective based solely on Purchase Agreements executed by Market Rate Purchasers.

TERMS OF SALE

The term "Closing" refers to the conveyance of title to a Residential Unit from Sponsor to Purchaser by the delivery to Purchaser of a deed upon payment by Purchaser to Sponsor of the balance of the Purchase Price for such Residential Unit. The Closing to each Residential Unit shall be held at the office of Seiden & Schein, P.C., 570 Lexington Avenue, 14th Floor, New York, New York 10022 or at such other place as Sponsor may designate.

Purchasers are required to close title upon the occurrence of the following events:

(a) the Plan has been declared effective in accordance with its terms and the amendment to the Plan disclosing same has been accepted for filing by the Department of Law.

(b) a TCO or PCO for the Residential Unit is in effect. Issuance of a TCO or PCO for the Residential Unit shall be deemed presumptive evidence of substantial completion of the Residential Unit and is the only construction-related prerequisite that must occur before Sponsor may require the closing of title. A Temporary Certificate of Occupancy is not required for the closing of Storage Locker Licenses. A Purchaser will be required to consummate the purchase of the Residential Unit and a Storage Locker License simultaneously at Closing even though a Temporary Certificate of Occupancy has not been issued for the Storage locker Area. In such event, the proceeds from the sale of the Storage Locker License will be held in the Storage locker Escrow by Escrow Agent until such time as a Temporary Certificate of Occupancy has been issued for the Storage locker Area. The Storage Locker Escrow will not be held in an interest bearing escrow account, and, therefore, Purchaser will earn no interest on the Storage locker Escrow.

(c) the recording or filing of the Declaration, By-Laws, Floor Plans and architect and tax authority certifications required by Section 339-p of the New York Condominium Act or other applicable Law and such other documents as may be required by Law.

(d) the release of the Residential Unit and its appurtenant Common Interest from the lien of all mortgages, if any.

(e) the delivery to Purchaser of written notice of the time and place of the Closing at least 30 calendar days prior to the Closing Date specified therein, including a reasonable opportunity for Purchaser to examine the Residential Unit, during normal business hours and in the company of Sponsor's representative, prior to Closing. So long as a Temporary Certificate of Occupancy for the Residential Unit is in effect, Purchaser will be obligated to close title irrespective of the nature of the items that may be included on Purchaser's Inspection Statement which Sponsor agreed to complete as part of its post-closing obligations. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details regarding the Inspection Statement and Sponsor's post-closing obligations following Closing).

(f) the installation by Sponsor of a smoke and carbon monoxide detector in the Residential Unit.

(g) the conveyance of title to the Residential Unit free and clear of all liens and encumbrances except for (1) Permitted Encumbrances and standard printed exceptions and (2) liens and encumbrances other than Permitted Encumbrances to which the Residential Unit's title is subject, either (a) which have been expressly accepted by Purchaser, or (b) for which the instrument required to remove it of record has been delivered to the Title Company for recording in the proper office, together with the requisite recording or filing fees or delivered to the representative of Purchaser's title insurance company (or, if none, to Purchaser's attorney); or (c) as to which the Title Company will insure (without additional premium to Purchaser) that such lien or encumbrance will not be collected out of or enforced against the Residential Unit; or (d) as to which Sponsor, at its sole option, pays and discharges from monies paid by Purchaser at Closing.

Sponsor shall be entitled to deliver a 30 day closing notice once the Plan has been declared effective and prior to meeting the remaining Closing prerequisites set forth in this section, including, but not limited to, the issuance of a TCO or PCO.

At the Closing of Title to each Residential Unit, each Purchaser shall execute and deliver:

(a) (i) for Purchasers of Market Rate Units, a bargain and sale deed with covenant against grantor's acts, substantially in the form set forth in Part II of the Plan, in proper form for recording and containing the provisions set forth in subdivision 5 of Section 13 of the Lien Law upon delivery to Sponsor of the Balance of the Purchase Price and such other checks and documents required pursuant to the Plan and the Purchase Agreement; and (ii) for Purchasers of Inclusionary Units, a bargain and sale deed with covenant against grantor's acts, substantially in the form set forth in Part II of the Plan, in proper form for recording and containing the provisions set forth in subdivision 5 of Section 13 of the Lien Law upon delivery to Sponsor of the Balance of the Purchase Price and such other checks and documents required pursuant to the Plan and the Purchase Agreement including an acknowledgement that the Inclusionary Unit Owner shall assume the duties and obligations set forth in the Regulatory Agreement, and as provided in Section 23-90 of the Zoning Resolution, as same may be amended from time to time, and Chapter 41, Title 28 of the Rules of the City of New York, as same may be amended from time to time.

(b) a Unit Owner's Power of Attorney, substantially in the form set forth in Part II of the Plan.

(c) a notice to Managing Agent indicating whether a child under the age of eleven (11) will be living or residing (even temporarily) in the Residential Unit or if the Purchaser wants to have window guards and/or legally compliant window stops installed on the windows of the Residential Unit even though no child under the age of eleven (11) will be living in the Residential Unit. In the event that window guards and/or legally compliant window stops are to be installed in the Residential Unit, such installation shall be performed at the direction of Managing Agent and the cost thereof (for the window guards and/or legally compliant window stops and installation and any additional equipment required by Law) shall be charged to and paid by the Purchaser of the Residential Unit.

(d) certificates or other evidence of property and liability insurance for the Residential Unit, in amounts determined by the Condominium Board.

(e) all other documents necessary and/ or customary in connection with the conveyance of a condominium unit as directed by Sponsor's attorney.

Purchaser's failure to execute and deliver at Closing, all documents necessary and/or customary or as directed by Sponsor's attorney in connection with the conveyance of a condominium unit, including without limitation, the documents listed in (a) through (e) above, shall constitute an event of default under the terms of the Purchase Agreement, entitling Sponsor to the default remedies set forth in the Purchase Agreement.

Ongoing construction in the Building or other Units and/or the absence of a Temporary Certificate of Occupancy or Permanent Certificate of Occupancy for any other Unit or portion of the Common Elements shall not constitute a basis for Purchaser's failure or refusal to close.

Sponsor may agree with a Purchaser to deliver a Market Rate Residential Unit or Non-Residential Unit to Purchaser as "raw space" and not as set forth in the Plan. In such event, the Purchaser of a "raw space" Unit shall not be permitted to occupy such Unit until such time as a Temporary Certificate of Occupancy has been issued for such Unit, although such Purchaser may take possession of the Unit solely for the purpose of completing a build-out of such Unit prior to occupancy. The Closing of Title to a "raw space" Unit shall not constitute the First Closing as defined herein, if a "raw space" Unit is delivered prior to the issuance of a TCO or PCO for the Unit.

Only those fixtures, appliances and items of personal property which are described in the Plan as being included in the Unit are included in the sale.

In the event of the existence of any lien, encumbrance or title defect other than Permitted Encumbrances, which Sponsor fails or refuses to correct, the sole remedy of Purchaser under the Plan, provided Purchaser is not then in default, will be to either (i) take title subject to the title defect or (ii) terminate the Purchase Agreement, within 15 calendar days after receipt of notice or an amendment disclosing such lien, encumbrance or title defect. A Purchaser electing to proceed with the purchase of the Unit will not be entitled to any credit against, or abatement of, the Purchase Price set forth in the Purchase Agreement and will have no claim or right of action against Sponsor for damages or otherwise by reason thereof. Sponsor has no obligation to institute any action or proceeding or to expend any sum of money in excess of ½ of 1% of the Purchase Price of the affected Unit to make title insurable or to eliminate any encumbrances or title defects. If Purchaser elects to terminate the Purchase Agreement, Sponsor shall cause the Deposit together with any interest earned thereon, except for Unit Upgrade Funds (if applicable) to be returned to Purchaser, within 30 calendar days after receipt of Purchaser's termination notice. Upon making such refund, Sponsor and Purchaser shall be relieved of all further obligations and liabilities under the Purchase Agreement and the Plan.

IF THE PURCHASER FAILS TO NOTIFY SPONSOR OF PURCHASER'S ELECTION WITHIN 15 CALENDAR DAYS AFTER SPONSOR NOTIFIED PURCHASER OF SPONSOR'S FAILURE TO REMEDY THE TITLE DEFECT, IT WILL BE CONCLUSIVELY DEEMED THAT PURCHASER ELECTED TO ACQUIRE TITLE SUBJECT TO THE TITLE DEFECT.

The existence of mortgages, liens and encumbrances other than Permitted Encumbrances shall not be objections to title, provided bonds or properly executed instruments in form for recording necessary to satisfy or release Units from such impermissible liens or encumbrances or otherwise enable the Title Company to omit such title exceptions from Purchaser's title insurance policy are delivered at Closing and proper adjustments are made for the cost of recording or filing such instruments. Sponsor will bear the responsibility and cost of recording or filing such instruments. If existing mortgages or construction loans will not be satisfied at or prior to the First Closing, each mortgagee will either (i) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium units; (ii) subordinate the lien of its mortgage to the Declaration; or (iii) release its lien on the Unit being conveyed and its interest in the Common Elements.

Sponsor shall be entitled to adjourn the Closing (without any credit or reduction in the Purchase Price) to remove or correct any title exception that cannot be dealt with as set forth above. Sponsor is not obligated to cause Purchaser's title company to omit any exception if the Title Company is willing to insure, without additional premium, Purchaser's title with such exception. Purchaser will be responsible to pay to the Title Company the entire premium for Purchaser's title insurance. Purchaser may obtain title insurance from any title insurance company or abstract company or not obtain any title insurance at all, at Purchaser's sole discretion (unless Purchaser's lender shall require Purchaser to purchase title insurance covering such lender).

Any personal property located within the Unit (if any) on the date the Purchase Agreement is executed or located within the Common Elements on the date the Declaration is filed, that is owned by Sponsor, is excluded in the conveyance unless specifically included in the Purchase Agreement or the Plan.

CLOSING COSTS AND ADJUSTMENTS

Closing Costs

As more particularly set forth in the Purchase Agreement, in addition to Purchaser's legal fees, Purchaser will pay the following estimated closing costs and expenses at the time of the Closing of Title. Purchasers are advised that the Storage Lockers are deemed personal property and accordingly, are not mortgageable, insurable for title insurance purposes, or otherwise subject to the imposition of transfer taxes detailed in this Section. In the event that transfer taxes are imposed on the sale of the Storage Lockers, payment of such taxes shall be the obligation of Purchaser. Recording charges, fees, title costs and taxes set forth below pertain to Residential Units only and are based on rates in effect on the Filing Date of the Plan and are subject to change without notice.

(a) A Purchaser of a Market Rate Unit will be required to make a non-refundable contribution to the Working Capital Fund of the Condominium in an amount equal to 2 months' Common Charges with respect to the Residential Unit based on the Condominium budget at the time of Closing. Such contribution is not required of Purchasers of Inclusionary Units.

(b) If Purchaser (Market Rate Purchaser or Inclusionary Unit Purchaser) elects to obtain fee title insurance, Purchaser will pay the premium therefor, which will vary depending upon the amount requested. Purchasers are advised that because the Building will contain 10 or more Units the premium will be calculated at a discounted rate of 70% of the standard fee policy rates. First American Title Insurance Company, having an office at 666 Third Avenue, New York, New York 10017 ("Title Company"), has provided Sponsor with the standard fee policy rates as set forth below:

FEE RATE SCHEDULE FOR INSURANCE UP TO AND INCLUDING $1,000,000

AMOUNT OF INSURANCE	PREMIUM
First $35,000 or less	$342.00
From $35,001 to $50,000	$5.67 per Thousand
From $50,001 to $100,000	$4.62 per Thousand
From $100,001 to $500,000	$3.71 per Thousand
From $500,001 to $1,000,000	$3.38 per Thousand

FEE RATE SCHEDULE FOR INSURANCE OVER $1,000,000

AMOUNT OF INSURANCE	PREMIUM
First $35,000 or less	$402.00
From $35,001 to $50,000	$6.67 per Thousand
From $50,001 to $100,000	$5.43 per Thousand
From $100,001 to $500,000	$4.36 per Thousand
From $500,001 to $1,000,000	$3.98 per Thousand

From $1,000,001 to $5,000,000	$3.66 per Thousand
From $5,000,001 to $10,000,000	$3.25 per Thousand
From $10,000,001 to $15,000,000	$3.07 per Thousand
From $15,000,001 and up	$2.76 per Thousand

(c) If Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance, the premium for the fee title insurance will be calculated as described in paragraph (b) above. The premium for the mortgage title insurance that does not exceed the fee policy will be calculated at a discounted rate of 21% of standard mortgage policy rates. Title Company has provided Sponsor with the standard mortgage policy rates as set forth below:

SIMULTANEOUS MORTGAGE RATE SCHEDULE

AMOUNT OF INSURANCE	PREMIUM
First $35,000	$344.00
From $35,001 to $50,000	$5.55 per Thousand
From $50,001 to $100,000	$4.54 per Thousand
From $100,001 to $500,000	$3.64 per Thousand
From $500,001 to $1,000,000	$3.31 per Thousand
From $1,000,001 to $5,000,000	$3.05 per Thousand
From $5,000,001 to $10,000,000	$2.71 per Thousand
From $10,000,001 to $15,000,000	$2.55 per Thousand
From $15,000,001 and up	$2.31 per Thousand

A form of Unit Owner's Specimen Title Policy, if title insurance is ordered from the Title Company, is set forth in Part II of the Plan.

(d) A fee payable by Market Rate Unit Purchaser and Inclusionary Unit Purchaser for recording the deed and Unit Owner's power of attorney, being $42 for each instrument plus $5 per page together with a fee of $125 for filing the New York City Real Property Transfer Tax return ("City Tax Return").

(e) Purchaser of a Market Rate Unit shall pay New York State Real Estate Transfer Tax ("State Transfer Tax") currently equal to $2 per $500 of Purchase Price plus, if applicable, a New York State Additional Tax ("Mansion Tax") of 1% where the Purchase Price equals $1 million or more and the New York City Real Property Transfer Tax ("RPT Tax") currently equal to 1% of the Purchase Price where the Purchase Price is $500,000 or less and 1.425% of the Purchase Price where the Purchase Price is more than $500,000. The State Transfer Tax and RPT tax shall not be paid by Purchasers of Inclusionary Units, but shall be paid by Sponsor. Purchaser of an Inclusionary Unit shall not be required to pay any of the above-described transfer taxes.

The New York City Department of Finance has taken the position that where the purchaser of property assumes the obligation for the payment of the State Transfer Tax and the RPT Tax, which are generally an obligation borne by a Seller, the amount of the tax which would otherwise be payable if the

seller were to pay such taxes, will be treated as additional consideration for the transaction subject to tax. Consequently, the amount of the RPT Tax is computed as follows:

	Purchase Price $500,000 or less	Purchase Price Greater than $500,000
Tentative City Tax:		
Consideration	$400,000	$1,500,000
Tax Rate	x 1%	x 1.425%
Tentative tax	$ 4,000	$ 21,375
Tentative State Tax:		
Net Consideration	$400,000	$1,500,000
Rounded up to nearest $500	$400,000	$1,500,000
Tentative tax ($2 per $500)	$ 1,600	$ 6,000
City Tax:		
Consideration	$400,000	$1,500,000
Tentative taxes	+ 5,600	+ 27,375
Taxable Consideration	$405,600	$1,527,375
Tax Rate	x 1%	x 1.425%
City Tax	$ 4,056	$ 21,765
State Tax:		
Net Consideration	$400,000	$1,500,000
Tentative taxes	+ 5,600	+ 27,375
Taxable Consideration	$405,600	$1,527,375
Rounded up to nearest $500	$406,000	$1,527,500
State Tax ($2 per $500)	$ 1,624	$ 6,110

Thus, the effective RPT tax rate is approximately 1.014% of the Purchase Price where the Purchase Price is $500,000 or less and 1.451% where the Purchase Price is greater than $500,000. A similar position has been taken by the New York State Department of Taxation and Finance and as a result the effective tax rate for the State Transfer Tax is $4.06 per thousand dollars of the Purchase Price where the consideration is $500,000 or less and $4.074 per thousand dollars of the Purchase Price where the consideration is greater than $500,000. When the Purchase Price is equal to or in excess of $1,000,000, payment by Purchaser of the Mansion Tax is not considered additional consideration to Sponsor for purposes of the calculation of the State Transfer Tax.

Sponsor has been advised by the Title Company that the information set forth below reflects the current position of the New York City Department of Finance with respect to real property transfer taxes

that are due and payable in connection with the transfer by a seller of one or more units to the same or related purchasers, whether pursuant to one or more Purchase Agreements:

(1) **Purchase of a single Market Rate Residential Unit:**

The tax on the Residential Unit is 1% if the consideration is $500,000 or less, or 1.425% if the consideration is greater than $500,000.

(2) **Purchase of multiple Market Rate Units:**

The tax on each Residential Unit is 1.425% if the consideration is $500,000 or less, or 2.625% if the consideration is greater than $500,000.

The Department of Finance currently takes the position that: (i) the lower tax rate (either 1% if the consideration is $500,000 or less, or 1.425% if the consideration is greater than $500,000) applies only in the case of a transfer of "an individual residential condominium unit;" and (ii) the higher tax rate (either 1.425% if the consideration is $500,000 or less, or 2.625% if the consideration is greater than $500,000) applies if a purchaser acquires more than one individual Residential Unit (i.e., two Residential Units). The State Transfer Tax shall not be paid by Purchasers of Inclusionary Units, but shall be paid by Sponsor.

(f) If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of all mortgage recording taxes, mortgage recording fees, origination, appraisal and closing costs and other expenses in connection therewith (including legal fees) in amounts determined by governmental authorities and such lender. Currently, the mortgage recording tax for mortgages under $500,000 is 2.05% of the face amount of the mortgage and 2.175% of the face amount of the mortgage if the mortgage is $500,000 or more. Of the total tax due, the mortgagee pays an amount equal to 0.25% of the face amount of the mortgage. In addition, there is a $30 exemption for residential property. No representation or warranty is made with respect to the amounts of such closing costs and expenses or the availability or cost of mortgage loans from any sources.

In addition to the above-specified costs and expenses, a mortgage on a Residential Unit may provide that the Residential Unit Owner deposit monthly with the lender 1/12 of the estimated annual real estate taxes and tax assessments which are assessed or will be assessed against the Residential Unit, together with 1/12 of the annual fire and casualty insurance policy premiums for the Residential Unit, or other amounts, and, at Closing, Purchaser may be required to deposit with the lender a multiple of the aggregate of such one month's real estate taxes, tax assessments and insurance premiums, or other amounts, in order that sufficient funds will be available for the lender to pay the same when due.

(g) For Purchasers of Market Rate Units only, closing fees payable to Seiden & Schein, P.C. in accordance with the following schedule, all of which fees will be cumulative to the extent applicable to any individual closing:

(1) $3,000 for the preparation of closing documents, calculation of adjustments, attendance at Closing at the offices of Seiden & Schein, P.C. , or such other place as Sponsor may designate and supervision of execution of closing documents; Such a fee is not required of Purchasers of Inclusionary Units.

(2) $250 for the preparation of ACRIS transfer documents required by the City of New York and for title clearance.

(3) If Purchaser requires that the Closing occur other than at the office of Seiden & Schein, P.C. , or such other place as Sponsor may designate, and Sponsor consents to such change (in

Sponsor's sole discretion), an additional attendance fee of $750 for each Closing held within Manhattan. No Closing will be held in any borough outside Manhattan.

(4) 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 (which request in all instances must be received by Sponsor's attorney no later than 7 Business Days prior to the Scheduled Closing Date), a fee of $1,250, payable in advance, for preparation of an assignment agreement.

(5) If through no fault of Sponsor, Purchaser fails to close on the date scheduled for Closing, then Purchaser shall pay an additional fee of $750 for each rescheduled Closing granted at Purchaser's request to defray the cost of preparing and coordinating the Closing and recalculating the Closing apportionments.

(6) Purchaser may pay more than one fee pursuant to (g) above with respect to a Unit. In addition to an attendance fee in connection with a completed Unit transfer, Seiden & Schein, P.C. shall also be entitled to an attendance fee in the amount set forth above if such firm's representative attends a scheduled Closing but the Closing is adjourned due to Purchaser's failure to comply with Purchaser's closing obligations. In addition, more than one assignment fee shall be payable if Sponsor consents to more than one assignment request.

(h) For Market Rate Unit Purchasers, if Purchaser has dealt with any broker other than Selling Agent or any other broker engaged in writing by Sponsor in connection with the purchase, then Purchaser will be required to pay any commission due to such broker.

(i) For Market Rate Unit Purchasers and Inclusionary Unit Purchasers, if Purchaser obtains a mortgage loan, Purchaser will pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 339-ee (2) of the Condominium Act, which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s).

(j) If Purchaser is a Foreign Government Purchaser, Purchaser will be required to deposit with the Condominium an amount equal to 2 years' Common Charges with respect to the Residential Unit, based on the Condominium budget in effect as of the Closing Date.

All legal costs, fees and expenses of Seiden & Schein, P.C. other than those specifically set forth above, will be the sole responsibility of Sponsor.

Example of Estimated Closing Costs for a Typical Market Rate Unit

A numerical example of estimated closing costs and expenses for a single Market Rate Unit with a Purchase Price of $800,000.00 and a mortgage of $640,000.00 is set forth below by way of illustration only. All tax rates, title insurance premiums and recording rates are subject to change:

ITEM	DESCRIPTION	AMOUNT
Fee Insurance Premium for $800,000.00 of owner's insurance	(70% first condo bulk sale rate)	$2,209.00
Mortgage Insurance Premium for $640,000.00 of lender's insurance	(21% first condo bulk sale simultaneous rate)	$540.00
NYC RPT Tax	NOTE: transfer taxes are based upon bulked-up consideration. The NYC RPT rate is 1.425%.	$11,608.00
NYS Mansion Tax	1% of bulked-up consideration, if applicable	$ N.A.
NYS Transfer Tax	The tax rate is $2 for every $500 of consideration or fraction thereof.	$3,258.00
Mortgage Recording Tax	The tax rate is 2.175%. The borrower pays 1.925% - $30. This does not include the lender's ¼ point of mortgage tax.	$12,320.00
Departmental and Bankruptcy/Patriot Act Searches	Title Searches	$225.00
Estimated Recording Fees	(one deed, one mortgage and one condo power of attorney)	$800.00
Estimated Lender's Title Endorsements	Three endorsements at $25 each.	$75.00
Closing fees to Seiden & Schein, P.C.	Basic closing fee, ACRIS document preparation fee, title clearance	$3,250.00
Working Capital Contribution	2 months' Common Charges	See Schedule A
Total Estimated Closing Costs	Excluding Working Capital Contribution	$34,285.00

Example of Estimated Closing Costs for a Typical Inclusionary Unit

A numerical example of estimated closing costs and expenses for a single Inclusionary Unit with a Purchase Price of $184,000 (assuming such Unit is priced at 60% of AMI) and a mortgage of $165,600 (90% of the Purchase Price) is set forth below by way of illustration only. All tax rates, title insurance premiums and recording rates are subject to change:

ITEM	DESCRIPTION	AMOUNT
Fee Insurance Premium for $184,000 of owner's insurance	(70% first condo bulk sale rate)	$679.00
Mortgage Insurance Premium for $165,600 of lender's insurance	(21% first condo bulk sale simultaneous rate)	$187.00
Mortgage Recording Tax	The tax rate is 2.05%. The borrower pays 1.8% - $30. This does not include the lender's ¼ point of mortgage tax in the amount of $412.50	$2,940.00
Departmental and Bankruptcy/Patriot Act Searches	Title Searches	$225.00
Estimated Recording Fees	(one deed, one mortgage and one condo power of attorney)	$800.00
Estimated Lender's Title Endorsements	Three endorsements at $25 each.	$75.00
Total Estimated Closing Costs	Excluding Purchaser's financing fees	$4,906.00

These examples do not include the following costs or fees, to the extent applicable: Purchaser's financing costs, legal fees of Purchaser's attorney, recording additional documents or adjustments with Sponsor (including mortgage recording tax reimbursement), apportionment of real estate taxes and insurance as described below, or (with respect to Market Rate Purchasers only), additional fees paid to Sponsor's attorneys as described in paragraph (g) above.

The foregoing projections assume that title insurance is purchased from the Title Company and that Purchaser closes without delays or the imposition of penalties. If Purchaser obtains a mortgage loan Purchaser can expect to incur additional fees for mortgage title insurance (with benefit of simultaneous rates), mortgage recording taxes and fees and other closing fees set forth above, and as required by Purchaser's lender, plus the fee of Purchaser's lender's attorney. Purchasers are advised to consult with prospective lenders for a detailed projection of related financing costs. Furthermore, the above example does not take into account possible new taxes, increases in tax rates or recording fees or increases in the cost of title insurance.

In the event Sponsor obtains a construction or acquisition loan which satisfies certain parameters and pays a mortgage recording tax thereon, it is specifically understood that, any mortgage tax credit shall inure to the benefit of Sponsor. Accordingly, at Closing, each Purchaser may pay all or a portion of the mortgage recording tax to Sponsor, to the extent of any mortgage tax credit allowed as set forth in sub-paragraph (i).

Closing Adjustments

(i) Adjustments (applicable to Market Rate Unit Purchasers and Inclusionary Unit Purchasers). At Closing, adjustments between Sponsor and Purchaser will be made as of midnight of the day preceding the Closing Date with respect to (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 future real estate taxes and assessments in accordance with the terms of the subsection below entitled "Real Estate Taxes;" (b) Common Charges (if Common Charges have been assessed by the Condominium Board) and assessments for the month in which title closes.

(ii) Penalties: If Purchaser fails for any reason to close title to the Residential Unit on the Scheduled Closing Date, (a) the Closing adjustments described above will be made as of midnight of the day preceding the Scheduled Closing Date, regardless of when the Actual Closing Date occurs, and (b) Purchasers of Market Rate Units will be required to pay to Sponsor, as a reimbursement of Sponsor's increased carrying costs by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the Scheduled Closing Date to (and including) Actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally Scheduled Closing Date, these provisions shall apply to any new Scheduled Closing Date.

(iii) Real Estate Taxes (applicable to Market Rate Unit Purchasers and Inclusionary Unit Purchasers). In the event the Units have not been separately assessed for real estate tax purposes by the New York City Department of Finance ("Finance Department") prior to the First Closing. Sponsor shall deliver at the First Closing to Escrow Agent, either cash, a letter of credit or a surety bond ("Tax Security") in the amount of the real estate taxes for the next ensuing tax period ("Future Taxes"). Escrow Agent shall hold the Tax Security in escrow for the benefit of the Condominium. At each Closing prior to the date the Units are separately assessed and billed, Purchasers will be obligated to pay to Sponsor an amount equal to the Unit's pro-rata share of the Future Taxes (computed by multiplying the Common Interest of the Unit by the amount of the Future Taxes) ("Unit Tax Payment"). The Future Taxes shall be paid to the Finance Department when due by Sponsor, or by Escrow Agent using the Tax Security, either at Sponsor's direction, or upon Sponsor's failure to make such payment. If Sponsor pays the Future Taxes directly, the Tax Security shall be released to Sponsor upon delivery to Escrow Agent of proof of payment from the Finance Department of the Future Taxes. If at the time the Future Taxes are paid, the amount of the Future Taxes has been reduced by the Finance Department as a result of the implementation of real estate tax benefits, Escrow Agent shall make appropriate refunds to Sponsor and Sponsor shall in turn make such appropriate refunds to Purchasers on account of Unit Tax Payments.

In the event the Units are separately assessed and individual tax bills are issued by the Finance Department prior to the date the Future Taxes are due, Escrow Agent shall release the Tax Security to Sponsor and Sponsor shall in turn make such appropriate refunds to Purchasers, as appropriate. In such event, Sponsor and Purchasers who closed title shall be required to pay their respective tax bills directly to the Finance Department.

With respect to subsequent Future Taxes, until the Units are separately assessed and individual tax bills are issued, the Condominium Board shall collect a Unit Tax Payment from each Unit Owner which Unit Tax Payment shall constitute additional Common Charges. Unit Tax Payments shall be payable by Unit Owners within 5 Business Days of the date billed by the Condominium Board and shall be due and payable by such Unit Owner to the Condominium Board irrespective of whether such Unit Owner is required to escrow funds with a Lender in connection with a mortgage loan on such Unit. If any Unit Owner fails to make the Unit Tax Payment as set forth above, the Condominium will have a lien on the Unit for non-payment in the same manner as Common Charges (see the Section of the Plan entitled "Rights and Obligations of Unit Owners," subsection: " Common Charges: Collection and Lien for Non-Payment" for details).

Illustration. By way of illustration only, a Purchaser closing on a Unit in the middle of December (prior to separate assessment and individual billing of real estate taxes) is obligated to: (a) adjust with Sponsor for the first-half real estate taxes (July 1 to December 31) paid by Sponsor in July for the period from

Closing through December 31; and (b) deliver to Sponsor a Unit Tax Payment for the second-half Future Taxes (January 1 to June 30). Thereafter, if the Units are not separately assessed and individual tax bills are not issued prior to the next ensuing tax payment, the Condominium will have the obligation to collect from each Unit Owner a Unit Tax Payment for first-half real estate taxes (July 1 to December 31) and pay such real estate taxes directly to the Finance Department on behalf of all Unit Owners.

In the event the amount of Future Taxes is increased (due to an increase in the tax rate or otherwise) prior to the separate assessment and issuance of individual tax bills by the Finance Department, the amount of such increase shall be payable by all Unit Owners, including Sponsor (with respect to its Units), in proportion to each Unit's Common Interest, adjusted for the period of ownership of each Unit by the respective Unit Owner. Such amount of increase shall be payable to Sponsor or the Condominium Board, as the case may be, within 5 Business Days following written notice provided to such Unit Owner. Such increase shall be deemed additional Common Charges.

Other Costs

Except as specifically set forth in the Plan, Sponsor will pay all costs and expenses incurred in connection with the promulgation and consummation of the Plan and the sale of Units by Sponsor, including, but not limited to, all selling expenses and commissions payable to Selling Agent, advertising, printing and architects' fees, the fees of Sponsor's attorneys, engineering and appraisal costs and governmental filing fees, whether incurred prior or subsequent to the effective date of the Plan, in connection with the obligations of Sponsor. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor shall have the following obligations and all Purchasers upon execution of their respective Purchase Agreements will be deemed to have accepted, approved and agreed to abide and be bound by the following:

(a) Sponsor reserves the right to make any changes in the proposed Condominium Documents and modifications to the Plans and Specifications as may be necessary in Sponsor's sole discretion to conform to Law or to expedite the sale of Units, or due to structural, architectural or mechanical considerations provided, however, that any such amendments, additions, or changes shall not materially and adversely affect a Unit Owner or Purchaser, increase any obligation of a Unit Owner or Purchaser to any adverse and material degree and any substitution of appliances, equipment or materials shall be of substantially equal or better quality. Any such material and adverse modification, addition or change will be reflected in a duly filed amendment to the Plan. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit, as set forth in the Schedule A, by 5% or less (using the methodology set forth in the Declaration) is not a material and/or adverse change.

(b) Sponsor has obtained financing from East West Bank, having an office at 535 Madison Avenue, New York, NY 10022 to finance the construction of the Building. Pursuant to the terms of the construction loan, Sponsor must sell the Units for certain minimum prices prior to the lender's release of the lien of the construction loan from the Unit at Closing.

(c) The offering by Sponsor under the Plan is contingent upon the Plan being declared effective and the First Closing shall not occur until the Plan has been declared effective. The Plan may be withdrawn or abandoned by Sponsor for any reason whatsoever at any time prior to its being declared effective (see the Section of the Plan entitled "Effective Date" for details).

(d) Sponsor will perform such work and supply such materials, or will cause the same to be performed and supplied, as is necessary in order to complete the Building with a quality of construction comparable to the currently prevailing local standards and substantially in accordance with the Plans and Specifications for the construction work filed with the Buildings Department and other appropriate governmental authorities.

(e) Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by Force Majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about January 1, 2017. Purchasers will not be excused from paying their full Purchase Prices (without credit or set-off), and will have no claim against Sponsor for damages or losses, in the event that the First Closing occurs earlier or later than the projected date or the time to complete or to close title to any Residential Unit is delayed or postponed by Sponsor, it being understood that nothing contained in this Section will be construed so as to render Sponsor liable for money damages, nor shall Purchaser have against Sponsor any liability, suit, claim, cause of action, or demand under any legal theory. Sponsor has the right to change the projected First Year of Condominium Operation from time to time by an amendment to the Plan. If the First Closing does not occur within 12 months after the date set forth in Schedule B for the First Year of Condominium Operation in effect on the date a Purchaser and Sponsor entered into a Purchase Agreement, Sponsor will offer those affected Purchasers only a right to rescind their Purchase Agreement for 15 calendar days from the Presentation Date of the amendment disclosing Sponsor's failure to close within such time frame. Any Purchasers electing rescission will have their Deposits returned together with any interest earned thereon, except for any Unit Upgrade Funds, if any. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections. If the Common Charges in the amended budget

exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all Purchasers the right, for 15 calendar days, to rescind their Purchase Agreements and receive a refund of their Deposits, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

(f) Sponsor is obligated to bear all costs and expenses incurred in connection with completing construction of the Building substantially in accordance with the Plans and Specifications. During the course of construction, Sponsor reserves the right, in its sole and absolute discretion, without prior notice to Purchasers or amendment to the Plan to (i) amend from time to time the Plans and Specifications (including changes in layouts and designs) in accordance with the Section of the Plan entitled "Changes in Prices and Units"; and/or (ii) substitute materials, appliances, equipment and fixtures that are of substantially equal or better quality in place of those described in the Plan and the Plans and Specifications. Notwithstanding the foregoing, no such change, including any change in the Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Residential Unit, will be made with respect to such Unsold Residential Unit for which a Purchase Agreement is then in effect which increases or decreases the square footage or Common Interest by more than 5%, or materially changes the unit size, layout or percentage of Common Interest of such Unsold Residential Unit, unless the Purchaser consents to such changes. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit, as set forth in the Schedule A, by 5% or less (using the methodology set forth in the Declaration) is not a material and/or adverse change. Provided Purchaser's consent is not required, a Purchaser will not be excused from purchasing the Residential Unit and will not have any claim for damages or losses against Sponsor as a result of any such change and such change will not affect a Purchaser's obligations under the Purchase Agreement or the Plan, it being understood that nothing contained in this Section will be construed so as to render Sponsor liable for money damages, nor shall Purchaser have against Sponsor any liability, suit, claim, cause of action, or demand under any legal theory. If Purchaser's consent is required as a result of such change and Purchaser refuses to consent, then in such event, Sponsor's sole obligation shall be to refund to Purchaser the Deposit made under the Purchase Agreement and any interest earned thereon, except for Unit Upgrade Funds (if applicable).

(g) At the First Closing, Sponsor will deliver, assign, or otherwise grant to the Condominium Board, on behalf of all Unit Owners, the right to proceed under any assignable warranties and other undertakings received by Sponsor from contractors, suppliers, or others in connection with the construction and equipping of the Building, except that assignable warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in any Unit shall be assigned to the Purchaser on the Closing Date, including the warranties and undertakings received by Sponsor which relate to appliances, equipment, or fixtures located in the Units and the Common Elements. Sponsor makes no representation as to which, if any, of the warranties and other undertakings will continue to remain in force upon the Closing of any particular Unit. Sponsor shall have no liability or responsibility in the event a warrantor is unable, unwilling or for any reason, fails to perform under its warranty.

(h) Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a permanent certificate of occupancy ("PCO") 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 PCOs are issued by the Buildings Department. A TCO is intended to indicate that the property is safe for occupancy, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. All TCOs have an expiration date. A TCO typically expires 90 calendar 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 PCO. Sponsor anticipates this scenario will occur. Sponsor will undertake the responsibility for extending each TCO prior to its expiration, and ultimately for obtaining a PCO covering the entire Building within 2 years from the date of the issuance of the first TCO, subject, however, to (i) Force Majeure, (ii) actions by Unit Owners or tenants of Unit Owners, (iii) work undertaken in a Unit by a Unit Owner, except in instances where Sponsor or Sponsor-controlled Condominium Board have given its consent to a Unit Owner to perform alterations, (iv) work undertaken in Common Elements by the Condominium Board after Sponsor no longer controls the Condominium Board or (v) any other cause over which Sponsor has no control. Sponsor makes no representation or guarantee that the Buildings Department will issue the PCO within such 2 year period. Notwithstanding the foregoing, Sponsor is obligated to procure the PCO for the Building, and shall exercise best efforts to obtain the PCO within such 2 year period while keeping the TCO current. Unit Owners and the Condominium Board shall be obligated to cooperate with, and refrain from obstructing, Sponsor in these undertakings. Sponsor shall not be responsible for any costs or liabilities suffered by Unit Owners on account of delays in obtaining the PCO due to the circumstances set forth in (i)-(v) above.

Sponsor is not permitted to request or accept a permanent Certificate of Occupancy or a temporary Certificate of Occupancy for any portion of the "Compensated Development" that utilizes "Floor Area Compensation," as those terms are used in the Regulatory Agreement, until HPD issues a Certificate of Completion. A Certificate of Completion shall not be issued by HPD until, among other requirements provided in the Regulatory Agreement, Purchase Agreements have been fully executed for at least 50% of the Inclusionary Units (i.e., 6 Purchase Agreements). See the Regulatory Agreement in Part II of this Plan for disclosure of the conditions which must be satisfied before HPD will issue a Certificate of Completion.

Furthermore, because Sponsor and the By-laws of the Condominium may permit Unit Owners of Market Rate Units to undertake renovations prior to the procurement of a PCO, such renovations may cause additional delays in the issuance of a PCO. Nevertheless, Sponsor is obligated to procure the PCO. However, Sponsor or the Condominium Board may refuse to permit a Residential Unit Owner to perform alterations until such time as a PCO has been obtained.

Purchasers are advised to visit the DOB website for further recommendations when purchasing a Unit in a building that does not have a PCO. A Factsheet on Certificates of Occupancy is currently available on the DOB website at: http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf.

(i) If Sponsor fails to obtain a Permanent Certificate of Occupancy for the Building prior to the First Closing, Sponsor will be obligated to: (i) direct the Escrow Agent to hold and maintain those monies received pursuant to all Purchase Agreements (see the Section of the Plan entitled "Escrow and Trust Fund Requirements") which would otherwise be payable to Sponsor in the special trust account required by the General Business Law of the State of New York, Sections 352-e(2)(b) and 352(h), provided, however, that if Sponsor's architect, engineer or other qualified expert (collectively, "Sponsors Representative") certifies that a lesser amount than the amount held in the special trust account is reasonably necessary to complete the work needed to obtain a Permanent Certificate of Occupancy, then the amount exceeding the sum so certified by Sponsor's Representative shall be released from the special escrow account to Sponsor; or (ii) Sponsor shall deposit with Escrow Agent cash or an unconditional, irrevocable letter of credit or post a surety bond in an amount Sponsor's Representative, from time to time, certifies is reasonably necessary to complete the work needed to obtain the Permanent Certificate of Occupancy. The Buildings Department advises Purchasers of houses and apartments who close title with only a Temporary Certificate of Occupancy in place to consult with their attorneys or engineers for assurance that sufficient funds are escrowed or otherwise secured for Sponsor to obtain the Permanent Certificate of Occupancy.

(j) Construction is a complicated process requiring the coordination of numerous tasks, contractors and suppliers and the balancing of complex mechanical and architectural systems. It is both customary and anticipated that certain issues will arise during the course of the construction process that warrant the taking of corrective action, including the repair or replacement of construction defects in order to satisfy Sponsor's obligations under the Plan.

(k) The Building will contain certain major mechanical equipment on the roof or cellar which may cause noise or disturbance to residents of nearby Residential Units.

(l) No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. It is anticipated that during the first few years of Condominium operation, construction workers and related personnel will be at the Building from time to time, completing construction of the Building and the Units, making adjustments and corrections and performing various tasks relating to the completion of construction. During this period various building systems, including but not limited to water supply, air conditioning, heating, cooling, ventilating and elevators, may require substantial time to complete and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems may require substantial time to be completed after the First Closing. In addition, the presence of scaffolding, hoists or construction elevator shafts or similar temporary construction facilities, may delay the Closing of Title to certain Residential Units or lines of Residential Units until such scaffolding, hoists, elevators or temporary facilities are no longer needed and are removed. A Purchaser who closes title to his or her Unit during the course of construction of the Common Elements or other Units acknowledges that construction noise, vibration, fumes, odors, dust, debris, scaffolding and other temporary interruption of services may affect Purchaser's enjoyment of the Unit during such period. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser whatsoever or any third party in the event of non-completion of any item of construction on any projected date, or any interruption of services in the Building. Furthermore, Sponsor makes no representation or warranty (express or implied) that any noise, odors, fumes or vibrations, if any, emanating from mechanical equipment belonging to the Condominium or the Non-Residential Units will not disturb occupants of the Residential Units, and Sponsor shall have no liability whatsoever for any such disturbance to any Unit Owner or occupant.

(m) Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Units, the Building or the Common Elements except as otherwise expressly provided in the Plan. Sponsor agrees to complete construction and to cause all mechanic's liens with respect to the construction of the Building to be promptly discharged or bonded or to deliver any and all requested documents to the title company necessary to insure title to the Unit at no additional cost to Purchaser, if such mechanics lien creates a defect in title (all subject to Sponsor's rights to abandon the Plan).

(n) Each Residential Unit and the fixtures and personal property contained therein, are being sold and delivered as described in the Plan, at the time of transfer of title to such Unit unless Sponsor and the Purchaser otherwise agree in writing. With respect to Residential Units, upon receipt of the Initial Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Residential Unit within 7 Business Days prior to the Closing Date and shall execute at such time an Inspection Statement acknowledging the Purchaser's acceptance of the Residential Unit in good condition and in accordance with the terms of the Plan. If Purchaser believes that remaining items of work must be completed in the Unit, then Sponsor or its designated representative and Purchaser will at the time of the inspection agree upon and set forth in the Inspection Statement a list of the incomplete work to be completed by Sponsor following the Closing without provision for escrow. Sponsor's obligation under the Inspection Statement shall survive delivery of the deed to the Purchaser. The failure of Sponsor to complete the work under the Inspection Statement prior to Closing shall not be grounds for Purchaser to delay the Closing or to refuse to pay the full Balance of the Purchase Price at Closing. Purchaser shall be obligated to provide Sponsor and its contractors, subcontractors, agents and employees, unfettered access

to the Unit and any Residential Limited Common Elements appurtenant thereto after Closing in order to complete the work on the Inspection Statement, failing which Sponsor shall be relieved of its obligations to complete the work set forth on the Inspection Statement. Notwithstanding anything set forth in this paragraph (n), at such time as a temporary certificate of occupancy for the Unit is issued, Purchaser shall be obligated to close title to the Unit and pay the Balance of the Purchase Price at Closing.

(o) Article 36-B of the New York General Business Law ("Housing Merchant Implied Warranty Law") does not apply to this offering as the Building comprises more than 5 stories. Sponsor makes no other warranties, express or implied, in connection with this offering of the Units and all such warranties are excluded, except as provided in the limited warranty ("Limited Warranty") set forth in this Section. Sponsor will correct, repair, or replace any and all defects relating to construction of the Building, Common Elements or the Units or in the installation or operation of any appliances, fixtures, or equipment therein, or will cause the same to be corrected, repaired, or replaced, but only if:

(1) such defects are due to substantially improper workmanship or construction practices or the use of materials that are substantially and materially at variance with the Plans and Specifications for the same; and

(2) Sponsor is notified by the Condominium Board or the affected Unit Owner, as the case may be, of the same in accordance with the following, which notice shall be by certified mail, return receipt requested:

(i) with respect to any latent defect (that is, a defect that is not visually ascertainable) in the construction of a Unit, within 1 year of the earlier to occur of the (a) the Closing of Title to the Unit or (b) the commencement date of any agreement by which a Purchaser is permitted to occupy the Unit prior to Closing;

(ii) with respect to any patent defect (that is, a defect that is ascertainable through inspection) in the construction of a Unit within 6 months of the earlier to occur of the (a) the Closing of Title to the Unit, or (b) the commencement date of any agreement by which a Purchaser is permitted to occupy the Unit prior to Closing, provided, in each instance such patent defect is not caused by the Unit Owner or other occupant of the Unit;

(iii) with respect to any defects (patent or latent) in the construction of the Common Elements, within 1 year from the date of substantial completion of the portion of the Common Elements claimed to be defective. The issuance of either a TCO or PCO covering such Common Elements shall be presumptive evidence that the construction of the Common Elements has been substantially completed.

The method of correcting any defect will be selected by Sponsor in its sole discretion. The quality of construction as to any such correction will be comparable to local standards customary in the particular trade or trades involved and will be in accordance with the Plans and Specifications.

Sponsor will be conclusively considered to have discharged any obligation that it may have with respect to the repair of a defect or replacement of a defective item, whether patent or latent, if:

a. Sponsor is not notified of the existence of such defect, in the manner and within the appropriate time period specified above;

b. The Condominium Board and/or Managing Agent and/or the Unit Owner fails to allow prompt access to the Unit in question by Sponsor or Sponsor's contractors; or

c. Sponsor has corrected, or caused the correction of, the defect in accordance with the practice of the industry, as determined by Sponsor's general contractor, architect, or engineer, in their sole judgment.

d. Purchaser, through any act or omission, is the cause of such defect or obstructs, delays, prevents or hinders Sponsor from gaining access to the Unit to repair a defect or replace a defective item.

(3) This Limited Warranty is only available to the first Purchaser of the Unit and Sponsor shall have no liability to any subsequent Unit Owner with respect to any claimed defects relating to the construction of the Units, the Common Elements or the Building.

(p) Sponsor will not be obligated to correct, and will not be liable to the Condominium Board or any Unit Owner as a result of any defects in construction or renovation, or in the installation or operation of, any mechanical equipment, appliances, other equipment, finishes, materials, fixtures (including appliances and bathroom fixtures), hardware, windows, or any other condition:

(i) with respect to which assignable warranties or other undertakings (however denoted) from manufacturers, contractors, materialpersons, or others which are assigned to the Condominium Board and/or any Unit Owner;

(ii) resulting from normal wear and tear, natural deterioration, normal settling (including, without limitation, cracks in crown molding, minor gapping in the flooring, uneven ceilings or floors, and floor buckling), deflection, expansion or shifting of the Building;

(iii) resulting from Purchaser's (i) failure to maintain such appliances, equipment, finishes, materials or fixtures in accordance with manufacturers' guidelines and specifications and (ii) renovations and/or alterations to a Residential Unit or its appurtenant Residential Limited Common Elements; or

(iv) that are not of a material nature, including, without limitation, the following:

a. death of trees or landscape improvements, cracks in roof ballast, or concrete cracks that do not impair the structural soundness of the Building, including cracks or discoloration in exterior stucco, concrete walls and paving, leaching or color variation in colored mortar, tiles or pavers, and brick, dimensional variations in brick joints, mortar droppings on bricks, ponding, and/or controlled drainage on roof and terrace surfaces, terrace tiles or pavers not laid flat, stained tiles or color variations in tiles or pavers, and cracks in pressure treated wood used, or intended for use, outside the Building;

b. protruding dry wall fastenings, nail pops, ridging on gypsum board, slight variations in gypsum board taping visible only under certain lighting conditions, walls not square, lumber shrinkage, painting defects, electrical plates not straight, slight separation between base and floor, variations in floor and ceiling levels, carpet or floor discoloring or stretching, variations in width, length, thickness, finish, or color range of wood floors, ceiling imperfections, and stains, runs, lumps, shags, or imperfections in weave in fabric panels, or expanding or contracting of wood flooring;

c. door or window sticking due to weather, door warpage (including warpage of the main entrance door or Terrace door to a Unit within reasonable tolerances of doors of similar size, weight and quality), adjustment of bi-fold doors, and air and water infiltration from windows or Terrace doors in excess of industry standards;

d. variations in tone or color of interior and exterior natural materials or natural stone including variations in tone or color of flooring, walls, countertops, backsplash, vanity tops or other natural stone, marble, ceramic or wood surfaces, slight scratches in plastic laminate, glass, metal, vitreous china, natural stone, wood, stainless steel, porcelain or other surfaces, discoloration to hardware and plumbing finishes, cracked bath tile grouting, variation in grouting thickness, and misalignment of bathroom finishes;

e. variations in wood floor stains and finishes;

f. noise, vibrations or odors from normal plumbing, heating, air-conditioning, ventilating, mechanical equipment operation and elevator operation, and floor noises and creaking;

g. repair of chips, scratches, mars, breaks, dents, cracks, and other defects in any windows and window sashes, sliding glass doors, shower doors, louvers, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, water closets, kitchen cabinets, backsplashes, and countertops, vanity tops and cabinets, tile or natural stone floors and walls, saddles, appliances, woodwork, millwork, doors, mirrors, and hardware;

h. normal wear, including chips, to passenger elevator cabs, cab doors, elevator door frames, cab panels, Unit doors and Unit door frames; and

I. pertaining to television, radio, internet or other telecommunication reception;

However, Sponsor is obligated to construct the Building in accordance with the terms of the Plan and all applicable Laws. Sponsor will be obligated to repair abnormal scratches in plastic laminate, vitreous china, natural stone, wood, porcelain and metallic surfaces by filing or refinishing the same not caused by the use of the Units by Unit Owners, but Sponsor will not be obligated to replace any such surfaces. Additionally, during the course of construction, concrete and/or stucco cracks and/or chips of a material nature on the exterior façade of the Building may be repaired by Sponsor by field patching.

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

(q) NOTHING CONTAINED IN THIS SECTION WILL BE CONSTRUED SO AS TO RENDER SPONSOR LIABLE FOR MONEY DAMAGES NOR SHALL PURCHASER HAVE ANY SUIT, CLAIM, CAUSE OF ACTION, OR DEMAND (WHETHER BASED ON NEGLIGENCE, BREACH OF CONTRACT, BREACH OF WARRANTY, OR OTHERWISE), IT BEING INTENDED THAT SPONSOR'S SOLE OBLIGATION UNDER THE PLAN WILL BE TO REPAIR OR REPLACE ANY DEFECTIVE ITEM OF CONSTRUCTION UPON, AND SUBJECT TO, THE TERMS AND CONDITIONS SET FORTH ABOVE. ADDITIONALLY, EXCEPT AS EXPRESSLY SET FORTH ABOVE, SPONSOR WILL HAVE NO OBLIGATION TO CORRECT OR REPAIR ANY DEFECTIVE OR OTHER CONDITION IN THE BUILDING (INCLUDING IN THE UNSOLD RESIDENTIAL

UNITS AND THE COMMON ELEMENTS) OR IN, OR WITH RESPECT TO, ITS INSTALLATIONS, APPARATUSES, FIXTURES, FINISHES, MATERIALS, AND APPURTENANCES. ASIDE FROM ANY SPONSOR WARRANTIES AND UNDERTAKINGS WITH RESPECT TO THE CONSTRUCTION AND COMPLETION OF THE BUILDING CONTAINED IN THIS SECTION, NO OTHER WARRANTIES OR UNDERTAKINGS SHALL BE IMPLIED. HOWEVER, NO SUCH DISCLAIMER OR LIMITATION OF LIABILITY ON SPONSOR'S PART SHALL APPLY TO SPONSOR'S OBLIGATIONS UNDER ALL APPLICABLE STATUTES, LAWS AND REGULATIONS.

(r) Except for those warranties or guarantees provided to Sponsor by contractors, manufacturers or suppliers, which Sponsor will assign to the Condominium Board and/or Unit Owners, as necessary, Sponsor does not make any warranty of any kind, express or implied, and Sponsor hereby disclaims any and all warranties, including but not limited to, implied warranties of merchantability and fitness for a particular purpose, with respect to the construction of the Units and the Common Elements and with respect to the personal property located within the Units, the Common Elements, and the Unit Owners assume all risk and liability from the use of this personal property.

(s) Prior to the Closing of Title for each Unit, Sponsor will cause such Unit and its Common Interest, benefits, rights and easements as described in the Declaration and By-Laws to be released from the lien of any mortgages or security agreements encumbering the Unit (other than any mortgage or security agreements obtained by Purchaser).

(t) Sponsor will bear all costs and expenses incurred by it in connection with the preparation of the Plan and all selling expenses and compensation payable to sales or other personnel of Sponsor.

(u) Sponsor will pay or cause to be paid all contractors, subcontractors and material persons and all others involved in the construction and equipping of the Building in accordance with the New York Lien Law, for work performed and fixtures, material and equipment supplied or installed during Sponsor's construction thereof.

(v) No Closing of a Unit will occur prior to the issuance of a Temporary Certificate of Occupancy for the particular Unit unless such Unit is being sold as a "raw space" Unit as set forth in the Section of the Plan entitled "Terms of Sale." Sponsor will perform any work and/or supply any material necessary to obtain a Permanent Certificate of Occupancy.

(w) Sponsor shall be obligated to defend any suits or proceedings arising out of Sponsor's obligations set forth in the Plan and shall be obligated to indemnify the Condominium Board and Unit Owners against any such action or proceeding.

(x) At or subsequent to the First Closing, Sponsor will deliver to the Condominium Board copies of the following documents, as applicable, and as otherwise in Sponsor's possession: (i) mechanical, electrical and plumbing drawings for the Building; (ii) operating and maintenance manuals for mechanical equipment; (iii) electronic system manuals; (iv) major equipment start-up sheets and control system as-built; and (v) original test and balance report for HVAC system.

(y) In accordance with Section 339-p of the Condominium Act, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the Floor Plans are an accurate copy of portions of the Plans and Specifications of the Building as filed with and approved by the municipal or other governmental authority having jurisdiction over the issuance of permits for the construction of the Building and, in addition, such architect or professional engineer shall make periodic inspections at various stages of construction to determine that the Building is built in accordance with the Plans and Specifications.

(z) Sponsor's obligations, regardless of any limitations in any warranty or in the Plan, cannot go below the duty to construct the Building in accordance with all applicable Laws and the Plans and Specifications, and any conflict between any such disclaimers and Sponsor's obligation to construct the Building in accordance with all applicable Laws and the Plans and Specifications shall be resolved in favor of the latter.

(aa) Sponsor will pay all Common Charges (once Common Charges have been assessed by the Condominium Board), Special Assessments and real estate taxes allocated to any Unsold Residential Units in accordance with the provisions of the By-Laws. Sponsor expects to have the financial resources to meet the aforesaid obligations and to fund same from income from projected sales, the rental or leasing of Unsold Residential Units and Sponsor's other financial resources. No bond or other security will be posted by Sponsor with respect to this obligation.

(bb) At or prior to the First Closing, the Condominium Board or Sponsor (on behalf of the Condominium Board) will procure the insurance relating to the Condominium which is required to be maintained by the Condominium Board in accordance with the provisions of the By-Laws, the types and cost of which insurance has been reflected in the First Year's Budget. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws.")

(cc) Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection, by Purchasers and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of 6 years from the date of the recording of the Declaration. In addition, a set of Floor Plans showing the layout, location and approximate dimensions of each Unit and its Unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the Register's Office when the Declaration is recorded, and an additional set will be furnished to the Condominium Board.

(dd) Sponsor will deliver to the Condominium Board copies of all books of account and records pertaining to the Building's operation which are in Sponsor's possession.

(ee) In the event of the dissolution or liquidation of Sponsor or the transfer by Sponsor of 10 or more Market Rate Units or 20% or more of the total number of Residential Units in the Condominium, whichever is less, to a single Purchaser, Sponsor will provide financially responsible entities or individuals who will assume the status and all obligations of Sponsor for those Market Rate Units under the Plan and Laws.

(ff) The risk of loss to any Residential Unit by fire or other casualty until the Closing for such Residential Unit is assumed by Sponsor (unless and until Purchaser takes possession of the Residential Unit, at which time such risk, to the extent not covered by existing insurance, shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Residential Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion as set forth in the Purchase Agreement) to repair or restore the Residential Unit, the Purchase Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price of the Residential Unit. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Residential Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies

Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Residential Unit or if the Residential Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws"), the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return the Deposit, together with any interest earned thereon and any Unit Upgrade Funds, if applicable, to Purchaser, whereupon Sponsor and Purchaser shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan; provided, however, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

(gg) Sponsor 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's obligations under the Plan and performing certain alterations and repairs in or about the Units and the Common Elements. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes. If reasonable care under the circumstances is exercised to safeguard the Unit Owner's property, such entry shall not render Sponsor or its authorized agents liable for any damage or other loss to the Unit, or to the personal property or fixtures contained therein.

(hh) Sponsor intends, in good faith, to sell rather than rent Residential Units. However, under the Plan, Sponsor has reserved the unconditional right to rent Market Rate Units rather than sell such Units. Because Sponsor is not limiting the conditions under which it will rent rather than sell Market Rate Units, Sponsor is not committed to sell more Residential Units than the 15% necessary to declare the Plan effective and, therefore, owner-occupants may never gain effective control and management of the Condominium. Any Inclusionary Unit which is leased by Sponsor shall be leased in accordance with the rental provisions of the Inclusionary Housing program, including, but not limited to, the requirement to register such Inclusionary Units with the New York State Department of Housing and Community Renewal, if such Units are rented by Sponsor and not sold.

(ii) Sponsor intends to offer Unsold Market Rate Units for sale both to Purchasers for personal occupancy and Purchasers who are purchasing for investment or resale. Purchasers for investment or resale may rent such Units rather than use such Units for personal occupancy. As a result, some and possibly many Units may be occupied by renters instead of Unit Owners. Since the Condominium Board does not have the right to approve or disapprove potential Purchasers of Units, the Condominium Board is unable to limit the number of Purchasers who purchase Units for investment or resale rather than for personal occupancy and there may always be a substantial percentage of Unit Owners who are not occupants. It is possible that those Unit Owners who occupy their Units may have different interests than those Unit Owners who purchased such Units as an investment.

(jj) All representations under the Plan, all obligations pursuant to the General Business Law Section 352-e, and such additional obligations under the Plan which are to be performed subsequent to the Closing Date shall survive delivery of the deed.

(kk) Sponsor does not anticipate that any substantial amount of Excess Development Rights will remain upon completion of the Building. However, if the applicable provisions of the Zoning Resolution change in the future, such changes may generate transferable Excess Development Rights which will not be included in the Property and shall be the exclusive property of Sponsor. Sponsor cannot represent the amount of transferable Excess Development Rights that could result from such changes. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Excess Development Rights. (See the section of the Plan entitled "Rights and Obligations of Sponsor" and the Declaration in Part II of the Plan for details.)

Obligations of Sponsor under the Plan with respect to the Building and the Units shall be enforceable by the Condominium Board on behalf of all Unit Owners. Obligations of Sponsor shall be enforceable by individual Unit Owners if either (i) the Condominium Board fails to take reasonable action to enforce such obligations within 120 calendar days following the giving of notice of such claim by any Unit Owner to the Condominium Board or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Condominium Board will expire during the aforesaid 120-day period.

Obligations of Sponsor under the Plan shall inure solely to the benefit of Purchasers of Units directly from Sponsor and shall not inure to the benefit of any Purchaser or tenant upon the resale, assignment or subletting of a Unit.

To the best of Sponsor's knowledge, as of the Filing Date of the Plan, Sponsor has sufficient resources to fund its obligations set forth in the Plan. Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. The ability of Sponsor to perform its obligations hereunder will partly depend upon its financial condition at the time Sponsor is called upon to perform. No representation is made that Sponsor will be financially able to perform any or all of such obligations. Unless expressly provided to the contrary herein, the obligations of Sponsor under the Plan shall survive the delivery of the respective deeds to the Units to Purchasers.

In the event Sponsor is unable to perform its material obligations under the Plan, all sales will cease, Sponsor will promptly submit an amendment to the Plan setting forth its inability to perform such material obligations under the Plan, and will offer all Purchasers the right to rescind their Purchase Agreements within 15 calendar days after the Presentation Date of the amendment. Any Purchaser electing rescission pursuant to the offer will have their Deposit and any interest accrued thereon returned, except for Unit Upgrade Funds, if applicable.

The foregoing sets forth the entire obligations of Sponsor hereunder and no others shall be implied, except that nothing contained herein shall be deemed to limit the rights of Unit Owners under their respective Purchase Agreements. Sponsor makes no representations or warranties other than as set forth in the Plan.

The terms of the Plan will govern in the event of a conflict between the Plan and any other document or advertisement used in connection with the Plan.

Use of Unsold Market Rate Residential Units

Sponsor reserves the right, without prior notice or amendment to the Plan, to use any Unsold Market Rate Residential Units as sales, rental offices and model units and in any other manner in compliance with Law. In the event Sponsor thereafter elects to sell any such Unsold Residential Unit, Sponsor may require Purchaser to purchase all or any of the furniture, furnishings, finishes, equipment or decorations (including wall coverings, window treatments, carpeting, and the like) ("FFE") therein and pay, in addition to the Purchase Price of the Unit, such amounts as Sponsor may determine.

Sales Center/Model Unit/FFE

In no event shall the presence of any FFE in the Sales Center or any model unit imply or represent that any Residential Unit will contain such FFE upon delivery of the Unit to Purchaser. The presence of FFE in the Sales Center or any model unit and the location, size and quantity of such FFE therein are only illustrative and will not be installed by Sponsor in any Residential Unit. The layout, size and dimensions of the model rooms located in the Sales Center or any model unit are only illustrative of the style and feel of the Residential Units in the Building and may not correspond to the exact layout, size or dimensions of any particular Residential Unit.

In no event shall the presence of any FFE in any portion of the Building or Residential Units set forth in any marketing materials and/or advertisements, and/or websites used in connection with the sales and marketing of the Residential Units imply or represent that any such FFE will be located within any portion of the Building or Residential Units. The presence of FFE in such marketing materials is for illustrative purposes only. In addition, marketing materials may use designations, labels or nomenclature to describe certain areas or rooms within Residential Units that differs from the designations utilized on the Floor Plans of the Residential Units set forth in Part II of the Plan, including, without limitation, closets, hallways, dens/media rooms and powder rooms. The use of such designations, labels or nomenclature is for marketing purposes only and does not obligate Sponsor to deliver such areas or rooms designed or fitted out in the manner depicted or implied in the marketing materials.

Sponsor's Easement Rights

Sponsor shall have an exclusive right and easement (i) to erect, use, lease, maintain, repair, replace and operate (a) antennae, satellite dishes and other communications equipment, and (b) any pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust, or ventilation as required or, as permitted by Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements (excluding Terraces and Storage Lockers appurtenant to Residential Units) and to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith; and (ii) to erect, maintain, replace and/or repair any sign and/or lighting permitted by Law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit or the operation of any business of a tenant or occupant of any Unit. Sponsor shall be entitled to permit any one or more of such easements to be utilized by the Non-Residential Unit Owners and/or Permitted Users. Sponsor reserves the right to install mechanical equipment on the roof of the Building.

Condominium Name

Pursuant to the Declaration, Sponsor shall own and control all rights to the name of the Condominium and/or the Building. In addition, Sponsor shall have the right to utilize other names for the Building or portion thereof for marketing and/or promotional purposes, without the consent of the Condominium Board or the Unit Owners.

CONTROL BY SPONSOR

Sponsor will have voting control over the Condominium Board until the later of (i) the date upon which Sponsor owns Unsold Residential Units having an aggregate Common Interest of 10% or less, or (ii) until at least 5 years from the First Closing ("Initial Sponsor Control Period"). Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Initial Sponsor Control Period. Until the First Annual Meeting of the Unit Owners (the "First Annual Meeting"), the Condominium Board shall consist of 3 persons designated from time to time by Sponsor. Sponsor designates the following persons as the initial Condominium Board members, but reserves the right to substitute other individuals in place of one or more of these individuals without amendment to the Plan: Andrew Bradfield, Richard Diego and Aubrey Hansen, who shall serve as the initial President, Vice-President and Secretary/Treasurer, respectively. Mr. Bradfield is a principal of Sponsor and the other 2 listed individuals are affiliated with Sponsor. The initial Condominium Board shall conduct all affairs of the Condominium. Accordingly, until the First Annual Meeting and during the Initial Sponsor Control Period, Sponsor will have voting control of the Condominium Board and will thus have control of the maintenance and operation of, and services to be provided by, the Condominium, as well as determining the Common Charges to be paid by Unit Owners. The First Annual Meeting shall be held approximately 30 calendar days following the later to occur of: (a) the second anniversary of the First Closing, or (b) the closing of title to Residential Units representing at least 50% both in number and aggregate Common Interests of all Residential Units to Purchasers. At such meeting, the incumbent 3 member Condominium Board designated by Sponsor will resign and a new Condominium Board, consisting of 7 members, will be installed, as described below.

At elections of members to the Condominium Board held at and after such Meeting, but before the expiration of the Initial Sponsor Control Period, Sponsor and/or its designee shall have the right to designate 3 of the 4 Market-Rate Members (the "Market-Rate Member(s)") of the Condominium Board, who may be persons related to and/or affiliated with Sponsor, such designee or other Unsold Unit Owners; and Sponsor, such designee and all other Unit Owners shall have the right to elect the remaining Market-Rate Member of the Condominium Board who shall not be related to or affiliated with Sponsor, such designee or other Unsold Residential Unit Owners. In addition to the foregoing Market-Rate Members, from and after the First Annual Meeting (including after the expiration of the Initial Sponsor Control Period), the Inclusionary Unit Owners, the Retail Unit Owner and the Garage Unit Owner shall each have the right to designate/elect a member to the Condominium Board (the "Inclusionary Unit Member" and the "Non-Residential Unit Members" respectively).

At elections of members to the Condominium Board held after the expiration of the Initial Sponsor Control Period, but while Sponsor and/or its designee still owns at least 1 Residential Unit, Sponsor and/or its designee shall have the right to designate at least 1 of the 4 Market-Rate Members of the Condominium Board, who may be a person related to and/or affiliated with Sponsor, such designee or other Unsold Market-Rate Unit Owners; and Sponsor, such designee and all other Market-Rate Unit Owners shall have the right to elect the remaining Market-Rate Members of the Condominium Board, who shall not be related to or affiliated with Sponsor, such designee or other Unsold Market-Rate Unit Owners. Within 30 calendar days after the expiration of the Initial Sponsor Control Period, 2 of the 3 Market-Rate Members of the Condominium Board who were designated by Sponsor shall resign and such Market-Rate Member's replacement shall be elected by a vote of the Market-Rate Unit Owners (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) at a special meeting called for such purpose. Accordingly, from and after the expiration of the Initial Sponsor Control Period, at least 3 of the 4 Market-Rate Members of the Condominium Board shall not be designated by or related to or affiliated with Sponsor, its designee or other Unsold Market-Rate Unit Owners; and subject to the foregoing shall be elected by all Market-Rate Unit Owners (including Sponsor, its designee or other Unsold Market-Rate

Unit Owner). There is no restriction on the right of the Unsold Residential Unit Owners (including Sponsor) to vote for members of the Condominium Board who are not related to or affiliated with Sponsor, its designee or other Unsold Residential Unit Owners. The number of members of the Condominium Board may not be increased without the consent of Sponsor, for so long as Sponsor or its designee or affiliate owns at least 1 Unit.

During the Initial Sponsor Control Period, the Condominium Board may not, without the prior written consent of Sponsor: (a) make any addition, alteration or improvement to the Common Elements or to any Unit; or (b) assess any Common Charges or Special Assessments for the creation of, addition to, or replacement of all or part of a working capital, reserve, contingency or surplus fund; or (c) increase or decrease the number, or change the kind of employees from those described in the First Year's Budget; or (d) enter into any service or maintenance contracts for work or otherwise contract for work or otherwise provide services in excess of those described in the First Year's Budget, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business; or (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that (x) Sponsor may not diminish or eliminate services, facilities or any line items described in the First Year's Budget; and (y) Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary to enable the Condominium Board to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer or (iv) to ensure the health and safety of the occupants of the Building; or (iv) comply with the terms of the Regulatory Agreement.

The By-Laws do not include a provision that after the expiration of the Initial Sponsor Control Period, a majority of the Condominium Board must be owner-occupants or members of a Unit Owner's household who are unrelated to Sponsor and its principals. Therefore, Purchasers for their own occupancy may never gain control of the Condominium Board. Owner-occupants and non-resident Unit Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment.

CONDOMINIUM BOARD

The affairs of the Condominium shall be governed by the Condominium Board. Until the First Annual Meeting, the Condominium Board will consist of 3 members designated by Sponsor (See the Section of the Plan entitled "Control by Sponsor"). Commencing with the First Annual Meeting, the Condominium Board shall consist of 7 members (each, a "Member," and collectively, the "Members") 4 of whom shall be elected and/or designated in accordance with the terms of the By-Laws by the Residential Unit Owners (including Sponsor) (collectively, the "Market-Rate Members"), 1 of whom shall be elected by the Inclusionary Unit Owners (the "Inclusionary Member"), 1 of whom shall be designated by the Retail Unit Owner, and 1 of which shall be designated by the Garage Unit Owner (collectively, the "Non-Residential Members"). Except for Members designated by Sponsor and/or the Non-Residential Members, all Members shall be either: (i) individual Residential Unit Owners or adult family members of an individual Residential Unit Owner; or (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Residential Unit Owners or Permitted Mortgagees. The composition of the Condominium Board may not be changed except in accordance with the procedures described in the By-Laws.

One Residential Member of the Condominium Board shall at all times be an Inclusionary Unit Owner (the "Inclusionary Unit Member"). The Inclusionary Unit Member shall have all the powers and duties of the other Residential Members and the authority to: determine with assistance from the Administering Agent, whether the Condominium is in compliance with the Inclusionary Housing Program requirements.

The First Annual Meeting will be held approximately 60 calendar days after the later to occur of (i) the second anniversary of the First Closing; or (ii) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 50% in number of all Residential Units offered for sale. At elections of Members to the Condominium Board held at and after such Meeting, but before the expiration of the Initial Sponsor Control Period, Sponsor and/or its designee shall have the right to designate 3 of the 4 Market-Rate Members of the Condominium Board, who may be persons related to and/or affiliated with Sponsor, such designee or other Unsold Unit Owners; and Sponsor, such designee and all other Unit Owners shall have the right to elect the remaining Market-Rate Member of the Condominium Board who shall not be related to or affiliated with Sponsor, such designee or other Unsold Residential Unit Owners.

At elections of Members to the Condominium Board held after the expiration of the Initial Sponsor Control Period, but while Sponsor and/or its designee still owns at least 1 Residential Unit, Sponsor and/or its designee shall have the right to designate at least 1 of the 4 Market-Rate Members of the Condominium Board, who may be a person related to and/or affiliated with Sponsor, such designee or other Unsold Residential Unit Owners; and Sponsor, such designee and all other Market-Rate Unit Owners shall have the right to elect the remaining Market-Rate Members of the Condominium Board, who shall not be related to or affiliated with Sponsor, such designee or other Unsold Residential Unit Owners. Within 30 calendar days after the expiration of the Initial Sponsor Control Period, 2 of the 3 Market-Rate Members of the Condominium Board who were designated by Sponsor shall resign and such Market-Rate Member's replacement shall be elected by a vote of the Market-Rate Unit Owners (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) at a special meeting called for such purpose. Accordingly, from and after the expiration of the Initial Sponsor Control Period, at least 3 of the 4 Market-Rate Members of the Condominium Board shall not be designated by, related to, or affiliated with Sponsor, its designee or other Unsold Residential Unit Owners; and subject to the foregoing shall be elected by all Market-Rate Unit Owners (including Sponsor, its designee or other Unsold Residential Unit Owner).

The term of office of Members shall be for 1 year or until their successors are elected. Members shall serve without compensation. Any Member may resign as a Member at any time in accordance with the procedure set forth in the By-Laws. A Market-Rate Member may be removed with or without cause by an affirmative vote of a majority of Market-Rate Unit Owners who are present at a meeting containing a quorum of Residential Unit Owners, provided, however, that any Market-Rate Member designated by Sponsor may only be removed and replaced by Sponsor. An Inclusionary Member may be removed with or without cause by an affirmative vote of a majority of the Inclusionary Unit Owners who are present at a meeting containing a quorum of Residential Unit Owners. Non-Residential Members of the Condominium Board may only be removed by the respective Non-Residential Unit Owner(s) who designated such Non-Residential Member(s), and who alone shall have the right to designate a replacement. No Residential Member (except for Residential Members designated by Sponsors) may serve on the Condominium Board if, during the term of office, such Member shall cease to be a Residential Unit Owner or an affiliated person as described in the first paragraph of this Section. In no event shall any Unit Owner (or its proxy) or another interested party be eligible for election to the Condominium Board, and any such Unit Owner (or its proxy) or other party may be removed as a Member by a majority vote of the other Members, if such Unit Owner is then in arrears, beyond any applicable grace period, in the payment of Common Charges or any other amounts required by the Condominium Board. In addition, no Member (or its proxy) may continue to serve as a Member after the Condominium Board has perfected a lien against its Unit, for so long as such lien remains unsatisfied.

The officers of the Condominium will be a President, Vice President, Secretary and Treasurer. See the By-Laws in Part II of the Plan for the respective obligations of such officers. A successor officer may be elected at any regular Condominium Board meeting or at any special Condominium Board meeting called for such purpose. The President may call a special meeting whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such meeting signed by Unit Owners having in aggregate no less than 40% of the Common Interest of all Unit Owners.

All officers and Members of the Condominium Board and employees of the Condominium will be insured at all times from and after the First Closing under directors and officers liability insurance in favor of the Condominium. The amount and cost of such insurance has been provided for in Schedule B.

To the extent permitted by Law, Members of the Condominium Board will have no liability to Unit Owners except for liability for bad faith or willful misconduct. The Condominium Board may contract or effect any other transaction with any Member of the Condominium Board, any Unit Owner, Sponsor, or any affiliate of any of them without incurring any liability for self-dealing, except in the cases of bad faith or willful misconduct. The Condominium Board has a fiduciary duty to act in the best interests of the Condominium. All Unit Owners shall jointly and severally, to the extent of their respective interests in their Units and their appurtenant Common Interests indemnify each Member of the Condominium Board against any liability or claim except those arising out of the bad faith or willful misconduct of such Member of the Condominium Board.

Purchasers should refer to the Section of the Plan entitled “Rights and Obligations of the Condominium Board/Summary of By-laws” subsection “Amendments to Condominium Documents” for a discussion of the procedures to amend the Condominium Documents.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sales and Leases of Market Rate Units

Each Market Rate Residential Unit Owner may lease the Residential Unit for terms of not less than 1 year nor more than 2 years or sell the Residential Unit provided the Residential Unit Owner ("Offering Unit Owner") first gives the Condominium Board, on behalf of all Residential Unit Owners, notice of intention to sell or lease together with any and all application forms and documentation required by the Condominium Board, and an opportunity to purchase or lease such Residential Unit at the same price or rental and on the same terms as were offered in good faith by a prospective Purchaser or lessee, as more specifically provided in the By-Laws. If the Condominium Board does not elect to purchase or lease the Residential Unit within 30 calendar days after receipt of notice, the Offering Unit Owner will have an additional 60 calendar days to enter into a written agreement with the prospective Purchaser or lessee, as the case may be, embodying the terms set forth in such notice. In the event such written agreement is not executed by the Offering Unit Owner within such 60 calendar day period or such sale or rental is not consummated within an additional 60 calendar days following the expiration of such 60 day period, the Offering Unit Owner will be required to again first offer the same to the Condominium Board, provided that the Condominium Board shall be entitled to waive, or to permit an extension of, either or both of such 60 day periods. The Condominium Board may not exercise its option to purchase or lease any Residential Unit without prior approval of a majority in interest of all Residential Unit Owners. The By-laws permit the Condominium Board to (i) borrow money on behalf of the Condominium for the benefit of Residential Unit Owners, (ii) increase Common Charges assessed against all Residential Unit Owners and (iii) impose Special Assessments against all Residential Unit Owners, in the event the Condominium Board elects to exercise its right of first refusal. Any such deed given by an Offering Unit Owner shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Condominium Documents, 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 materially modified, amended, or extended without the prior consent in writing of the Condominium Board, that the tenant shall not assign the lease or sublet the Residential Unit or any part thereof without the prior consent in writing of the Condominium Board, and that the Condominium Board, if permitted by Law, shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. The form of any such lease shall be a printed, reasonably applicable form of residential lease which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws.

Any purported sale or rental of a Market Rate Residential Unit in violation of this Section shall be voidable at the election of the Condominium Board. The Condominium Board may not discriminate against any person on the basis of color, race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law.

A Market Rate Unit Owner may lease, sell or convey the Residential Unit to a family member, may convey the Residential Unit by gift, may devise the Residential Unit by will, or have it pass by intestacy, without complying with the foregoing restrictions; provided, however, that each succeeding Market Rate Unit Owner shall be bound by, and the Market Rate Unit shall be subject to, the preceding restrictions. In addition, any Market Rate Unit Owner may lease, sell or convey the Market Rate Unit to a related or controlled individual or entity, as more particularly set forth in the By-Laws.

All Residential Unit Owners may only sell or lease the entire Residential Unit. In addition, each conveyance of a Residential Unit by a Residential Unit Owner shall include, as part of the property to be conveyed, the Unit Owner's undivided interest in (a) the Common Elements, (b) the Residential Common Elements; (c) any Unit or Units acquired by the Condominium Board on behalf of all Unit Owners, or any

proceeds of the sale or rental thereof and (d) any other assets of the Condominium. No part of the Residential Unit Owner's interest in the Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all affected Residential Unit Owners.

A Residential Unit may not be sold or leased unless all unpaid Common Charges and liens against the Unit (other than Permitted Mortgages) are paid and/or satisfied at or prior to the sale or rental. In addition, the Condominium Board and the Managing Agent may (i) establish reasonable restrictions with respect to the sale or rental of Market Rate Units and (ii) implement fees in connection with the sale or rental of Market Rate Units, which shall be payable by the Offering Market Rate Unit Owner. The Condominium Board has the right, in its sole discretion, to terminate a lease of a Market Rate Unit, if the tenant has violated the terms of the Condominium Documents, including the Residential Rules and Regulations beyond all applicable notice and grace periods. If the tenant fails to vacate after receipt of the termination notice from the Condominium Board, the Condominium Board shall have the right to commence summary eviction proceedings against the tenant.

The restrictions upon the sale and lease of Market Rate Residential Units shall not apply to Sponsor with respect to any Unsold Residential Units, or to Residential Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, and they shall be free to sell or lease without first offering to sell or lease to the Condominium Board and without payment of any fees.

Non-Residential Unit Owners are free to sell or lease all or any portion of the Non-Residential Units without first notifying or obtaining the approval of the Condominium Board and without payment of any fee or charge to the Condominium Board or Managing Agent.

Sales and Leases of Inclusionary Units

As more fully set forth in the Section of the Plan entitled "Inclusionary Units," each Inclusionary Unit Owner shall be required to obtain the written consent of the Administering Agent, among other requirements, prior to reselling such Inclusionary Unit Owner's Unit. In addition, the Inclusionary Unit Owner ("Offering Unit Owner") must give the Condominium Board, on behalf of all Residential Unit Owners, notice of intention to sell or lease together with any and all application forms and documentation required by the Condominium Board, and an opportunity to purchase or lease such Inclusionary Unit at the same price or rental and on the same terms as were offered in good faith by a prospective Purchaser or lessee, as more specifically provided in the By-Laws. If the Condominium Board does not elect to purchase or lease the Residential Unit within 30 calendar days after receipt of notice, the Offering Unit Owner will have an additional 60 calendar days to enter into a written agreement with the prospective Purchaser or lessee, as the case may be, embodying the terms set forth in such notice. In the event such written agreement is not executed by the Offering Unit Owner within such 60 day period or such sale or rental is not consummated within an additional 60 calendar days following the expiration of such 60 day period, the Offering Unit Owner will be required to again first offer the same to the Condominium Board, provided that the Condominium Board shall be entitled to waive, or to permit an extension of, either or both of such 60 day periods. The Condominium Board may not exercise its option to purchase or lease any Residential Unit without prior approval of the Administering Agent and a majority in interest of all Residential Unit Owners. The By-Laws permit the Condominium Board to (i) borrow money on behalf of the Condominium for the benefit of Residential Unit Owners, (ii) increase Common Charges assessed against the Market Rate Unit Owners and (iii) impose Special Assessments against the Market Rate Unit Owners, in the event the Condominium Board elects to exercise its right of first refusal. Any such deed given by an Offering Unit Owner shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Condominium Documents, 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 materially modified, amended, or extended without the prior consent in writing of the Condominium Board, that the tenant shall not assign the

lease or sublet the Residential Unit or any part thereof without the prior consent in writing of the Administering Agent, and that the Condominium Board, if permitted by Law, shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. The form of any such lease shall be a printed, reasonably applicable form of residential lease which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws.

The Condominium Board may not discriminate against any person on the basis of color, race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law.

An Inclusionary Unit Owner may lease the Inclusionary Unit to a Family Member, as such term is defined in the Inclusionary Housing Program, and which term differs from the definition of "Family Member" applicable to Market Rate Unit Owners. See the "Definitions" Section of the Plan.

An Inclusionary Unit Owner may only sell or lease the entire Unit. In addition, each conveyance of an Inclusionary Unit by an Inclusionary Unit Owner shall include, as part of the property to be conveyed, the Unit Owner's undivided interest in (a) the Common Elements, (b) the Residential Common Elements (with respect to Residential Units); (c) any Unit or Units acquired by the Condominium Board on behalf of all Unit Owners, or any proceeds of the sale or rental thereof and (d) any other assets of the Condominium. No part of the Inclusionary Unit Owner's interest in the Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all affected Residential Unit Owners.

An Inclusionary Unit may not be sold or leased unless all unpaid Common Charges and liens against the Unit (other than Permitted Mortgages) are paid and/or satisfied at or prior to the sale or rental. The conveyance of an Inclusionary Unit, whether by deed or by intestacy, must first be approved by the Administering Agent.

Prior to the Closing of Title to an Inclusionary Unit, the Inclusionary Unit Purchase Agreement prohibits an Inclusionary Unit Purchaser from listing the Inclusionary Unit for sale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Inclusionary Unit for sale or rental.

The resale and leasing of Inclusionary Units are also subject to restrictions, as provided in the Inclusionary Housing Program and the Regulatory Agreement, as discussed in greater detail in the section of this Plan entitled "Inclusionary Units." Upon the Closing of title to each Inclusionary Unit from Sponsor, or upon subsequent resales, each Inclusionary Unit deed shall contain language which states that the Inclusionary Unit Owner is bound by the Inclusionary Housing Program and the Regulatory Agreement.

Sales of Storage Locker Licenses

Storage Lockers may not be licensed independently of the ownership of a Residential Unit and may be licensed only to another Residential Unit Owner or Purchaser who is simultaneously purchasing a Residential Unit. These restrictions shall not apply to Sponsor, who may sell, assign, transfer or lease any Storage Locker to any party in its sole discretion. Each Residential Unit Owner will be required to maintain insurance for the Storage locker in amounts sufficient to cover the property located therein. If the Condominium Board terminates a Storage Locker License or a Residential Unit Owner surrenders a Storage Locker License without assigning the Storage Locker License to another Residential Unit Owner, the Condominium Board shall have the right to issue a new Storage Locker License to another Residential Unit Owner, in its sole discretion.

Upon the issuance of a Storage Locker License to a Residential Unit Owner (by assignment or otherwise), such Storage Locker License shall be assignable as set forth above without the consent of the Condominium Board provided written notification of such assignment is delivered to the Condominium Board. Neither Sponsor nor the Condominium Board shall have any obligations or liabilities with respect to private assignments between Unit Owners.

Use of Units and Common Elements and Storage Lockers

A Residential Unit shall be used for residential purposes only, including permitted "home occupation" as defined in the Zoning Resolution, and not more than one family may occupy a Residential Unit at one time. A Residential Unit may not be used for any "dormitory," "bed and breakfast" or other transient hotel-type use. A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or any other entity (including, but not limited to, embassies and consulates of foreign governments) may only be occupied by such individual, an officer, director, stockholder or employee of such corporation, a partner or employee of such partnership, a member of such limited liability company, the fiduciary or beneficiary of such fiduciary, a principal or employee of such other entity, respectively, or by Family Members and guests of any of the foregoing. A Market Rate Residential Unit may be used for any other purpose, provided such use is permitted by, and complies with Law (including the provisions of Section 421-a), does not violate the then existing TCO or PCO covering the Building, and the Condominium Board, in its sole discretion, grants permission for such use. No change may be made in the use of the Inclusionary Units without the consent of HPD.

A Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein. Sponsor shall have the right to use any unassigned Storage Locker for any purpose permitted by Law or to change the permitted use of such unassigned Storage Locker subject to the provisions of the By-Laws. Except for Sponsor and the Condominium Board, a Storage Locker may not be licensed independently of a Residential Unit.

Use and occupancy of the Residential Units and the Storage Lockers shall be subject to the Rules and Regulations of the Condominium, which may be amended by the Condominium Board from time to time. The Condominium Board has the right to impose license fees and Special Assessments in connection with the Storage Locker Licenses.

All or any portion of the Non-Residential Units may be used for any purpose permitted by Law.

Notwithstanding the foregoing, Sponsor may, without the permission of the Condominium Board or any Unit Owners, but subject to the Regulatory Agreement and the Inclusionary Housing Program, to the extent applicable: (a) use or grant permission for the use of any Unsold Market Rate Unit as a professional office or for any other purpose, provided such use is permitted by Law, and does not violate the then existing TCO or PCO for the Building or any other governmental regulations; (b) retain ownership of one or more Unsold Market Rate Units for use as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Residential Units or the Non-Residential Units, or for any other purpose, subject only to compliance with Law; and (c) lease any Unsold Market Rate Unit.

The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and capable and which are incident to the use and occupancy of Units.

No pets other than dogs (maximum of 2 per Unit), caged birds (maximum of 2 per Unit), cats (maximum of 2 per Unit) and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in a Residential Unit without the consent of the Condominium Board. Each Residential Unit Owner who keeps any type of pet will be required to: (a) indemnify and hold harmless the Condominium, the

Condominium Board, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all Residential Rules and Regulations adopted by the Condominium Board with respect thereto, including without limitation, the number of such pets. Notwithstanding the foregoing, the Condominium Board shall have the right to adopt a no-pet policy for the Building or revised or new policies with respect to size or number of pets per Unit.

Each Unit Owner shall keep the Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair the Unit in accordance with the provisions of the By-Laws and Law. The Residential Rules and Regulations concerning the use of Residential Units may be amended from time to time by the Condominium Board provided that copies thereof are furnished to each Residential Unit prior to the time that they become effective (except that no amendment thereof affecting the Unsold Residential Units may be made unless agreed to in writing by Sponsor).

Mortgage of Residential Units by Residential Unit Owners

Each Residential Unit Owner may mortgage the Residential Unit, provided that the conditions with respect thereto set forth in the By-Laws are first complied with. As more fully set forth in the By-Laws, these conditions include the requirements that (a) the mortgage be substantially in the form of the New York Board of Title Underwriters form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan, (b) the Condominium Board is notified in writing of the making of such mortgage and receives a conformed copy of the note and mortgage and (c) the owner making such mortgage first satisfies all unpaid liens against the Residential Unit, other than Permitted Mortgages. Sponsor shall have the right to mortgage any Unsold Market Rate Residential Unit and Non-Residential Unit without any restriction or limitation.

As more particularly set forth in the Section entitled "Amendments to Condominium Documents," in certain instances the consent of the Mortgage Representative is necessary in order to amend the Declaration, By-Laws or Residential Rules and Regulations. The By-Laws provide that no more than 3 Residential Mortgage Representatives shall be designated by the holders of mortgages (a) which satisfy the conditions set forth in the By-Laws (as described above) and (b) which holders of such mortgages are (i) Sponsor, or (ii) Institutional Lenders.

An Inclusionary Unit Owner may finance the Inclusionary Unit with a mortgage in an amount that does not exceed 90% of the Purchase Price of the Unit, with a fixed rate of interest, provided by an Institutional Lender approved by the Administering Agent. All mortgage financing must be approved by the Administering Agent and must comply with the Inclusionary Housing Program. Any refinance of a mortgage on an Inclusionary Unit must be pre-approved by the Administering Agent.

Common Charges: Determination and Assessment

Common Expenses, which are payable by Unit Owners and are included in their Common Charges, are allocated among Unit Owners either based on actual usage of services and facilities or in proportion to their respective Common Interest (in the case of the Non-Residential Units) and in proportion to their respective Common Interest (in the case of Residential Units). Common Expenses include, among other things, (a) all costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements, (b) water charges and sewer rents in connection with the Building; and (c) amounts for certain other items as the Condominium Board may deem proper, such as amounts for reserves for capital expenditures or in connection with the purchase or lease by the Condominium Board of any Unit. In addition, the Condominium Board has the right to impose license fees and Special Assessments in connection with the Storage Locker Licenses.

At least annually, the Condominium Board will prepare a budget for Common Expenses and allocate, as aforesaid, and assess among all Unit Owners, Common Charges to meet Common Expenses.

During the Initial Sponsor Control Period, the Condominium Board shall have the right, in its sole discretion, to waive Unit Owner obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided the basic operating costs of the Condominium (inclusive of insurance premiums and reserves required by lenders) are paid by Sponsor. If the Condominium Board elects to waive payment of Common Charges, Sponsor shall disclose such waiver of Common Charges and the expected period of time of such waiver of Common Charges ("Waiver Period") in the post-closing amendment to the Plan. In the event the Condominium Board elects to extend the Waiver Period, Sponsor will amend the Plan to disclose the extended Waiver Period. Sponsor shall file an amendment to the Plan disclosing the expiration of the Waiver Period at least thirty (30) calendar days prior to such expiration. Upon commencement of collection of Common Charges from all Unit Owners, there will not be a Special Assessment for any expense set forth in the approved budget for which Common Charges were not collected during the Waiver Period. The Condominium Board shall remain obligated to update the budget in accordance with the terms of the Plan.

The Condominium Board will furnish copies of each budget on which Common Charges are based to all Unit Owners and advise such Unit Owners of the amount of Common Charges payable by them. Unless otherwise determined by the Condominium Board, Common Charges will be payable monthly in advance on the first day of each month.

Each Unit Owner shall have an obligation to pay Common Charges and Assessments or other expenses when due.

Special Assessments to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest, or such other method determined by the Condominium Board in order to remain in compliance with the Regulatory Agreement. As required by the Regulatory Agreement, each Inclusionary Unit Owner must pay an annual surcharge in the amount of $45.45 per Inclusionary Unit, to be charged by the Condominium Board to the Inclusionary Unit Owners as a Special Assessment, in equal monthly installments.

Common Charges: Collection and Lien for Non-Payment

Under the provisions of Section 339-z of the New York Real Property Law and the By-Laws, the Condominium Board, on behalf of all Unit Owners, will have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit in proportion to the respective Common Interests. Pursuant to the provisions of Section 339-aa of the New York Real Property Law, during the Initial Sponsor Control Period, Sponsor shall cause the Condominium Board to file a lien for unpaid Common Charges against any Unit owned by Sponsor in which Sponsor is more than 30 calendar days in arrears. All such liens, however, to the extent permitted by Law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after filing of a verified notice thereof in the Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until 6 years from the date of filing (unless foreclosure of such lien is started within such 6 year period), whichever shall occur sooner. The By-Laws provide that such liens may be foreclosed by a suit brought in the name of the Condominium Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Condominium Board to recover unpaid Common Charges without foreclosing such lien. In addition, the Condominium Board may assess Unit Owners a late charge of $150 per month for Common Charges which remain unpaid for more than 10 calendar days after the date when due, and interest at the rate of 1.5% per month of such unpaid amounts (less any "late charges" theretofore collected), plus all expenses of collection, including but not limited to attorneys' fees and costs.

Notwithstanding the foregoing, no lien for non-payment of Common Charges filed against an Inclusionary Unit may be foreclosed by the Condominium Board.

No Unit Owner may become exempt from liability for Common Charges by waiving use of any of the Common Elements or by abandonment of the Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges subsequent to a permissible sale, transfer or other conveyance of the Unit. In addition, as more specifically set forth in the By-Laws, a Unit Owner may, by conveying the Unit without consideration to the Condominium Board and complying with certain conditions in connection therewith, become exempt from Common Charges thereafter accruing. Such conditions include the payment of all Common Charges and assessments then due and payable with respect to the Unit and such Unit being free and clear of all liens and encumbrances other than Permitted Mortgages. However, in no event shall Sponsor be permitted to convey any Unsold Residential Unit to the Condominium Board and thereby exempt itself from Common Charges attributable to such Unsold Residential Unit thereafter accruing, unless: (i) the aggregate Residential Common Interests appertaining to the Unsold Residential Units constitutes 10% or less of the total Residential Common Interests then appertaining to all Residential Units; (ii) at least 5 years have elapsed from the date of the First Closing; and (iii) at the time of conveyance, Sponsor shall pay the Condominium Board a sum equal to the product of the then current monthly Common Charges for the Unsold Residential Units being conveyed multiplied by 24.

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 acquisition. Prior to the permissible sale, transfer or other conveyance of a Unit, any seller or purchaser shall be entitled to a statement from the Condominium Board, setting forth the amount of the unpaid Common Charges accrued against the Unit and neither such seller nor such purchaser shall be liable for, nor shall the Unit be conveyed subject to a lien for, any unpaid Common Charges against such Unit accrued prior to such conveyance in excess of the amount set forth in such statement. In the event of a foreclosure by the Condominium 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 purchaser in foreclosure, the Unit Owner will remain liable for the unpaid balance. Neither (a) a Permitted Mortgagee acquiring title to a Unit at foreclosure sale nor (b) a purchaser at a foreclosure sale shall be liable, and the Unit shall not be subject to a lien, for the payment of the Common Charges assessed prior to the acquisition of title to such Unit by such Permitted Mortgagee or Purchaser. However, such Permitted Mortgagee or purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title to such Unit. The Condominium Board will have the right to assess such unpaid balance as a Common Charge among all Unit Owners.

Set forth in Part II of the Plan is a copy of §339-kk of the Real Property Law of the State of New York, which provides, among other things, for the ability of the Condominium to serve a notice to any tenant occupying a Unit to pay its rent directly to the Condominium if the Unit Owner has failed to pay Common Charges, assessments or late fees within 60 days after the expiration of any grace period.

Repairs to, and Maintenance of, Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, (a) in or to any Unit (other than to the Common Elements contained therein), including all mechanical systems located in the Unit, heating and cooling systems (including HVAC filters and parts), the plumbing, appliances in the Units, and the interior side of entrance doors thereto, and the Terrace doors, shall be performed by the Unit Owner at such Unit Owner's sole cost and expense, (b) in or to the General Common Elements shall be performed by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a General Common Expense (c) in or to the Residential Common Elements shall be performed by the Condominium Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense; and (d) in or to the Residential Limited Common Elements shall be performed (i) by the Condominium Board and the cost and expense

thereof will be charged to all Residential Unit Owners as a Residential Common Expense, if involving structural or extraordinary maintenance, repair or replacement, (except if necessitated by the negligent act or omission of the Unit Owner) or (ii) by the Residential Unit Owner having direct and exclusive access thereto at such Residential Unit Owner's sole cost and expense, if involving painting, decorating, and non-structural ordinary maintenance, repairs and replacements.

Any Residential Unit Owner having access to a Terrace shall keep such Terrace free of snow, ice and accumulation of water. In order to promote a consistent appearance of the Building from the outside, no Residential Unit Owner shall be permitted to enclose, erect a greenhouse and/or alter a Terrace appurtenant to a Residential Unit in such a way that will alter the conformity of the Building, without the prior written approval of the Condominium Board. Additionally, the type, size and quantity of plantings and other installations to be placed on Terraces shall be subject to the prior written approval of the Condominium Board and shall be in compliance with Law.

The exterior and interior glass surfaces of all windows located in any Residential Unit shall not be colored or painted. The interior glass surfaces are to be washed and cleaned by the Residential Unit Owner at such Residential Unit Owner's sole cost and expense. The cleaning of the exterior portion of the glass surfaces of all windows shall be performed by a professional window washing company at the Condominium's expense. Any replacement of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Unit Owner thereof at the sole cost and expense of the Unit Owner (unless such breakage is caused by the Condominium Board or the negligence of any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner), including the expense of an exterior hoist if the replacement window does not fit into the service elevator. Notwithstanding the foregoing, prior to the replacement of any glass window the Unit Owner must obtain the prior written approval of the Condominium Board, with respect to the type of replacement windows installed.

In order to preserve the architectural harmony of the Building, the By-Laws provide that all Residential Unit Owners shall be obligated, regardless of the type of window treatment they use, to provide for a white backing on the window treatment so that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance. No sheets, cardboard, or other similar makeshift window coverings shall be permitted on either a temporary or permanent basis.

If any repairs or replacements to the Common Elements, whether structural or non-structural, ordinary or extraordinary, are either (x) necessitated by the negligence, misuse or abuse of a Unit Owner or such Unit Owner's agents, workers, guests, etc., or (y) required as a result of special or custom work performed in the Unit by the Unit Owner, such maintenance, repairs or replacements will be made by the Condominium Board, and any portion of the cost thereof attributable to such Unit Owner's acts or omissions shall be paid by such Unit Owner.

The By-Laws provide that each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof. In the event any Unit Owner fails to keep the Unit in such condition, the Condominium Board may, at the expense of such Unit Owner, enter such Unit and perform such acts as are necessary to cure such default. (See the Section of the Plan entitled "Rights of Access" for details.)

The By-Laws further require that those public or other areas of the Building exposed to public view that are required to be maintained by each Unit Owner or the Condominium Board, be kept in good appearance in conformity with the dignity and character of the Building by such Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof pursuant to the Condominium Documents.

Each Inclusionary Unit Owner must maintain the Unit Owner's Unit in accordance with the minimum quality standards found in HUD regulation 24 CFR 982.401 or any superseding regulations established HUD, as well as any other Law. All Inclusionary Units shall be inspected by HPD or its designee prior to any resale. Upon resale, an Inclusionary Unit must contain the same number of rooms, and the same size rooms, as existed on the day that the Inclusionary Unit was initially conveyed from Sponsor. If an Inclusionary Unit is found in the sole judgment of HPD to be in a condition which is below HPD's livability standard, the cost of returning the Inclusionary Unit to HPD's livability standard shall be deducted by HPD from the proceeds of the sale of such Inclusionary Unit.

Alterations, Additions and Improvements of Units and Common Elements

No Residential Unit Owner may make any structural alteration, addition, improvement or repair in or to the Residential Unit or its appurtenant Residential Limited Common Elements, if any, without the prior written approval of the Condominium Board but, as more fully set forth in the By-Laws, this provision does not apply to an Unsold Residential Unit. Except as otherwise permitted in the By-Laws, no Residential Unit Owner may make any alteration, addition, improvement or repair in or to the Common Elements without the prior written approval of the Condominium Board.

To the extent that any alterations are commenced in a Unit by a Residential Unit Owner prior to Sponsor's completion of any unfinished work Sponsor agreed to perform after the Closing of the Unit, Sponsor shall be relieved of completing all such work.

Sponsor shall have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or representatives of holders of Mortgages on Units to: (a) make alterations, additions, improvements, or repairs in or to any Unsold Residential or Non-Residential Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary and (b) subdivide, combine and change the boundary walls of any such Unsold Units. In the event Sponsor subdivides, combines and/or changes the boundary walls of any Unsold Units, the Plan will be amended to reflect such changes. The Non-Residential Unit Owners have certain limited rights to make such changes in their respective Non-Residential Units, as set forth in the Section of the Plan entitled "Non-Residential Units." Also see the Section of the Plan entitled "Changes in Prices and Units" for details.

Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Residential Unit, or its appurtenant Residential Limited Common Elements each Residential Unit Owner is required by the By-Laws to (i) obtain the written approval of the Condominium Board, (ii) obtain the written approval of the Condominium Board of the Unit Owner's contractors and suppliers, (iii) obtain such insurance as the Condominium Board may require, (iv) agree to indemnify Sponsor, the Condominium Board, Managing Agent and the other Unit Owners against any liability arising from such alterations, additions, improvements or repairs, (v) agree to pay and reimburse the Condominium Board for all architectural, engineering, legal and other fees incurred in connection with such alterations, additions, improvements or repairs, (vi) execute and enter into an alteration agreement, in form and substance prepared by the Condominium Board, setting forth the terms and conditions under which such alterations, additions, improvements or repairs, may be made, including without limitation, the days and hours during which any work may be performed, and (vii) agree to pay a fee to the Managing Agent for processing such alteration applications. In connection with such alterations, additions, improvements and/or repairs, each Residential Unit Owner shall employ only such laborers and other workers as shall not conflict with any other workers employed in the Building or otherwise cause disharmony with any Building service union, if any, as determined by the Condominium Board in its sole and absolute discretion. Residential Unit Owners shall not be permitted to engage any Building staff or any contractors or sub-contractors engaged by either the Condominium Board or Sponsor unless expressly agreed to in writing by the Condominium Board or Sponsor unless expressly agreed to in writing by the Condominium Board or Sponsor. Under no circumstances shall a Residential Unit Owner be allowed to commence any work until all of the conditions

set forth above have been complied with. Any failure to meet these conditions shall be a default by Residential Unit Owner under the Condominium Documents.

Any contractor performing work shall not employ any personnel or means that may cause labor disturbances or stoppage in the work of Building employees or other contractors or subcontractors employed in the Building.

No application or other document shall be filed with any governmental authority for a permit covering an addition, alteration, improvement or repair to be made in a Unit, unless approved and executed, if necessary, by the Condominium Board. The Condominium Board will not unreasonably refuse to approve and execute, if necessary, any application or other document required to be filed in connection with approved structural alterations, additions, improvements or repairs, provided that the Condominium Board and the Residential Unit Owners shall not be subject to any expense or liability by reason of such approval and execution or, by reason of such addition, alteration or improvement, including, without limitation, liability to any contractor, subcontractor, materialperson, architect or engineer, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this paragraph shall not apply to an Unsold Residential Unit, or the Non-Residential Units provided any alteration to such Unsold Residential Unit or Non-Residential Units shall be in accordance with, and only as permitted by, the Condominium Act and Law.

Insurance

The Condominium Board is required to obtain and maintain the forms of insurance described in the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws." The Condominium Board is not required to obtain or maintain any insurance with respect to any property contained in any Unit or any liability with respect to occurrences in or about each Unit or its Residential Limited Common Elements. Consequently, all Unit Owners are required to obtain casualty insurance with respect to the Unit, including, without limitation, the flooring, fixtures, furniture, furnishings and personal property located within the Unit, any Residential Limited Common Elements appurtenant thereto, and any Storage Locker licensed by the Unit Owner and liability insurance with respect to occurrences in or about the Unit, any Residential Limited Common Elements appurtenant thereto, and any Storage Locker licensed by the Unit Owner. All such certificates of insurance shall name the Condominium Board, the Condominium and Sponsor as additional insureds and shall be delivered to the Condominium at the Closing of Title to the Unit. All such policies shall contain waivers of subrogation, if available, and the liability of the carriers issuing insurance obtained by the Condominium Board shall not be affected or diminished by reason of such additional insurance carried by any Unit Owner.

Notwithstanding the foregoing, the Garage Unit Owner will be required to obtain:

a) property insurance – coverage shall be provided on an "All Risk" basis in an amount which is not less than 100% of the replacement cost of the business' personal property;

b) commercial general liability insurance – coverage shall be no less than $1,000,000 for each occurrence; no less than $2,000,000 for the general aggregate; no less than $1,000,000 for personal and advertising injury, and; no less than $2,000,000 for products and completed operations aggregate;

c) garagekeeper's legal liability insurance – comprehensive coverage shall be $1,000,000 on a per accident basis;

d) worker's compensation and employer's liability insurance – coverage A shall be statutory; coverage B shall be employer's liability; coverage shall be no less than $1,000,000 in

bodily injury by accident; no less than $1,000,000 for each accident bodily injury by disease; and no less than $1,000,000 for policy limit bodily injury by disease per employee;

e) vehicle liability insurance - $1,000,000 in combined single limit, including coverage for owned, leased, hired, and non-owned vehicles used in the course of employment.

Rights of Access

As more fully set forth in the By-Laws, the Condominium Board and any Managing Agent, non-resident and other persons authorized by the Condominium Board, will have a right of access to any Unit and Storage Locker for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit and Storage Locker or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and Storage Locker and threatening another Unit or any Common Element or Storage Locker, and for any other purposes provided in the Plan, Declaration or as may be required by Law, provided that requests for entry (except in emergency situations) are made in advance and that any such entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner and the occupants of any Unit. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Unit Owner's property, any entry described herein shall not render the Condominium Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. In addition, Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements (including Storage Lockers) for purposes of performing certain alterations and repairs in or about Unsold Residential Units or Non-Residential Units or Storage Lockers and in fulfilling Sponsor's obligations under the Plan, provided that access to any Unit or Storage Locker may not be exercised in such a manner as will unreasonably interfere with the use of such Unit or Storage Locker for its permitted purposes. In addition to the foregoing, Residential Unit Owners who rent bicycles in the Bicycle Rack Area shall have a right of access through the Garage Unit for the purpose of accessing the Bicycle Rack Area.

Compliance with Condominium Documents

Each Unit Owner must strictly comply with the provisions of the Condominium Documents. Pursuant to Section 339(j) of the Condominium Act, failure to comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief shall not be exclusive of other remedies provided by Law. The By-Laws, together with the Residential Rules and Regulations, will be recorded with the Declaration in the Register's Office.

Examination of Books and Records

Each Unit Owner and each mortgagee of a Unit shall be permitted upon prior request, to examine the books of account of the Condominium and other records of the Condominium during normal business hours on Business Days at the office of the Condominium or the Managing Agent.

Self-Help

In the event that any Unit Owner fails to maintain or repair the Unit or any Residential Limited Common Elements appurtenant to such Unit, if any, or any Storage Locker, if any, or in the event of any breach of the Condominium Documents, then, as set forth in Article 9 of the By-Laws, the Condominium Board shall have certain rights to perform such maintenance or repairs, or to cure such breach, at such Unit Owner's expense.

General

All restrictions and prohibitions, set forth herein with regard to the use of a Residential Unit and its appurtenant Residential Limited Common Elements shall not apply to Sponsor or any principal of Sponsor owning or leasing such Residential Unit.

Purchasers should refer to the Section of the Plan entitled “Non-Residential Units” for a summary of additional rights and obligations of the Non-Residential Unit Owners.

RIGHTS AND OBLIGATIONS OF THE CONDOMINIUM BOARD/ SUMMARY OF BY-LAWS

Condominium Board

The Condominium Board shall initially consist of 3 persons designated from time to time by Sponsor (collectively, the "Members"). The Condominium Board will call the First Annual Meeting to elect a new Condominium Board approximately 30 calendar days after the later to occur of (i) the second anniversary of the First Closing or (ii) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 50% in number of all Residential Units offered for sale. At such meeting, the incumbent Condominium Board shall resign and, subject to the rights of Sponsor, of the Non-Residential Unit Owners and of the Inclusionary Unit Owners to designate and/or elect members of the Condominium Board, the Market-Rate Unit Owners (including Sponsor) shall elect and/or designate a new Condominium Board consisting of 7 members. (See the subsection below entitled "Meetings and Votes of Unit Owners" and the Section of the Plan entitled "Control by Sponsor" for details.) Thereafter, at each annual meeting, members of the Condominium Board shall be elected and/or designated and shall serve until the next annual meeting thereof and/or until a successor has been elected and/or designated.

Except for the Members of Condominium Board designated by Sponsor and/or the Non-Residential Unit Owners, all Members of the Condominium Board must be either Residential Unit Owners or certain interested parties as described in the By-Laws. No Member of the Condominium Board shall continue to serve on the Condominium Board if, during such Member's term of office, such Member shall cease to be a Residential Unit Owner or an interested party. All Members of the Condominium Board shall serve without compensation. One Residential Member of the Condominium Board shall at all times be an Inclusionary Unit Owner elected solely by the Inclusionary Unit Owners.

Powers and Duties of and Determinations by the Condominium Board

The Condominium Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium. Generally, all determinations with respect to the administration of the affairs of the Condominium shall be made by the Condominium Board.

As more fully set forth in the By-Laws, all determinations required to be made by the Condominium Board shall be by majority of the votes cast at any meeting at which a quorum is present.

During the Initial Sponsor Control Period, the Condominium Board may not, without the prior written consent of Sponsor: (a) make any addition, alteration, or improvement to the Common Elements or to any Unit; (b) assess any Common Charges or Special Assessment for the creation of, addition to, or replacement of, all or part of a working capital, reserve, contingency, or surplus fund; (c) increase or decrease the number, or change the kind of employees from that described in the First Year's Budget; (d) enter into any service or maintenance contract for work or otherwise contract for work or services in excess of those set forth in the First Year's Budget, except as is required to reflect normal annual increases in operating services; (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that (x) Sponsor may not diminish or eliminate services or facilities or any line items described in the First Year's Budget; and (y) Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such action is necessary, and no alternatives are available, to enable the Condominium Board to: (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer; or (iv) to ensure the health and safety of the occupants of the Building; or (v) comply with the terms of the Regulatory Agreement.

Meetings and Votes of Unit Owners

Annual meetings of Unit Owners shall be held within approximately 30 calendar days of each anniversary of the First Annual Meeting. At such meetings, the Residential Unit Owners shall elect the 5 Residential Members to the Condominium Board, subject to any rights of Sponsor to designate Market-Rate Members to the Condominium Board, and the Inclusionary Unit Owners to designate an Inclusionary Unit Member, and there shall also be transacted such other business as may properly come before such meetings. 2 Members of the Condominium Board shall be designated by the Non-Residential Unit Owners. In addition, the President may call a special meeting whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such meeting signed by Unit Owners having in aggregate not less than 40% of the total Common Interest. The Secretary of the Condominium Board shall mail a notice of each annual or special meeting to all Unit Owners of record. The notice, which will be given at least 10 calendar days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Unit Owners, the presence in person or by proxy of Unit Owners owning more than 40% of the total Common Interests shall constitute a quorum and 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 their proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Units) shall be entitled to cast one vote for each .0001% of Common Interest attributable to the Unit.

Officers

The principal officers of the Condominium shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Condominium Board. The Condominium Board may appoint additional officers. None of the officers of the Condominium need be Unit Owners or have any interest therein or be Condominium Board members until the first organizational meeting of the Condominium Board following the First Annual Meeting. Thereafter, the President and Vice President must be members of the Condominium Board. No officer shall receive any compensation for acting as such. The By-Laws provide that all instruments of the Condominium are to be executed by any officer thereof or by such other person or persons as may be designated by the Condominium Board.

Repair or Reconstruction after Fire or Other Casualty

In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, the Condominium Board 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 Building is damaged or destroyed by fire or other casualty and the insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be shared entirely by all Unit Owners in proportion to their respective Common Interests. Notwithstanding anything in this paragraph to the contrary, no payment of surplus insurance proceeds shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such funds such amounts as may be necessary to reduce unpaid liens on the Unit, other than mortgages which are not Permitted Mortgages, in the order of priority of such liens. The provisions of this paragraph are subject to the next paragraph.

If 75% or more of the Building is destroyed or substantially damaged by fire or other casualty and if 75% or more in Common Interest of all Unit Owners do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and the Property shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of

sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of the Unit Owner's share of such funds such amounts as may be necessary to discharge all unpaid liens on the Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens. Any action to terminate the legal status of the Condominium after substantial destruction or a Taking shall require the written consent (which consent shall not be unreasonably withheld or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any.

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Condominium Board shall be payable to the Condominium Board in the event of a loss amounting to $1,000,000 or less. In the event that such proceeds are in excess of $1,000,000, such proceeds shall be payable to a New York City bank or trust company designated by the Condominium Board as insurance trustee pursuant to the provisions of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

Insurance

The Condominium Board is required to obtain and maintain, in accordance with the provisions of the By-Laws, to the extent obtainable and to the extent determined by the Condominium Board to be appropriate, the following insurance: (a) fire and casualty insurance with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the entire Building (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit), together with all service machinery contained therein and covering the interests of the Condominium, and all Unit Owners and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings); (b) rent insurance in an amount equal to General Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Condominium Board; (f) water damage insurance to the extent, if any, determined by the Condominium Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering all the Condominium Board and all officers, directors and employees of the Condominium; (i) directors and officers liability coverage; and (j) such other insurance as the Condominium Board may determine.

The fire insurance policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions described in the By-Laws.

The amount of fire insurance and all risk extended coverage to be maintained until the first Condominium Board meeting following the First Annual Meeting shall be in at least the sum set forth in the First Year's Budget.

All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured or (iv) pro rata reduction of liability, and shall provide that such policies may not be cancelled or substantially modified without at least 30 calendar days' prior written notice to the Condominium Board and to all of the insureds, including all Unit Owners and Permitted Mortgagees who have requested the same from the Condominium Board in writing. Duplicate originals or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees, who have requested the same from the Condominium Board in writing. Renewals shall be obtained at least 10 Business days prior to the expiration of the then current policies.

The Condominium Board shall also be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as the Condominium Board may from time to time determine, covering (1) the Condominium Board, Managing Agent or agents thereof, each Condominium Board member and each officer and employee of the Condominium, and (2) each Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's Unit or within the Common Elements, if any, exclusive to such Unit Owner's Unit. The Condominium Board shall review such limits not less than once each year. Until the first meeting of the Condominium Board following the First Annual Meeting, such liability insurance shall be in at least the sum set forth in Schedule B with respect to bodily injury and property damage, combined single limit. The insurance discussed above shall also include cross-liability claims of one insured against another.

Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board may determine. The premiums for all insurance referred to above shall be a General Common Expense.

All Unit Owners are required to obtain casualty and liability insurance for their own benefit covering their Units, any Residential Limited Common Element appurtenant thereto and any Storage Locker. All such policies shall contain waivers of subrogation, if available, and the liability of the carriers issuing insurance obtained by the Condominium Board shall not be affected or diminished by reason of such additional insurance carried by any Unit Owner.

Notwithstanding the foregoing, the Garage Unit Owner will be required to obtain:

a) property insurance – coverage shall be provided on an "All Risk" basis in an amount which is not less than 100% of the replacement cost of the business' personal property;

b) commercial general liability insurance – coverage shall be no less than $1,000,000 for each occurrence; no less than $2,000,000 for the general aggregate; no less than $1,000,000 for personal and advertising injury, and; no less than $2,000,000 for products and completed operations aggregate;

c) garagekeeper's legal liability insurance – comprehensive coverage shall be $1,000,000 on a per accident basis;

d) worker's compensation and employer's liability insurance – coverage A shall be statutory; coverage B shall be employer's liability; coverage shall be no less than $1,000,000 in bodily injury by accident; no less than $1,000,000 for each accident bodily injury by disease; and no less than $1,000,000 for policy limit bodily injury by disease per employee;

e) vehicle liability insurance - $1,000,000 in combined single limit, including coverage for owned, leased, hired, and non-owned vehicles used in the course of employment.

Liability of the Condominium Board and Unit Owners

Every contract made by the Condominium Board or by any Managing Agent or manager thereof shall state that (a) it is made only as agent for all Unit Owners and the members of the Condominium Board, Managing Agent or manager thereof shall have no personal liability thereon (except in their capacities as Unit Owners) and (b) the liability of any Unit Owner with respect to such contract shall be limited to such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners. To the extent permitted by Law, the members of the Condominium Board shall have no liability to Unit Owners except that a Member of the Condominium Board shall be liable for such Member's own bad faith or willful misconduct. All Unit Owners shall jointly and severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each

member of the Condominium Board against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Condominium Board may contract or effect any transaction with any member of the Condominium Board, any Unit Owner, Sponsor, or any affiliate of any of them without incurring any liability for self-dealing except in cases of bad faith or willful misconduct.

Reports to Unit Owners

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

Amendments to Condominium Documents

Generally, subject to certain exceptions concerning, among other things, Sponsor and the Non-Residential Unit Owners and provided that required consents of HPD (with respect to the Inclusionary Units) and the Mortgage Representatives, if any, are obtained (if applicable), any provision of the Declaration, By-Laws or Residential Rules and Regulations affecting the (i) General Common Elements or all Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 66 2/3% in number and in Common Interest of all Unit Owners, and (ii) the Residential Common Elements or all Residential Unit Owners may be amended, modified, added to or deleted by the affirmative vote of at least 66 2/3% in number and Residential Common Interest of all Residential Unit Owners; provided, however, that the Common Interest appurtenant to each Unit may not be altered without the written consent of all Unit Owners directly affected thereby.

No amendment, modification, addition or deletion of the terms of the Declaration, By-Laws or Residential Rules and Regulations, other than those required by Law, shall be effective (a) against Sponsor or any Unsold Unit unless Sponsor has given its written consent thereto (unless required by HPD or the Inclusionary Housing Program) , or (b) against the holder of any mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereto, or (c) against any Non-Residential Unit Owner and/or any Non-Residential Unit without the prior written consent of the affected Non-Residential Unit Owner. The Plan must be amended to reflect any amendments to the Declaration, By-Laws or Residential Rules and Regulations.

Termination of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition (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 Condominium Act as a result of the vote to do so of each of the Non-Residential Unit Owners, and at least 80% in number and in Residential Common Interest of all Residential Unit Owners. Such vote shall not be effective, however, without the written consent (which consent shall not be unreasonably withheld or delayed) of HPD, for so long as the Regulatory Agreement is in force and effect, and of the Permitted Mortgagees representing at least 51% percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any.

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 the Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

Residential Units Acquired by Condominium Board

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

The purchase of any Residential Unit by the Condominium Board on behalf of the Residential Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Condominium Board. If the funds in such account are insufficient to effectuate any such purchase, the Condominium Board may levy an assessment against each Market Rate Residential Unit Owner in proportion to the Common Interests, as a Common Charge and/or the Condominium Board may, in its discretion, finance the acquisition of such Residential Unit; provided, however, that financing may only be obtained when permitted by the By-Laws and that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its Common Interest.

Procedure to Review Real Estate Tax Assessments

The Condominium Board, on behalf of and as agent for all Residential Unit Owners, will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units. All Residential Unit Owners will share the costs in connection therewith and the benefits derived therefrom based on their respective Residential Common Interests. In the event any Residential Unit Owner individually seeks to have the assessed valuation of the Residential Unit reduced by bringing a separate certiorari proceeding, the Condominium Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Residential Unit Owner in pursuing, such reduction, provided that such Residential Unit Owner indemnifies the Condominium Board from all claims, costs and expenses (including, without limitation, attorneys' fees and costs) resulting from such proceedings.

Mechanics' Liens

Under the provisions of the 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 affected thereby. Liens may arise or be created against only the several 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 of a Unit Owner not expressly consenting to or requesting such work, except in the case of emergency repairs. No labor performed on, or materials furnished to, the Common Elements shall be the basis for a lien thereon but all Common Charges received by the Condominium 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 Condominium Board or Managing Agent for the Common Elements.

Easements

In order to facilitate the operation and maintenance of the Building and the sale or leasing of Units therein, each of the Units will be subject to certain easements including easements in favor of Sponsor, other Unit Owners and the Condominium Board. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and their appurtenant Residential Limited Common Elements and the Common Elements, and an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements provided that such easements shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In addition, as set forth in Articles 10 and 11 of the Declaration, Sponsor and the Non-Residential Unit Owners have been granted certain easements with respect to the use and

operation of their respective Units; and the Garage Unit will be subject to an easement in favor of Residential Unit Owners to enter and traverse the Garage Unit for storage of bicycles in the Bicycle Rack Area.

Sponsor 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's obligations under the Plan and performing certain alterations and repairs in or about the Units and Common Elements. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes.

The Declaration and By-Laws

A copy of the Declaration and a copy of the By-Laws are set forth in Part II of the Plan.

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

The following discussion of certain income tax consequences of the ownership of Residential Units by Purchasers who use such Residential Units as a personal residence was prepared by Sponsor based, in part, upon the Attorney's Income Tax Opinion prepared by Olshan Frome Wolosky LLP, tax counsel to Sponsor ("Income Tax Counsel"), a copy of which is set forth in Part II of the Plan.

OLSHAN FROME WOLOSKY LLP IS INCOME TAX COUNSEL TO SPONSOR AND NOT THE UNIT OWNERS. TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE IRS IN CIRCULAR 230, ALL UNIT OWNERS, POTENTIAL UNIT OWNERS AND THE CONDOMINIUM ARE HEREBY INFORMED THAT (I) ANY TAX ADVICE CONTAINED IN THE PLAN AND/OR THE INCOME TAX OPINION IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE, (II) THE ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THE PLAN, AND (III) EACH UNIT OWNER, EACH POTENTIAL UNIT OWNER, AND THE CONDOMINIUM SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Deductibility of Mortgage Interest and Real Estate Taxes

Each Residential Unit Owner will own such Unit Owner's Residential Unit and its appurtenant interest in the Common Elements in fee simple and each Residential Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Residential Unit Owner will own such Unit Owner's Residential Unit in fee simple, the owner may mortgage such Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

It is the opinion of Income Tax Counsel that a Residential Unit Owner who uses such Unit Owner's Residential Unit as a personal residence and itemizes such Unit Owner's deductions will, under present Law, for Federal, New York State and New York City income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire or substantially improve a principal or second residence (up to a total indebtedness of $1 million), plus (2) other debt (not in excess of $100,000) secured by a principal or second residence. Interest on home mortgage debt in excess of those limitations would not be deductible. Special limitations also apply with respect to the deductibility of points and other prepaid interest, if any, on the mortgage debt and may apply to the overall allowance of itemized deductions.

Taxation of the Condominium

If the Condominium meets the requirements for qualification as a "homeowners association," under Section 528 of the Internal Revenue Code, which requirements are discussed in the Attorney's Income Tax Opinion, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources, such as income from assessments from Non-Residential Unit Owners and interest earned on any reserve funds (less expenses directly connected with the production of such income).

Sponsor anticipates that the Condominium will not qualify as a homeowners association. If the Condominium does not qualify as a homeowners association, or if it does but chooses not to make the

election noted above, the present state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. As discussed in the Attorney's Income Tax Opinion, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of such income (including the nonmembership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. Alternatively, it is possible that some or all of such income might be reportable directly by the Unit Owners or otherwise treated. The tax treatment of the Condominium may be affected by certain United States Treasury Department regulations relating to entity classification. Schedule B, First Years Budget for Condominium Operation, does not contemplate any substantial income which might be taxable and accordingly does not budget any amounts for taxes for nonmembership or membership income.

The qualification of an organization as a homeowners association is determined annually at the close of each taxable year, and it is possible that if the Condominium does not qualify in one year it may nevertheless qualify in one or more future years.

No warranties are given that the Internal Revenue Service, the New York State Department of Taxation and Finance or the Finance Administration of the City of New York will allow the aforementioned deductions for mortgage interest and real estate taxes. There is also no assurance that the tax laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which Income Tax Counsel bases its opinion, will not change. In no event will Sponsor, Income Tax Counsel, Selling Agent, Managing Agent or any other Person connected with this offering be liable if at any time it is held that the Residential Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid give any warranties with respect to the tax consequences of this Plan or the tax consequences of ownership of any Units offered under the Plan, and no one has been authorized to give any warranties.

REAL ESTATE TAXES

Purchasers are advised to review Footnote (6) of "Schedule A – Purchase Prices of Units and Related Information" for details concerning real estate taxes for the First Year of Condominium Operation. The information contained therein is based on the real estate tax projection opinion prepared by Tuchman, Korngold, Weiss, Liebman & Gelles, LLP ("Sponsor's Real Estate Tax Counsel") set forth in Part I of the Plan.

It is estimated that the aggregate real estate taxes payable with respect to all Residential Units for the First Year of Condominium Operation will be approximately $368,657 assuming (a) a transitional assessed valuation for the Property of $1,351,899 for the last 6 months of the 2016/2017 tax year reflecting the assessment for a partially constructed property and $4,212,742 for the first 6 months of the 2017/2018 tax year, based on the real estate tax projection opinion prepared by Sponsor's Real Estate Tax Counsel dated February 23, 2016 set forth in Part I of the Plan, and (b) a tax rate of $13.25 per $100 of assessed valuation for the 2016/2017 and 2017/2018 tax years. Purchasers should note that once the Building is assessed as being fully constructed, it is estimated that the real estate taxes for the Residential Units will total approximately $558,188 assuming no change in the above-listed tax rates or assessments. This tax projection does not take into account any 421-a Benefits that may be applicable to the Property at such time.

In arriving at the assessed valuation for each Unit in the Condominium, the Building is first assessed as an entity. This overall assessment is then apportioned among the respective Units, each of which will be assigned a tax lot designation once the Declaration has been recorded and the Floor Plans are filed with the Register's Office. For purposes of Schedule A, the projected real estate taxes for the Building were apportioned among the Units based on Common Interest percentages. It is possible that the apportionment will be based in part upon the proportion the projected selling price presented in the Plan for each Unit bears to the gross sellout price for all Units available for purchase in the Condominium and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular Units. There is no assurance that the City of New York tax assessor will allocate taxes among Units based upon Common Interest percentages. At such time as the Units have been separately assessed for real estate tax purposes, each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes assessed against any other Unit.

Although the estimate of New York City real estate taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, apportionment or taxes among the Units and tax rates, when actually established by the City of New York, may be lesser or greater. Accordingly, these estimates are to be considered opinions and are not intended, and should not be construed as, warranties as to future assessed valuations, tax rates or the actual real estate taxes to be assessed. In no event will Sponsor, Seiden & Schein, P.C., Holland & Knight LLP, Sponsor's Real Estate Tax Counsel or Selling Agent be liable to any Purchaser nor will any Purchaser have the right to rescind the Purchase Agreement if the assessed valuations, tax rates or taxes, when actually established, are lesser or greater than that projected herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future. Please refer to the Section of the Plan entitled "Income Tax Deductions to Residential Unit Owners and Tax Status of the Condominium" for more details.

The Unit Power of Attorney which each Purchaser shall be required to sign at Closing, the form of which shall be substantially as set forth in Part II of the Plan, authorizes the Condominium Board to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to the Residential Units, including retaining counsel and taking any

other actions which the Condominium Board deems necessary or appropriate in accordance with Section 2.4(A)(xxiii) of the By-Laws.

As of the Filing Date of the Plan, there are no tax certiorari proceedings pending for the reduction of real estate taxes with respect to the Property. Any such proceedings are at Sponsor's sole cost and expense, for Sponsor's benefit.

ANTICIPATED REAL ESTATE TAX EXEMPTION BENEFITS (RPTL SECTION 421-A)

As more fully explained in the 421-a Tax Exemption Benefits Opinion Letter of Holland & Knight LLP set forth in Part I of the Plan, the Residential Units, the Garage Unit and the Retail Unit are expected to qualify for partial real estate tax exemption benefits ("421-a Benefits") under Section 421-a of the Real Property Tax Law of the State of New York ("Section 421-a"). Sponsor will apply to HPD for preliminary approval of 421-a Benefits for such Units ("Preliminary Certificate of Eligibility"). Upon completion of the Units, Sponsor will apply to HPD for final approval ("Final Certificate of Eligibility"). Sponsor shall not be obligated to incur any extraordinary expenses (beyond the customary expenses associated with such approvals) or commence any litigation to obtain such approval. Sponsor anticipates but does not represent or guarantee that a Preliminary Certificate of Eligibility or a Final Certificate of Eligibility will be obtained or if obtained, that such 421-a Benefits will be in effect as of the First Closing. In the event Sponsor's application is not approved by HPD, the purchase prices of the Inclusionary Units will be reduced as much as required, and to an amount approved by HPD, in order for the units to remain affordable to 60% AMI households (or with respect to Unit 5J, 80% AMI households, as per the Regulatory Agreement). In such event, Market Unit Purchasers will not be entitled to any right of rescission, Purchase Price reduction or other concession.

In connection with HPD's enforcement of the 421-a program, all Purchasers are advised that HPD may conduct an audit from time-to-time which may result in a subsequent revocation of 421-a Benefits if all documents required to be filed with HPD are not so filed.

In connection with its application to HPD to obtain 421-a Benefits for the above-referenced Units, Units, Sponsor will (i) keep all records required by HPD and make such records available to HPD whenever requested by HPD to do so, (ii) in a timely fashion file all applications required to be submitted to HPD in connection with the 421-a Benefits, and (iii) otherwise comply with all procedures required by HPD to properly procure and maintain the 421-a Benefits. In addition, Sponsor will make available to the Condominium Board all 421-a documents for inspection and copying for so long as the Units receive any 421-a Benefits.

Purchasers should note that the real estate taxes that will be payable by such Unit Owners for future years within the term of the exemption (if 421-a Benefits are granted) will be fully exempted, other than from assessments for local improvements, from taxation on the increase in assessed valuation resulting from the construction of the Property, during the construction period or for a period of no more than 3 years following the commencement of construction, whichever is less, and for 25 years thereafter , as follows: 100% for years 1 through 21, 80% for year 22, 60% for year 23, 40% for year 24 and 20% for year 25. In addition to any taxes payable pursuant to the above schedule, the Law requires that real estate taxes be paid each year in an amount equal to the assessed valuation of the land and any improvements thereon during the tax year preceding the commencement of construction multiplied by the tax rate in effect for the current tax year.

Since the Building will contain fewer than 50 dwelling units, it is not subject to the prevailing wage requirements of Section 421-a(8)(a)(i). In addition, Sponsor expects that the Residential Units in the Building will be exempt from rent regulation because of the intended status of the Building as a Condominium. The 421-a Restrictive Declaration provides that if the Plan is not declared effective within 15 months after the issuance of the Final Certificate of Eligibility, the Residential Units must be registered with DHCR as rent-stabilized Units if and when they are occupied.

Neither Sponsor, Seiden & Schein, P.C., Holland & Knight, LLP, Income Tax Counsel, Sponsor's Real Estate Tax Counsel, Selling Agent, Managing Agent, or any other person makes any warranty that the partial exemption from real estate taxes under 421-a will be granted in whole or in part, or if granted, will not be later reduced or revoked, or as to the amount of the real estate taxes which will be assessed against any

Residential Unit or the amount of real estate taxes payable at any time by any Residential Unit Owner or Non-Residential Unit Owner. Purchasers should refer to the Real Estate Tax Projection Opinion of Sponsor's Real Estate Tax Counsel set forth in Part I of the Plan for details concerning the assessed valuation of the Property and the estimated real estate taxes without 421-a Benefits.

The tax projections found in Schedule A are merely estimates and cannot be construed as an assurance of the actual amount of real estate taxes that will be assessed or the actual amount of any 421-a Benefits.

Special Provisions Applicable to Inclusionary Units

Purchasers are advised that the Inclusionary Units must remain permanently affordable, as determined by HPD, in accordance with the Inclusionary Housing Program. A restrictive declaration ("421-a Restrictive Declaration") will be recorded against all Units in the Building which are included in Sponsor's application for 421-a Benefits prior to the issuance of the Preliminary Certificate of Eligibility. The current form of 421-a Restrictive Declaration provided by HPD is set forth in Part II of the Plan.

OPINIONS OF COUNSEL

ATTORNEY'S INCOME TAX OPINION

O L S H A N

PARK AVENUE TOWER • 65 EAST 55TH STREET • NEW YORK, NEW YORK 10022
TELEPHONE: 212.451.2300 • FACSIMILE: 212.451.2222

EMAIL: WGLEICHER@OLSHANLAW.COM
DIRECT DIAL: 212.451.2231

October 1, 2014

500 Waverly Property Owner L.L.C
350 Seventh Avenue, Suite 1604
New York, NY 10001

Re: **500 Waverly Condominium**

Gentlemen:

In connection with the offering of condominium units under a plan entitled 500 Waverly Condominium (the "Plan"), you have requested our opinion as special tax counsel to the Plan concerning certain tax matters. Specifically, you have requested our opinion as to the deductibility for federal and New York State income tax purposes of payments of mortgage interest and real estate taxes by individual Residential Unit Owners. You have also asked for our opinion as to the tax status of the condominium association.

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

We understand that under the Plan each Unit Owner will hold title to his Unit and an undivided interest in the Common Elements of the Property in fee simple. Under New York State law, each Unit and its interest in the Common Elements will be taxed as a separate parcel for real estate tax purposes. Each Unit Owner may place a separate mortgage on his Residential Unit and, by doing so, incur direct liability for the interest payable on such mortgage.

In our opinion under present law, subject to the limitations discussed in the following paragraph and subject to limitations imposed on the deduction of itemized deductions, interest on a mortgage secured by a Residential Unit paid or accrued by owner of such Residential Unit who is liable for the interest payment on such mortgage and who uses the Residential Unit exclusively as his personal residence will be deductible for federal income tax purposes in the appropriate year according to his method of accounting, provided that he itemizes his deductions. In rendering this opinion we assume that such interest is not prepaid, that the mortgage proceeds were used by the Residential Unit Owner to purchase the Residential Unit, that the Residential Unit is the owner's principal residence and that the Residential Unit Owner is an individual.

Except as provided below, residential interest is deductible if paid or accrued during the taxable year on indebtedness which is secured by either the taxpayer's principal residence, as defined for purposes of exclusion of gain on sale under Internal Revenue Code ("Code") Section 121, or on certain designated second homes. However, a ceiling is placed on the amount of indebtedness which may be taken into account for purposes of this deduction. In general, with respect to indebtedness incurred in purchasing a Residential Unit, this ceiling is $1,000,000, or $500,000 in the case of a married individual filing a separate return. In addition, an individual

may deduct interest on an additional $100,000 of indebtedness in excess of the $1,000,000 limit mentioned above as interest on home equity indebtedness. However, special limitations may apply to the deductibility of points and prepaid interest if any.

It is also our opinion under present law that real estate taxes assessed against a Unit Owner's Residential Unit which are paid or accrued by such owner will be deductible for federal income tax purposes in the appropriate year according to his method of accounting, provided that he itemizes his deductions.

We note that in some cases the amount of mortgage interest deductible by an individual Residential Unit Owner subject to the alternative minimum tax may be less than the amount deductible by a Residential Unit Owner subject to the regular income tax and that no deduction is allowed for real estate taxes paid by a taxpayer subject to the alternative minimum tax.

The mortgage interest and real estate taxes described above will also be allowable as deductions for New York State income tax purposes to a resident individual. We express no opinion with respect to these items under the New York State personal income tax on nonresidents. We also express no opinion as to the taxation of Residential Unit Owners who are not individuals.

We have reviewed various documents included as exhibits in the Plan relating to the organization of the Condominium Board of 500 Waverly Condominium (the "Association"), including the Declaration of Condominium and By-Laws of the Condominium (which are the instruments which will create the Association).

Our opinion has been requested as to whether the Association will be eligible to qualify as a tax-exempt organization for federal income tax purposes. In order for the Association to qualify as an exempt organization for federal income tax purposes under Code Section 528, it must meet the following six conditions:

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

(2) Sixty percent (60%) or more of the Association's gross income for the taxable year must consist solely of amounts received as membership dues, fees or assessments from owners of residential units.

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

(4) No part of the net earnings of the Association may inure to the benefit of any private shareholder or individual, other than by acquiring, constructing, or providing management, maintenance, and care of the Association's property and other than by a rebate of excess membership dues, fees, or assessments.

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

(6) The Association must properly elect to have Code Section 528 apply for the taxable year.

"Substantially all the units" of a condominium management association will be considered as used by individuals for residences if at least eighty-five percent (85%) of the total square footage of all Units within the project is used by individuals for residential purposes. Units that are used for purposes auxiliary to residential use are considered as used for residential purposes. These auxiliary purposes include laundry areas, storage rooms, and areas used by maintenance personnel. A special limitation is established for transient use. No building or Unit will be considered as used for residential purposes if, for more than one half the days in the Association's taxable year, such Unit or building is occupied by a person or series of persons each of whom occupies the Unit or building for less than thirty days.

You have advised us that less than 85% of the total square footage of the Premises will be used by individuals for residential purposes. Accordingly, the "substantially all" test will not be met. As a result, it is our opinion that the Association will not be eligible to elect tax-exempt status under Code Sec. 528.[1]

Since the Association will not initially qualify as a tax exempt organization pursuant to Code § 528, the present state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. Tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of its income (including the nonmembership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. Alternatively, it is possible that some or all of such income might be reportable directly by the Unit Owners. The tax treatment of the Condominium may be affected by certain United States Treasury Department regulations relating to entity classification.[2]

---

[1] If in the future the Association does meet the substantially all test and elects tax treatment under Code Sec. 528, all amounts received by the Association as exempt function income will be exempt from federal income tax. This consists of amounts received as membership dues, fees, or assessments from owners of Residential Units. However, the Association would be subject to tax on income which is not exempt function income to the extent such income exceeds expenses properly allocable to such income. Examples of income which is not exempt function income are interest earned on reserve funds, amounts received from persons who are not members of the Association or from Commercial Unit Owners, amounts received for work done on privately owned property which is not Association property, and amounts received from members for special use of the Association's facilities, the use of which is not available to all members as a result of having paid the dues, fees, or assessments required to be paid by all members.

[2] To remove doubt in the area, the Association may be able to elect to be treated as a corporation for federal income tax purposes if it files Form 8832 with the IRS within 75 days of its formation.

This opinion deals only with the specific tax matters discussed above, which do not necessarily comprise all tax matters which may be significant to purchasers of Units. We express no views as to any federal, New York State or New York City tax consequences other than as explicitly discussed in this opinion or as to the tax status or tax consequences of the Plan under the laws of any foreign jurisdiction. Accordingly, it is recommended that each prospective purchaser of a Unit consult with his own tax advisor concerning the federal, New York State, and New York City tax consequences of the purchase and ownership of a Unit.

This opinion is based solely on the facts and documents referred to above. No warranties are made that the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, counsel to Sponsor, special tax counsel to the Sponsor, the Association, or any other person be liable if, by reason of future changes in fact or applicable law, regulations, decisional law, or Internal Revenue Service rulings, the tax consequences described previously should change.

TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE IRS IN CIRCULAR 230, ALL UNIT OWNERS, POTENTIAL UNIT OWNERS AND THE CONDOMINIUM ARE HEREBY INFORMED THAT (I) ANY TAX ADVICE CONTAINED IN THIS OPINION IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE, (II) THE ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THE PLAN, AND (III) EACH UNIT OWNER, EACH POTENTIAL UNIT OWNER, AND THE CONDOMINIUM SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Sincerely yours,



OLSHAN FROME WOLOSKY LLP

REAL ESTATE TAX PROJECTION OPINION

TUCHMAN, KORNGOLD, WEISS, LIEBMAN & GELLES, LLP
COUNSELORS AT LAW
6 EAST 45TH STREET, NEW YORK, N. Y. 10017
(212) 687-3747
FAX: (212) 599-4459

BERT TUCHMAN
PAUL J. KORNGOLD
ERIC S. WEISS
DONALD LIEBMAN

BRETT J. GOTTLIEB
YUHTYNG T. PATKA*
GRACE A. BETANCOURT
PHILIP M. PLATZ**

WALTER R. GELLES (RET.)

* ALSO ADMITTED IN CT & NJ
** ALSO ADMITTED IN NJ

February 1, 2016

500 Waverly Property Owner, LLC
350 7th Avenue, Suite 1604
New York, NY 10001

RE: 500 Waverly Avenue
Block 2011, Lot 30
Borough of Brooklyn
City of New York

Dear Sir or Madam:

This letter is in response to your request for an opinion and projection of the estimated real estate tax assessments and taxes upon the completion of construction and creation of a condominium.

You have requested our opinion concerning the real property tax assessment to be levied upon the captioned premises as well as the taxes for the budget year for the first year of condominium operation which you have advised us will be the period January 1, 2017 through December 31, 2017 as well as the first post construction tax year which will be the period July 1, 2017 through June 30, 2018. You have advised us that the project will consist of the construction of a new multiple dwelling with forty-eight apartments, two retail units and a garage unit. You have advised us the construction has commenced in May of 2015 and you expect construction to be completed by the end of 2016.

In order to prepare this letter and the opinion set forth herein, you have supplied us with certain information upon which we have relied. This information includes your purchase price and your estimated construction costs. You have also supplied us with a square footage analysis of the project and a copy of the architectural plans prepared by Gerner Kronick & Valcarcel, Architects D.P.C as well as a copy of your proposed 421-a application. We have also examined publicly available web sites maintained by the NYC Department of Buildings and Department of Finance. You have also advised us that the building is being developed under the Inclusionary Housing Program and that eleven residential units will be dedicated to affordable housing.

We have also considered the recent tax assessment history of the property, the cost of the new project, the potential income for the new structure (if operated as a rental with eleven affordable units), comparable properties in the Borough of Brooklyn which have been newly constructed or undergone renovation as well as market conditions in the general area.

In predicting the future assessed value, we have given consideration to the following factors:

1. The current claimed standard of assessment used by the Real Property Division of the New York City Department of Finance is to assess at 45% of value.

2. The estimate of the cost of the construction will be a factor.

3. The potential capitalized net income of the property if operated as a rental with affordable units.

4. Tax Assessments of comparable properties.

Real Estate Tax Assessments in New York City are made on a fiscal year basis running from July 1 of any one year to the next succeeding June 30. The status of the building on January 5 of any one year is the basis of the assessment for the fiscal year beginning that July 1. The tentative assessment roll containing the tentative 2016/2017 assessed values was published on January 15, 2016 and showed the following values:

Actual Assessed Value	Transition Assessed Value	Tax Class
$1,786,500	$1,764,990	2

Real Property Tax Law Section 581 provides that cooperative and condominium apartments shall be assessed for tax purposes as if the building was a comparable rental property. Thus, the Department of Finance is prohibited from utilizing the sales prices of the individual condominium units in determining the assessed valuation. Therefore the prices that you set in your offering plan and any subsequent sales or resales are not relevant in determining the assessed value of the property or of the individual condominium units. Upon conversion to a condominium and after an application is submitted by you, the New York City Department of Finance shall assign individual tax lot numbers to each of the condominium units. The residential condominium units will be designated as tax class 2 property and will pay on the class 2 tax rate and the retail condominium and garage units will be designated as tax class 4 property and will pay on the class 4 tax rate. The 2015/2016 class 2 residential tax rate has been set at $12.883 for each $100 of assessed valuation and the class 4 commercial tax rate has been set at $10.656 for each $100 of assessed valuation. The 2016/2017 rate will be set later this year.

Real Property Tax Law Section 1805 provides for the creation of a transition assessment system within the City of New York. Under the transition assessment system, the usual increase in the actual assessed value of a property between one year and the next is phased in over a five

year period in equal installments. The five year phase in does not apply to new construction or other increases due to physical improvements to the property. Increases due to such physical improvements or new construction are added in full to the next year's assessment. Pursuant to Real Property Tax Law Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transition assessed valuation. We believe that there will be an additional increase in value for 2017/18 as a result of the new construction which will be placed on the assessment roll immediately and not subject to the five year phase in as well as a general equalization increase due to the changes in use of the building. In subsequent years, part of the increases in assessed value will likely result in the taxable assessment being increased and based on a phased-in transition assessed value.

On June 25, 2015 the New York State Legislature passed legislation extending property tax abatements for homeowners in New York City cooperatives and condominiums through June 30, 2019 at the rate of 17.5% with buildings with average assessments greater than $60,000 per unit and a greater percentage for buildings with a lesser average per unit. The law makes additional changes from the original abatement law which may eliminate such abatement benefits for units which are not the primary residence of the owner. The law further limits the benefits to a maximum of three units in the building, one of which must be the primary residence of the owner. Buildings which receive a 421-a tax exemption are not eligible for this tax benefit. It is set forth later in this letter that this building may receive 421-a tax benefits. In addition the current coop-condo abatement law is scheduled to expire after the 2014/2015 tax year and it is unknown at this time if the law will be renewed. Therefore, in predicting the taxes on this building we have not given any consideration to this tax benefit. Unit owners are advised to beware of various filing deadlines that may be included in any renewed law as well as possible changes in the level of abatement and eligibility.

We caution you that it is possible that there will not be an official apportionment of the assessment for the tax liability among the units until such time as an official apportionment of the assessed value is made and becomes effective. You should explain in your offering plan how taxes are to be allocated among unit owners prior to the apportionment of the tax lots which may be substantially different than the numbers set forth herein.

Based on your construction schedule of a New Building Permit being issued on May 25, 2015, we believe that the building portion of the tax assessment should not appear on the 2016/2017 final assessment roll in that it should have been removed pursuant to New York City Administrative Code section 11-209 which provides for the removal of building assessments for new buildings in the course of construction which are not ready for occupancy by the following April 15th. Since the construction will have commenced after January 5, 2015 and prior to January 5, 2016 and you have advised us that the building will not be completed until late 2016, New York City Administrative Code section 11-209 will mandate that there be no building assessment. Accordingly, we believe that the 2016/2017 final assessment roll should only reflect

a land assessment when it is published on May 25, 2016 and we have computed real estate taxes due for the first year of condominium operation on that basis. However, the tentative assessment roll is not in accordance with law and we have advised you that you should protest this by filing an application for correction with both the Tax Commission and Department of Finance. However, for the purpose of this letter since we do not know if any challenge you bring will be successful, we have made our estimate of taxes as if the 2016/2017 assessed value was not reduced.

Predicated upon the foregoing, it is our opinion that for the total taxable assessed value of the property (prior to any 421-a benefit) will be $1,764,990 for the 2016/2017 tax year and will be $5,500,000 for the 2017/2018 tax year and we have utilized those numbers in estimating the real estate taxes for the initial budget year and the first post construction tax year.

We have been advised that in determining the assessed values for the individual units, the current procedures of the New York City Department of Finance calls for the locking-in of the common interest (elements) percentages (Unit Allocation Factor or UAF) extracted from the condominium declaration filed with the Department of Finance, Survey office and registered at the City Register. Thus the initial allocation of the assessed value of all units should be based on the common interest as set forth in the condominium declaration. You have advised us that the common interests have been apportioned to give 76.5953% to the residential units, 16.6464% to the commercial retail units and 6.7583% to the garage unit. We therefore have allocated the assessed value and resulting taxes utilizing these common interests to the projected assessed values as set forth below.

Therefore assuming the class 2 tax rate increases to $13.25 for each $100 of assessed valuation and the class 4 tax rate increases to $11.00 of assessed valuation we make the following projections of the real estate taxes **prior to any tax abatements or tax exemptions** for the budget year January 1, 2017 through December 31, 2017 and the first post construction tax year July 1, 2017 through June 30, 2018 (the 2017/2018 tax year) :

January 1, 2017 through June 30, 2017 (6 Months of 2016/2017 Tax Year)

Unit	Assessed Value	Tax Rate	Tax (6 Months)
Residential Units	$1,351,899	13.25%	$89,563
Retail Unit	$293,807	11.00%	$16,159
Garage Unit	$119,284	11.00%	$6,561

July 1, 2017 through December 31, 2017 (6 Months of 2017/2018 Tax Year)

Unit	Assessed Value	Tax Rate	Tax (6 Months)
Residential	$4,212,742	13.25%	$279,094
Retail Unit	$915,552	11.00%	$50,355
Garage	$371,706	11.00%	$20,444

Estimated Initial Budget Year Residential Real Estate Tax	$368,657
Estimated Post Construction Residential Real Estate Tax	$558,188
Estimated Initial Budget Year Retail Real Estate Tax	$66,515
Post Construction Retail Real Estate Tax	$100,711
Estimated Initial Budget Year Garage Real Estate Tax	$27,004
Post Construction Garage Real Estate Tax	$40,888

You have also asked for our opinion as to the real estate taxes after 421-a tax exemption benefits are obtained. The 421-a Tax Exemption program was enacted pursuant to Section 421-a of the Real Property Tax Law of the State of New York ("421-a"), Section 11-245 of the Administrative Code of The City of New York and has been implemented through regulations promulgated by the New York City Department of Housing Preservation and Development (hereinafter referred to as "HPD"). The law is designed to encourage construction of new multiple dwellings by offering an exemption from real estate taxes for a period of years. The exemption covers the increase in assessed valuation resulting from construction of a new building over the prior assessed valuation on the property and eliminates (subject to a "cap" on the increase discussed below) for a period of years any taxation on that increase in assessed valuation. The exemption does not eliminate all real estate taxes. The current 421-a law covers construction commenced on or before December 31, 2015.

You have furnished us with a letter from the law firm of Holland and Knight, a copy of which is attached which states that the project is eligible for 421-a tax benefits. In preparing the projection of real estate taxes for this project we have relied exclusively on this letter and representations you have given to us. We have not made any independent inquiries and we accept no liability for the either the eligibility for 421-a or the processing of this application since we have not been retained to process the 421-a application.

You have also furnished to us a schedule of floor area square footage in the building. Based solely on the information provided to us by you, the nonresidential and/or ineligible space will occupy more than 12% of the floor area in the building. The 421-a law requires a reduction in benefits in the event that more than 12% of the project is deemed to be non-residential or ineligible footage. Thus, this limitation will apply in this project since you have advised us that 14.44% of the floor area will be composed of nonresidential or ineligible floor area. The below

grade garage unit is residential accessory and is not considered nonresidential and will be deemed fully eligible for 421-a benefits without reduction. However, the 421-a law requires that the excess nonresidential/ineligible floor area attributable to the amount in excess of 12% of the floor area be deducted from the exemption benefits for the commercial condominium unit. Therefore in making our estimates we have not reduced our estimate of the 421-a exemption benefits for the residential or garage units.

Utilizing the information supplied to us and based solely on the opinion of Holland and Knight, it is our opinion that the building as described above is eligible for real estate tax exemption benefits pursuant to Section 11-245 of the Administrative Code of the City of New York and §421-a of the New York State Real Property Tax Law (the "421-a Program").

The 421-a tax exemption that is applicable to this project will last for a period of 25 years as set forth below:

Year	Percent of Increased Assessed Valuation Which is Exempt
1-21	100%
22	80%
23	60%
24	40%
25	20%
26	0%

Under the 421-a program, real estate taxes shall be based initially on the assessed value on the property for the year prior to commencement of construction multiplied by the current tax rate. This tax is sometimes known as the "mini-tax". Since construction has commenced during the 2014/2015 tax year, the "mini-tax" will be determined by multiplying the total of the 2013/2014 assessed value of the existing lot by the current tax rate. Since there are both residential and commercial units in this condominium and not all commercial units will be eligible for the 421-a tax exemption, the 2013/2014 assessed value will be apportioned among the residential and eligible units. For 2013/2014, according to the Department of Finance records, the transition assessed value of the previously existing tax lot was assessed at $344,457. Assuming that the tax rate is $13.25 per one hundred dollars of assessed valuation for the residential units and $11.00 for the eligible commercial units the initial estimated annual tax (the "mini-tax") after a 421-a certificate is issued are estimated to be as follows:

Residential Units	$34,959
Garage Unit	$2,561
Retail Unit	$20,139

It should be noted that the taxes will increase in future years when the 421-a exemption declines and the assessed value likely increases. The retail unit will not be eligible for 421-a tax benefits.

In accordance with the requirements set forth in the Real Estate Finance Bureau Memorandum of June 24, 2014, we hereby inform you of the following :

1. There is now an expanded Geographical Exclusion Area (GEA) in the City of New York. This property is now in the new GEA. However for the reasons set forth in the letter of Holland & Knight, and due to the fact that you have advised us that the building will meet the requirements to be deemed an affordable housing project, this building will qualify for 421-a tax benefits.

2. The requirement to pay all building service employees a "prevailing wage" will not affect this property since there are fewer than 50 dwelling units in the 421-a building.

3. The sponsor will be exempt from the statutory requirement to register any of the dwelling units as rent stabilized with the New York State Division of Housing and Community Renewal provided the plan is declared effective and consummated within 15 months of the issuance of the final 421-a certificate of eligibility. In the event the plan is not declared effective and consummated within 15 months of the issuance of the final 421-a certificate of eligibility, all of the dwelling units will be required to register the dwelling units as rent stabilized with the New York State Division of Housing and Community Renewal.

4. The sponsor intends that the building shall be exempted from the statutory obligation to register the units as rent-stabilized by reason of its condominium status.

5. That if, prior to consummation, sponsor rents any residential unit (or portion thereof) to any person other than an interim lessee, sponsor is obligated to abandon the offering plan in accordance with the provisions of 13 N.Y.C.R.R. §§ 20.1(l)(2) and 20.5(g).

Our firm has an extensive practice in real estate tax review matters and in 421-a and J-51 tax exemption/ tax abatement applications, and we currently represent the owners of approximately 2,500 buildings in the City of New York, and file applications for correction of the tax assessments and tax exemptions/tax abatements on these properties. This firm and its predecessors have been engaged in such practice for a period in excess of 60 years. Additionally, the writer is the past chairman of the Law Committee of the Associated Builders and Owners of Greater New York, a director of both the New York State Builders Association and the Associated Builders and Owners of Greater New York, a past member of the Tax

Certiorari and Condemnation Committee of the Bar Association of the City of New York, and is a director and former President of the Real Estate Tax Review Bar Association, a specialized Bar dealing with real estate tax assessment matters.

Based upon our previous experience with such proceedings, we have issued the within letter with the estimates and caveats contained therein which the specific understanding that our opinion is not a guarantee that the taxes will be exactly as estimated. In no event will we, as Sponsor's real estate tax counsel, be liable if there are changes in the facts on which we have relied in issuing this opinion, or if there are changes in the applicable statutes, rules and regulations of the City of New York, decisional laws or administrative agency rulings, interpretations and policies on which we have relied which cause this opinion to be inaccurate. Interested parties should be aware that the estimate of the initial real estate tax assessment and taxes cover a period far into the future. Neither we nor any person can guarantee what the real estate taxes will be at any future date. As stated above, changes in law or policies of government agencies may radically change the opinions expressed herein.

The opinion expressed herein is that of the undersigned, and does not purport to express the opinion of the New York City Department of Finance or any city or government agency. That Department's opinions may result in substantially different total taxes for the initial budget year as well as for tax years 2016/2017 and 2017/2018 than set forth herein. We consent to the inclusion of this letter in the offering plan.

Very truly yours,

TUCHMAN, KORNGOLD, WEISS, LIEBMAN & GELLES, LLP.

Tuchman Korngold Weiss Liebman & Gelles LLP

By: Paul J. Korngold

421-A REAL ESTATE TAX EXEMPTION BENEFITS OPINION

Holland & Knight

31 West 52nd Street | New York, NY 10019 | T 212.513.3200 | F 212.385.9010
Holland & Knight LLP | www.hklaw.com

June 11, 2015

500 Waverly Property Owner, L.L.C. ("Sponsor")
350 Seventh Avenue, Suite 1604
New York, NY 10001

Re: 500 Waverly Avenue

Ladies and Gentlemen:

You have requested our opinion as to the eligibility of the new building (the "Building") which it is constructing at 500 Waverly Avenue, Brooklyn, New York (Block 2011, Lot 30) (the "Site") for partial real estate tax exemption pursuant to Section 421-a of the New York State Real Property Tax Law (the "Act"), Sections 11-245, 11-245.1 and 11.245.1-b of the Administrative Code of the City of New York (the "City Law") and the Rules Governing Tax Exemption Pursuant to Section 421-a of the Real Property Tax Law, as codified in Title 28, Chapter 6 of the Rules of the City of New York (the "Rules")(the Act, the City Law and the Rules, collectively, the "Program").

You have advised us as follows:

(a) The Building will contain residential dwelling units, commercial uses and accessory parking.

(b) The Building will be owned as a condominium and will include residential units ("Residential Units"), retail units ("Retail Units") and accessory parking (the "Parking Unit").

(c) The foundation work began on or about May 29, 2015 and a new building permit was issued by the New York City Department of Buildings on May 25, 2015.

(d) The Building will have a total of 48 dwelling units with 10 units (21%) (such units, the "Affordable Units") reserved for occupancy by households whose incomes do not exceed 60% of "area median income" ("AMI"), unless construction is carried out with the substantial assistance

of grants, loans or subsidies from any federal, state or local agency or instrumentality ("SGA") is obtained. If SGA is obtained, the Affordable Units will be reserved for occupancy by households whose incomes do not exceed 125% of AMI.

(e) Six of the Affordable Units will be two bedroom apartments, three will be one bedroom apartments and one will be a studio apartment.

1. Eligibility Requirements

To receive the partial tax exemption under the Act, the Building must comply with the following eligibility requirements set forth in the Program:

A. The Building must be a multiple dwelling containing not less than three dwelling units. Based on your advice, as noted above, that the Building will contain 48 units, this requirement will be satisfied.

B. Construction of the Building must commence no later than June 15, 2015. Based on your advice, as noted above, this requirement will be satisfied.

C. If, one month prior to the commencement of construction, the Site was improved with a residential building or buildings and the new building contains more than 20 Class A dwelling units (as such term is defined in the New York State Multiple Dwelling Law), then the new building must contain at least five dwelling units for each Class A dwelling unit in existence one month prior to the commencement of construction. You have advised us that on such date, the Site was vacant.

D. The dwelling units in the Building are not the result of the conversion or rehabilitation of any building. Based on your advice, as noted above, that the Building will receive a new building permit, this requirement will be satisfied.

E. The Building may not be used as a hotel or for single room occupancy. You have advised us that this requirement will be satisfied.

F. The Affordable Units must either have (i) a comparable number of bedrooms as the market rate units and a unit mix proportional to the market rate units, (ii) at least 50% of the Affordable Units must have two or more bedrooms and no more than 50% of the remaining units can be smaller than one bedroom or (iii) a floor area which is no less than 20% of the total floor area of all dwelling units in the Building. Based on your advice, as noted above, this requirement will be satisfied.

G. The Building may not be situated on land mapped as a public park or on land which was utilized for ten or more consecutive years prior to October 1, 1971 as a "private park" (as such term is defined in the Rules). You have advised us that the Site is not mapped as a public park and was not used as a private park.

H. The condominium units within the Building may not receive tax exemption or tax abatement concurrently under any other provision of state or local law. You have advised us that (i) a Retail Unit may receive a tax abatement under the Industrial and Commercial Abatement Program ("ICAP") and (ii) in the event that a Retail Unit receives a tax abatement pursuant to ICAP, such unit will not be included in the application for 421-a benefits.

I. The Site must have been vacant, predominantly vacant, underutilized or improved with a non-conforming use as of a date 36 months prior to the commencement of construction (such date, the "Operative Date"). Assuming that construction commences prior to or on June 15, 2015, the Operative Date will be during the 2012/13 tax year. On such date, the records of the New York City Department of Finance show that the Site was vacant. Accordingly, this requirement will be satisfied.

J. Certain household appliances which are installed by the Sponsor within a dwelling unit and any boiler or furnace that provides heat or hot water for any dwelling unit must be certified as "Energy Star." You have advised us that this requirement will be satisfied.

K. Buildings located in the Geographic Exclusion Area (which includes the Site) are eligible for benefits under the Program only if not less than 20% of the units are, upon the initial rental of sale of units, occupied and affordable to households whose incomes do not exceed 60% of AMI as adjusted for household size. You have advised us that this requirement will be satisfied.

L. The application for a Preliminary Certificate of Eligibility must be filed with the New York City Department of Housing Preservation and Development (the "Department") after the commencement of construction and prior to the issuance of either a temporary certificate of occupancy for all residential areas or a permanent certificate of occupancy. The application for a Final Certificate of Eligibility must be completed within 90 days of issuance of the temporary certificate of occupancy for all residential units. In addition, a restrictive declaration in a form specified by the Department and executed by all parties in interest must be recorded against the property.

M. The Building must be registered with the Department pursuant to the requirements of the New York City Housing Maintenance Code. You have advised us that this requirement will be satisfied.

N. The Affordable Units must be marketed pursuant to a fair and open process in accordance with the Department's marketing guidelines and residents of Brooklyn Community Board 2 shall have a priority for the purchase of fifty percent of the Affordable Units. You have advised us that this requirement will be satisfied.

O. If the Offering Plan (as defined below) is not declared effective within 15 months from the date of issuance of a final certificate of eligibility, Sponsor will register the building and all units if and when they become occupied by rental tenants, with the New York State Division of Housing and Community Renewal.

P. Since the Building contains fewer than 50 dwelling units, it is not subject to the requirement set forth in Section 421-a[8](b) of the Act that building service employees be paid at a prevailing wage for the duration of the building's tax exemption.

2. Benefits

The Act provides that for buildings located in Brooklyn, where 20% of the units are, upon the initial rental or sale of units, occupied and affordable to households whose incomes do not exceed 60% of AMI (or do not exceed 125% of the AMI with SGA) as adjusted for household size, shall be fully exempt, other than from assessments for local improvements, from taxation on the increase in assessed valuation resulting from construction of the multiple dwelling during the construction period or for a period of no more than three years following the commencement of construction, whichever is less, and for 25 years thereafter, as follows:

Year Following Completion of Construction	Percentage of Value Which is Exempt
1-21	100%
22	80%
23	60%
24	40%
25	20%
26	0%

In addition to any taxes payable pursuant to the above schedule, the Act requires that real estate taxes shall be paid each year in an amount equal to the assessed valuation of the land and any improvements thereon during the tax year preceding the commencement of such construction multiplied by the tax rate in effect for the current tax year.

To the extent that the "aggregate floor area" (as such term is defined in the Rules) of commercial, community facility and accessory use (exclusive of accessory residential parking located below 23 feet above curb level) exceeds 12% of the "aggregate floor area" in the Building, the amount of the partial tax exemption under the Act is reduced by an amount equal to the percentage by which such floor area exceeds 12% of the "aggregate floor area."

Assuming (i) the accuracy of the advice and information that you have provided as set forth above, (ii) the Building receives a new building permit and commences construction no later than June

15, 2015, (iii) all applications and supporting materials, including, without limitation, the execution and recording of the restrictive declaration, are timely filed and all requisite fees paid and (iv) all other applicable requirements of the Program are satisfied, and based upon such legal inquiries as we have deemed necessary or appropriate as a basis for our opinion herein and subject to the assumptions, comments, qualifications, limitations and exceptions set forth herein, it is our opinion that the Building will be eligible to receive tax exemption under the Act, as set forth above.

If any of the foregoing requirements or conditions should not be met to the satisfaction of the Department, or if any of the foregoing representations or statements should prove to be inaccurate, then the Building may not be eligible for the partial tax exemption under the Act. We make no representations and express no opinion as to whether or not any or all of the requirements and conditions set forth herein will be fulfilled.

In connection with this opinion, except as expressly set forth in this opinion letter, with your consent, we have not made an independent examination of the records of any public offices or governmental agencies or of any of your files or records nor have we made an independent investigation of the underlying facts or assumptions referred to in this opinion letter.

Our opinion herein reflects only the application of the Act, the City Law and the Rules. The opinion set forth herein is made as of the date hereof and is subject to, and may be limited by, future changes in the factual matters set forth herein, and we undertake no duty to advice you of the same. The opinion expressed herein is based on the Act, the City Law and the Rules and authoritative interpretations thereof in effect as of the date hereof (and published or otherwise generally available), and we assume no obligation to update, modify, revise or supplement this opinion should the Act, the City Law or the Rules be changed, in the event of any contrary interpretation of any provision of the Act, the City Law or the Rules by the Department or a court of competent jurisdiction, or otherwise.

This opinion is limited to the matters discussed herein and we do not render any opinion except as set forth above. This letter is not a guarantee and is not binding upon the Department or any other administrative agency or any other person or entity. This opinion letter is being delivered by us to you solely for your benefit in connection with your filing of an Offering Plan (the "Offering Plan") for the Building with the New York State Department of Law. By your acceptance of this opinion letter, you agree that it may not be relied upon, circulated, quoted or otherwise referred to by any other person or for any other purpose without our prior written consent in each instance, except that we hereby consent to the inclusion of this letter in the Offering Plan.

Very truly yours,

Holland & Knight LLP

Holland & Knight LLP

WORKING CAPITAL FUND AND APPORTIONMENTS

Each Purchaser of a Market Rate Unit shall be required to make a non-refundable contribution at the Closing to the working capital fund of the Condominium ("Working Capital Fund") in an amount equal to 2 months' Common Charges with respect to the Residential Unit based on the Condominium budget in effect at the time of Closing. The payment of the Working Capital Fund contribution shall be required of all Purchasers of Market Rate Units, whether purchased from Sponsor or on a resale. Such contribution shall not be required of Purchasers of Inclusionary Units, whether purchased from Sponsor or on a resale.

Purchasers of Inclusionary Units will not be required to make a contribution to the Working Capital Fund.

At or subsequent to the First Closing, Sponsor will apportion with the Condominium the following items as of midnight of the day preceding the First Closing, to the extent applicable:

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

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

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

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

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

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

(7) cost of building supplies on hand at Sponsor's cost (including sales tax).

(8) premiums for transferable insurance policies, if any.

(9) janitorial service fees, if any.

(10) management fees.

(11) building supplies (including, but not limited, to uniforms, cleaning supplies, carts, luggage).

(12) other customary closing adjustments.

If any of the foregoing items to be apportioned cannot be adjusted at the First Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the First Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as set forth above, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and the other matters mentioned above.

If the result of Closing adjustments is a net credit in favor of the Condominium, Sponsor will contribute the amount of such net credit to the Working Capital Fund. If the result of Closing adjustments is a net credit in favor of Sponsor, the payment of any net credit shall be evidenced by an unsecured, negotiable promissory note, without interest, to be executed by the Condominium Board and delivered to Sponsor at the First Closing to be repaid on the first anniversary of the First Closing. The promissory note may be prepaid by the Condominium in full at any time, or in part from time to time, without penalty.

The Working Capital Fund will be used for working capital, a reserve for repairs or for such other appropriate purposes as will be determined by the Condominium Board and may be augmented by

allocations from the monthly Common Charges. While Sponsor controls the Condominium Board, the Working Capital Fund will not be used to reduce Common Charges. (See the Section of the Plan entitled "Control by Sponsor" for details.)

The Condominium Board will be able to utilize the funds in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Common Charges attributable to Unsold Residential Units. In addition, within 3 months following the end of the Initial Sponsor Control Period, Sponsor shall deliver to the Condominium Board a statement from an officer of Sponsor, certifying in reasonable detail as to any changes in the amount of the Working Capital Fund which have occurred since the First Closing.

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, replacements or major improvements, for the first or any subsequent year of Condominium operation. If additional funds are required over and above the Working Capital Fund to cover expenses of the Building operation, it may be necessary to increase Common Charges or make Special Assessments. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

RESERVE FUNDS

Schedule B - First Year's Budget include a line item for a reserve fund for the sole purpose of costs and expenses related to capital repairs, replacements and improvements to the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements ("Condo Reserve Fund"). The reserve fund amount was the product of a reserve fund study undertaken by Sponsor. For so long as Sponsor continues to own at least 1 Unsold Unit, the Condominium Board must maintain the Condo Reserve Fund and any change in the amount of the Condo Reserve Fund shall be made only with Sponsor's prior written consent. Because the Building will be new construction, Sponsor does not anticipate the imminent need for capital repairs, replacements or improvements. However, no representation is given that such needs will not arise in the future. Unit Owners will be obligated to pay their share of the cost of repairs, replacements and/or improvements to the Common Elements as the need for such arises. Sponsor makes no representation that the Condo Reserve Fund will satisfy the requirements of a Purchaser's lender.

The Condo Reserve Fund is separate from the HPD Reserve Accounts described below and elsewhere in the Plan. Subject to the terms of the Regulatory Agreement to the extent applicable, the Condo Reserve Fund may be used for capital repairs, replacements and improvements to the General Common Elements, the Residential Common Elements and Residential Limited Common Elements, in each case as determined by the Condominium Board in accordance with the terms of the Declaration and By-Laws (and the Regulatory Agreement, to the extent applicable).

The Condo Reserve Fund cannot be used to reduce projected Common Charges while Sponsor controls the Condominium Board.

Pursuant to the Regulatory Agreement, simultaneously with or prior to the issuance of a Certificate of Completion by HPD, Sponsor shall establish three reserve accounts: an Operating Reserve Account, a Capital Reserve Account, and an Administering Agent Reserve Account (collectively, "HPD Reserve Accounts"). The HPD Reserve Accounts shall be held by HPD in blocked interest-bearing accounts for the benefit of the Inclusionary Units and shall be administered by HPD or its designee.

1. The Operating Reserve Account shall initially be established by Sponsor in the amount of $20,801.00, which represents 6 months of projected maintenance and operating cost of the inclusionary Units as determined by HPD as of the date of the Regulatory Agreements. Funds from the Operating Reserve Account may be drawn down, with HPD's consent, in order for the Condominium to reduce an Operating Shortfall.

2. The Capital Reserve Account shall initially be established in the amount of either (i) $21,091.50, which amount is based on the self-certified zoning calculations of Sponsor's architect at $2.25 per square foot of affordable housing under the Inclusionary Housing Program, or (ii) a different amount, which will be based upon zoning calculations which are approved by DOB at the time of HPD's Issuance of the Certificate of Completion at $2.25 per square foot of affordable housing under the Inclusionary Housing Program. Funds from the Capital Reserve Account may be drawn down, with HPD's consent, for the benefit of the Inclusionary Units.

3. The Administering Agent Reserve Account shall initially be financed by Sponsor by depositing 1% of the sum of the initial offering prices for all of the Inclusionary Units, as the same may be amended, in a blocked account to be administered by HPD or its designee. Thereafter, the Administering Agent Reserve Fund will be supplemented by (1) an annual surcharge in the amount of $45.45 per Inclusionary Unit, to be charged by the Condominium Board to the Inclusionary Unit Owners as a Special Assessment, in equal monthly installments, and (2) the payment of a "flip tax" which shall be paid by an Inclusionary Unit Owner, equal to 7% of the profit from the resale of an Inclusionary Unit, minus reasonable and customary closing costs, on such resale.

There is no provision in the Regulatory Agreement or under Law requiring the Operating Reserve Account or the Capital Reserve Account to be replenished after one or more withdrawals. Once withdrawals have been made from such accounts additional funds may not be available to offset any Operating Shortfall or any other budgetary shortfall.

MANAGEMENT AGREEMENT

At the First Closing, Sponsor will assign, and the Condominium Board will assume, the Management Agreement for the Condominium between Sponsor and FirstService Residential ("Managing Agent"), having an office at 622 Third Avenue, New York, New York 10017 ("Management Agreement"). Sponsor may, in the alternative, have the Condominium Board enter into the Management Agreement directly with Managing Agent.

The Management Agreement will provide for an initial term of 3 years commencing on the date of the First Closing ("Commencement Date"). Thereafter, the Management Agreement will automatically renew for one-year terms, but may be cancelled by either party without cause, upon not less than 60 day's prior written notice.

Managing Agent will receive an annual fee, payable in equal monthly installments during the initial term of the Management Agreement as follows: $37,500.00 per annum. The management fee is comparable to the rate for similar services in comparable buildings. In addition, for services rendered to Residential Unit Owners (other than Sponsor), in connection with processing applications to (i) sell, lease or otherwise transfer Residential Units and obtaining necessary waivers of the right of first refusal by the Condominium Board, (ii) mortgage or refinance of an existing mortgage on a Residential Unit and (iii) alter or renovate a Residential Unit, Managing Agent shall receive a fee from the Residential Unit Owner in such amounts as shall be determined, time to time, by the Condominium Board.

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

(1) billing and collecting Common Charges.

(2) causing the Common Elements to be maintained, repaired and altered in the manner deemed advisable by the Condominium Board.

(3) contracting for necessary services and repairs and purchasing all supplies necessary to properly maintain and operate the Building and its Common Elements.

(4) checking all bills received in connection with the maintenance and operation of the Common Elements and causing all such bills and other expenses to be paid.

(5) supervising, hiring, discharging and paying employees necessary for the proper maintenance and operation of the Building.

(6) rendering monthly statements of receipts and disbursements to Sponsor or other designated entity, upon request.

(7) maintaining payroll records and filing withholding tax statements for employees.

(8) maintaining accurate sets of books for the Condominium Board.

(9) cooperating with the Condominium Board's accountants in preparing and submitting annually to the Condominium Board an operating budget of the anticipated income and expenses for the ensuing year.

(10) attending meetings of the Condominium Board and Unit Owners, and preparing agendas and sending notices relating to such meetings.

(11) causing to be obtained and maintained insurance for the Condominium in amounts deemed advisable by the Condominium Board.

(12) processing applications of Unit Owners for permission to alter the Residential Units.

(13) processing applications for waivers of the right of first refusal.

(14) submetering and billing calculations in connection therewith.

(15) generally, doing all things deemed reasonably necessary or desirable by the Condominium Board for the proper management of the Building.

Managing Agent, at the expense of the Condominium, will be insured during the term of the Management Agreement under a fidelity insurance policy in favor of the Condominium for any loss resulting from fraudulent or dishonest acts committed by Managing Agent, its directors, officers or employees.

The Management Agreement provides that the Condominium Board shall indemnify the Managing Agent with respect to claims in connection with Managing Agent's carrying out the provisions of the Management Agreement or acting under the express or implied directions of the Condominium Board, unless arising from the gross negligence, bad faith or willful misconduct of Managing Agent in carrying out its duties.

Sponsor reserves the right during the Initial Sponsor Control Period to designate any other reputable managing agent to perform all of the duties and services to be performed by Managing Agent under the Plan and if Sponsor does so, Sponsor will cause such other managing agent to accept employment on terms substantially similar to the terms specified above. The Management Agreement may not be assigned by Managing Agent without the prior written consent of the Condominium Board.

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

IDENTITY OF PARTIES

Sponsor

500 Waverly Property Owner, L.L.C. is a limited liability company organized under the laws of the State of Delaware, with an office at 350 Seventh Avenue, Suite 1604, New York, New York 10001 ("Sponsor"). The entities comprising Sponsor actively involved in this offering are Orange Waverly, LLC and 500 Waverly, L.L.C.

The principal of Sponsor who will be actively involved in this offering is Andrew Bradfield, having an office address c/o Sponsor at Orange Management Inc., 350 Seventh Avenue, Suite 1604, New York, New York 10001. Mr. Bradfield and his company Orange Management Inc. have 15 years of experience in developing residential and mixed-use projects in the New York City area.

Prior Offerings

Within the previous five (5) years, Mr. Bradfield has been the sponsor of the following condominium offering plans in New York State: 123 Third Condominium (filed February 11, 2008). He is current in his financial obligations with respect to this project.

There have been no prior felony convictions of Sponsor, or the principal of Sponsor and no prior convictions, injunctions and judgments against Sponsor, or the principal of Sponsor that may be material to the Plan or an offering of securities generally that occurred within 15 years prior to the submission of the Plan.

Sponsor has designated the Secretary of State for service of process.

Attorneys for Sponsor

Sponsor has retained the law firm of Seiden & Schein, P.C., having an office at 570 Lexington Avenue, 14th Floor, New York, New York 10022 to represent it in connection with the Plan and to serve as Escrow Agent. Alvin Schein, Esq. and Jane Rosenberg, Esq. participated in and supervised the preparation of the Plan. Seiden & Schein, P.C. will serve as Escrow Agent and will represent Sponsor in connection with matters relating to the sale and closing of Residential Units.

Sponsor has retained the law firm of Olshan Frome Wolosky LLP, having an office at 65 East 55th Street, New York, NY 10022 to prepare the Income Tax Opinion for the Condominium and Unit Owners under the direction of Warren Gleicher, Esq.

Sponsor has retained the law firm of Holland & Knight LLP, having an office at 31 West 52nd Street, New York, New York 10015, to provide the 421-a Real Estate Tax Exemption Benefits opinion set forth in Part I of the Plan and to represent Sponsor with respect to the Regulatory Agreement.

Sponsor has retained the law firm of Tuchman, Korngold, Weiss, Liebman & Gelles, LLP, having an office at 6 East 45th Street, New York, New York 10017 ("Sponsor's Real Estate Tax Counsel"), to provide the Real Estate Tax Projection Opinion set forth in Part I of the Plan, under the direction of Paul J. Korngold, Esq.

Selling Agent

Selling Agent for the Condominium will be MNS, having an address at 102 North 6th Street, 2nd Floor, Brooklyn, NY 11249. Selling Agent is a licensed real estate broker whose principals have been engaged in the sale of real estate for many years.

There have been no prior felony convictions of Selling Agent, or any principals of Selling Agent and no prior convictions, injunctions and judgments against Selling Agent, or any principals of Selling Agent that may be material to the Plan or an offering of securities generally that occurred within 15 years prior to the submission of the Plan.

Managing Agent

Managing Agent for the Condominium will be FirstService Residential, having an office at 622 Third Avenue, New York, New York 10017. Managing Agent is a real estate and management firm that has been in business for many years. Managing Agent is a licensed real estate brokerage and management firm, which has been engaged in the management of residential real estate for over 25 years. It currently provides property management services for many residential cooperatives and condominiums.

There have been no prior felony convictions of Managing Agent, or any principals of Managing Agent, and no prior convictions, injunctions and judgments against Managing Agent, or any principals of Managing Agent that may be material to the Plan or any offering of securities generally that occurred within 15 years prior to the submission of the Plan.

Construction Professionals

Sponsor has retained the following professionals in connection with the construction of the Building:

a) Architect of Record

Gerner Kronick + Valcarcel, having an office at 443 Park Avenue South, 2nd Floor New York, New York 10016 is the architect of record for the Building and the design architect ("Architect"). The Architect prepared the Floor Plans of Units set forth in Part II of the Plan and the Floor Plans which will be filed with the New York City Department of Finance required in order to create the Condominium. Architect has also examined the physical condition of the Building and has rendered its report thereof and a Certification which is set forth in Part II of the Plan. Architect has been providing architectural services for many years and has been the architect of many buildings including 2770 Broadway, Gramercy Condominium, Chelsea House Condominium and Lumiere Condominium.

b) Structural Engineer

WSP Group, having an office at 228 East 45th Street, New York, New York 10017, is the structural engineer for the Building ("Structural Engineer"). The Structural Engineer has been providing structural engineering services for many years and has been the structural engineer of many buildings.

c) Mechanical Engineer

GEA Consulting Engineers, having an office at 545 Eighth Avenue, New York, New York 10018, is the mechanical engineer for the Building. The Mechanical Engineer has been providing engineering services for many years and has been the mechanical engineer for many buildings including the following: 200 East 39th Street, New York, New York, 11 North Moore Street, New York, New York and 290 West Street, New York, New York.

Condominium Budget Expert

Sponsor has engaged FirstService Residential, having an address at 622 Third Avenue, New York, New York 10017, as Sponsor's Budget Expert. The Budget Expert estimated all amounts of income and expenses in "Schedule B - Estimated Budget for Projected First Year of Condominium Operation" in consultation with Sponsor. The Budget Expert has rendered a certification as to the adequacy of the First

Year's Budget and a certification as to the adequacy of the Common Charges payable by the Non-Residential Unit Owners, which may be found in Part II of the Plan.

Related Parties

Sponsor and its principal have no affiliation with Selling Agent, Managing Agent, Sponsor's Attorneys, the Architects/Engineers or the Budget Expert, the Construction Professionals, or any person or firm who will provide services to the Condominium subsequent to the First Closing. Neither the Condominium Budget Expert, the Construction Professionals nor the Attorneys have any financial interest in the Property, the Units, the Condominium, or this offering, except for their fees for services rendered.

No Pre-Sales

Neither Sponsor nor its principal has entered into contracts or agreements, written or oral, or accepted any Deposits or advances of funds for the purchase of Units as of the Filing Date of the Plan.

REPORTS TO UNIT OWNERS

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

1. A financial statement of the Condominium prepared by a certified public accountant or public accountant, within approximately 120 calendar days after the end of each fiscal year of the Condominium. Such statement shall be certified while Sponsor is in control of the Condominium Board.

2. At least 30 calendar days' prior notice of the annual Unit Owners' meeting.

3. A copy of the proposed annual budget of the Condominium at least 30 calendar days prior to the date set for adoption thereof by the Condominium Board. While Sponsor is in control of the Condominium Board, such budget shall be certified in compliance with Section 20.4 of the Regulations of the Department of Law.

DOCUMENTS ON FILE

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan, all documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of the Plan shall be kept on file and available for inspection by Purchasers and their attorneys without charge, and for copying at a reasonable charge, at Sponsor's office for a period of 6 years after the First Closing. In addition, a set of Floor Plans showing the layout, locations and approximate dimensions of each Unit and its Unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the Register's Office following the recording of the Declaration, and an additional set will be furnished to the Condominium Board.

The Declaration and the By-Laws will be recorded in the Register's Office in advance of or concurrently with the First Closing. The recording of all deeds conveying individual Units will also be recorded in the Register's Office.

GENERAL

The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. Sponsor believes that the Plan contains a fair summary of the material provisions of the documents referred to in the Plan, including those documents contained in Part II of the Plan. Copies are contained in Part II of the Plan of the forms of Declaration, By-Laws, Purchase Agreement, Unit Deed, Power of Attorney and other documents (which forms may be revised prior to their recordation or the First Closing, as applicable). Statements made in Part I of the Plan as to the provisions of such documents or any other document referred to in the Plan, copies of which are on file with Sponsor, are not necessarily complete. Each such statement is qualified in all respects by the contents of such documents and, in the case of any such document executed by or with the written consent of a Purchaser pursuant to the Plan, any rider or separate agreement changing or adding provisions to such document.

There are no lawsuits or other legal proceedings now pending, or any judgments outstanding, which could materially and adversely affect this offering, the Purchasers of Units, the Property, the Condominium or the operation thereof, which are not covered by insurance.

Since the Building will be newly constructed, there are neither commercial nor residential tenants occupying the Building as of the Filing Date of the Plan.

No party other than Purchasers shall have any right or benefit herein or herefrom, including without limitation, the right to insist upon or enforce against Sponsor the performance of all or any of Sponsor's obligations hereunder and no such third party shall be deemed to have received any benefit as a result of any of the provisions of the Plan.

Sponsor reserves the right, from time to time prior to the First Closing, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Residential Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor and Purchasers. However, Sponsor may not unilaterally cancel a Purchase Agreement which is in effect, except as therein provided, as in the case of an uncured default, nor unilaterally change the Purchase Price or payment terms contained in such Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. If there is a substantial amendment to the Plan that materially and adversely affects Purchasers, except as otherwise provided herein, Purchasers will have a right of rescission which may only be exercised within 15 calendar days from the Presentation Date of such amendment. Sponsor shall promptly return any Deposit, together with any interest earned thereon as well as any Unit Upgrade Funds (if applicable) to Purchasers who rescind, except that Sponsor shall retain the Deposit of any Purchaser who is in default under the Purchase Agreement beyond any applicable grace period.

In accordance with the provisions of the Laws of the State of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person in the sale of Units offered by the Plan or in the leasing of any such Residential Units because of such person's race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law.

Unless the context otherwise requires, words used in the singular in Part I of the Plan include the plural and vice versa, and a reference herein to any one gender, masculine, feminine or neuter, includes the other two.

No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. The Plan may not be changed or modified orally.

The Property has not been the subject of a prior public offering.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the "Description of Property and Improvements" set forth in Part II of the Plan and represents that it has no knowledge of any material defects or need for major repairs to the Building except as set forth in the Description of Property and Improvements or as contemplated to be made as described therein.

PART II

CONDOMINIUM OFFERING PLAN

500 WAVERLY CONDOMINIUM
500 WAVERLY AVENUE
BROOKLYN, NEW YORK 11238

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

March 29, 2016

Description of Property and Improvements

500 Waverly Avenue
Brooklyn N.Y.

Gerner Kronick + Valcarcel, Architects, DPC
443 Park Avenue South
New York, NY 10016

A new mixed-use building is proposed at the southwest corner of Fulton Street and Waverly Avenue in the Clinton Hill/Fort Greene section of Brooklyn. At seven stories above grade, the building will contain commercial uses, a residential lobby and parking access on its ground level floor, with residential uses on floors two through seven. There is one cellar level proposed and will contain parking, mechanical rooms, commercial storage, residential storage room with storage lockers, residential laundry room and amenity space. The property and proposed use will comply with all zoning and use requirements.

(a) Location and Use of Property: Property and proposed use will comply with all zoning and use requirements at time of closing.

(1) Address: 500 Waverly Avenue, Brooklyn, NY 11238

(2) Block and lot number: Block 2011, Lot 30

(3) Zoning: C2-4, R7A

(4) Permissible uses: Use Groups 1-9, and 14

(5) Environmental Restrictions:

(1) An E-designation is a New York City zoning map designation that establishes an environmental requirement pertaining to potential hazardous materials contamination, window/wall noise attenuation, or air quality impacts on a particular tax lot. E-designations are established on the zoning map by the Department of City Planning (DCP) and City Council as part of a zoning change/action.

An E-site can be designated for one or all three (hazardous materials contamination, window/wall noise attenuation, or air quality impacts) of these requirements. A hazardous materials E-designation is issued if the lead agency identifies potential impacts from contamination. The New York City Mayor's Office of Environmental Remediation (NYCOER) is the lead agency that is governs the E-designated sites throughout New York City.
The Site, located at 882 Fulton Street (A.K.A. 500 Waverly Avenue), was identified as an e-designated site (E-183) for hazardous materials and noise as part of the Fort Greene/Clinton Hill rezoning.

The current owner, 500 Waverly Property Owner, LLC, entered into the New York City Voluntary Brownfield Clean Program to investigate and remediate the Site. As part of the remediation efforts at the Site, all excavated soils have been removed in accordance with the approved NYCOER Remedial Action Work Plan (RAWP). The soils have been transported to permitted off-site disposal facilities for beneficial reuse and disposal. In addition, as required by the approved RAWP a vapor barrier and composite cover system were incorporated into the construction of the building's foundation as a precautionary measure.

According to the approved RAWP, four endpoint soil samples are required to be collected. If all four of the endpoint soil samples achieve Track 1 Unrestricted Use, then no additional follow-up work is necessary with respect to the E-designation associated with the hazardous materials.

However, if Track 1 Unrestricted Use is not achieved at all four end-point soil samples, then a Site Management Plan (SMP) must be incorporated into the Remedial Action Report (RAR). This is discussed in further detail throughout sections 4.1 to 4.5 in the approved RAWP. The SMP will outline the long-term management of residual contamination, including plans for operation, maintenance, monitoring, inspection, and certification of Engineering and Institutional Controls and reporting at a specified frequency.

(2) The approved RAWP implements two engineering controls in the form of a vapor barrier and composite cover system. Based on CA RICH's previous experience with e-designated sites that do not achieve Track 1 Unrestricted Use, we believe the following activities will need to be undertaken along with estimated costs:

(2.1) Inspection of the vapor barrier and composite cover system by and engineer or Qualified Environmental Professional (QEP) in accordance with the SMP in the RAR. This will most likely be required once within one year following completion of site remediation, and then every two to three years thereafter as long as the site is registered as an e-designated site. The site management will continue until terminated in writing by OER. The estimated cost for a site inspection by engineer or QEP is $1,000/inspection.

(2.2) The certification report will be due for submission to OER by July 31. The estimated cost for a certification report is $1,000/certification report

(3) The existing underground storage tanks were removed using the required procedures. Window wall will be provided with insulated glazed units providing the minimum required acoustic performance rating of OITC-28.

(b) Status of Construction. Proposed Uses: Residential Use Group 2 – Residential Units and Use Group 6 Commercial.

(1) Year Built: N.A. – New Construction

(2) Class of construction: 2008 New York City Building Code Noncombustible Construction Type 1B. Floors, structural frame, bearing walls and roof construction will be 2 hour fire.

(3) Certificate of Occupancy, type & number: New CO to be obtained upon completion of construction.

(4) Alteration permit numbers and description of work done: N/A. A new Building Application No. NB320916256 has been filed.

(4.1) A post approval amendment reflecting the revisions to the attached unit plans was filed with the NYC Department Of Buildings on 1/27/16 and it is still under review.

(5) Building is being designed in accordance with the requirements of the New York City Quality Housing Program and will be in compliance upon construction.

(c) Site: Irregularly shaped lot with 105.83’ of frontage on Fulton Street, and 107.12’ of frontage on Waverly Avenue. Site is currently an asphalt paved open parking lot, fairly evenly graded between elevation 78.07’ to 79.45’. MTA subway runs along the Fulton Street frontage.

(1) Size: Total site area of 11,923 square feet.

(2) Number of buildings and use:1 Retail Unit and 1 Garage Unit (collectively, “Non-Residential Units”) and 37 Residential Units proposed on site.

(3) Streets owned or maintained by the project: The streets are owned by New York City (“NYC”) and conforms to its rules and regulations, including its Department of Transportation (“DOT”).

(i) Paving (material and condition): The existing streets are paved with asphaltic concrete material. Where damaged by the construction the streets will be reconstructed with asphaltic concrete to match existing.

(ii) Curbing (material and condition); Existing steel faced-to be replaced with new steel faced curbing.

(iii) Catch basins, drainage; There are currently 2 existing catch basins, one located along Fulton Street, and one located along Waverly Avenue in conformance with NYC DOT & Department of Environmental Protection (“DEP”) requirements. Condition of catch basins is undetermined.

(iv) Street lighting (material, type, location and condition); One existing street light located at the intersection of Fulton Street and Waverly Avenue in conformance with NYC DOT & DEP requirements.

(v) State whether these items are in conformity with local fire district, town or municipal building codes. Existing paving and curbs to be replaced with new conforming with local fire district, town and municipal building codes.

(4) Drives, sidewalks and ramps: All sidewalks adjacent to the property will be new concrete sidewalks with steel faced curbs.

(i) Paving (material and condition): The sidewalk will be newly reconstructed and paved with standard concrete on granular base and will be American with Disabilities Act ("ADA") compliant free of tripping hazards. The Condominium shall be responsible for maintaining the sidewalks per the requirements of DOT.

(ii) Curbing (material and condition): See Section 3 (ii) above

(iii) Catch basins, drainage (location and condition): See Section 3 (iii) above

(iv) Street lighting (material, type, location and condition): See Section 3 (iv) above

(v) Proposed concrete paving and curbs will be in conformance with NYC DOT standards.

(vi) There are no existing or proposed sidewalk vaults.

(5) The Fulton Street frontage is adjacent to a NYC subway tunnel.

(d) Utilities. Identify source or provider of each utility. Specifically identify which are public utilities or regulated companies and which are solely the obligation of the board of managers of the condominium. Indicate whether water, sewer (or septic tank), gas, electric and telephone are metered individually, collectively or by any other method of billing.

Electricity: The electricity will be provided by Con Edison (Con Ed) Company. The Building will be provided with a house meter for building common areas and base building mechanical systems. Individual Con Edison meters will be provided for residential electric usage. Individual Con Edison metering will be provided for the Non-Residential Units and their tenants. The cost of the electric usage for the common areas will be borne by all Unit Owners as a common expense and apportioned to each Unit in accordance with its common interest as provided in the First Year's Budget.

Gas: Gas service will be provided by Con Edison. There will be 3 gas meters: twin gas meters for cooking gas, dryers, and domestic hot water heaters, and one meter for common HVAC units. Gas for the Non-Residential Units will be separately metered.

Water and Sewer: Water and Sewer service will be provided by the City of New York. Water consumed by the Residential Units will be separately metered by N.Y.C. DEP. The Non-Residential Units will be provided with sub-meters from the service to the Residential Units. These Non-Residential Units will be separately sub-metered, and the cost will be borne by the Non-Residential and paid to the Condominium Board as measured by such sub-meters and the then applicable water/sewer charges of the taxing authority, plus applicable taxes. The charges for water and sewer service provided to the balance of the Building will be levied on the basis of

metered usage and the cost of the same will be borne by only the Residential Unit Owners as a Residential Common Expense.

Telephone: "Local" telephone service will be provided by Verizon and/or other service provider. Every Unit Owner will be required to pay their associated telephone charges and initial charges for activating individual outlets in the Unit. Similarly, the charges with respect to the telephones in the Non-Residential Units will be separately paid for by the respective Unit Owners or their tenants. The telephone charges with respect to the public areas of the Building (such as the concierge's desk, maintenance offices, etc.) will be borne by only Residential Unit Owners as a Residential Common Expense and apportioned to each Residential Unit in accordance with its common interest as provided in the First Year's Budget.

Cable Television: Cable (or Satellite) Television service will be available for all Residential Units from Time Warner TV (or alternate cable TV company). All charges for television service (including installation and subscription charges) will be paid by each Unit Owner, who subscribes directly to the cable TV Company. Each Residential Unit will be provided with an outlet in the living room and each bedroom.

(e) Sub-soil conditions. Based on the geotechnical report by Langan Engineering, the subsoil's at foundation level consist of very dense natural soils with an allowable bearing capacity of 6 tons per sq. ft. (for the purpose of foundation design.) There is an NYCTA tunnel structure located adjacent to the Northern property line. To avoid surcharging this existing structure, the column foundations along the property will need to extend below the theoretical NYCTA influence line. The static groundwater level is located more than 50 feet below grade level, which is well below the proposed cellar elevation level.

The building cellar level is at a sufficient depth where there will be no frost heave of the foundation sub-soils. Superstructure concrete exposed to the elements will be air entrained to accommodate freeze-thaw cycles.

(1) Whether uneven foundation movement or settling has occurred (cracking, mortar joint decay, etc.): N/A

(2) Whether there is any evidence of moisture or seepage or ground water infiltration and, if so, whether corrective action is needed: N/A

(3) There does not exist a potential danger from flooding, either due to water table in area or overflow from other bodies of water nor any potential for mudslides or erosion. Advisory Base Flood Elevation map prepared by FEMA last modified December 5, 2013 indicates that the site is outside the predicted flood zone in a moderate to low risk area. The building is in a developed urban area and mudslides or erosion of surrounding soil is not a risk.

Subgrade drainage system is not required as the cellar slab is approximately 30 feet above the groundwater levels observed during geotechnical investigation.

Exterior finish grades will be sloped to drain away from the building.

(f) Landscaping and enclosures. There is one residential amenity terrace on the 2nd floor and one residential amenity area on the roof. There are 3 private residential terraces on the 2nd floor, 5 residential terraces on the 7th floor and 3 private residential terraces on the roof. Additionally, there are 2 residential balconies on the 7th floor.

(1) Grass cover; Partial artificial grass cover provided at roof.

(2) Plantings; Plantings will include a mix of native and adaptive shrubs, perennials, grasses and vines.

(3) Trees; 9 Street trees required. 2 trees will be planted on Waverly Avenue. Due to proximity of MTA infrastructure on Fulton Street, 7 trees will be planted off-site.

(4) Fencing; 3'-6" high aluminum fencing will be provided around the private residential terraces on the roof. 6'-0" high louvered screen will be provided around the mechanical equipment on the roof.

(5) Gates (type, location); 3'-0" wide hinged gates to residential roof terraces.

(6) Garden walls (type, location); N/A

(7) Retaining walls (type, location); N/A

(8) Display pools and fountains (location, materials); N/A

(g) Building size.

(1) Total height (approximate total feet from ground level to highest part of roof); The Building is 76'-10" to the roof level, 87'-6" to the top of stair bulkhead slab and 99'- 2" to elevator bulkhead slab.

(2) Crawl spaces: N / A

(3) Number of sub-cellars and cellars: One cellar proposed.

(4) Number of floors; Seven stories above ground.

(5) Equipment rooms (location and use): Located at cellar level and includes the electrical switchgear room, water meter room, fire pump room, refuse room and telecom room.

(6) Parapet; Parapets are 42" high minimum above finished roofs and terraces.

(h) Structural system.

The foundation system generally consists of shallow concrete spread footings below the column locations. Along the northern property line adjacent with the NYCTA tunnel structure, the columns will be supported on drilled caissons that transfer the loads below the theoretical NYCTA influence line. The perimeter cellar walls are reinforced concrete. Although the static groundwater level is located well below the cellar level, exterior membrane waterproofing will

be installed all of the below-grade walls to limit any wetness due to nearby utility breaks or heavy precipitation. A vapor barrier will be provided at the slab on grade. Crystalline waterproofing is provided at the elevator pits.

Superstructure is a concrete framed structure consisting of flat plate concrete slabs (8" thickness typically) spanning approximately 20 feet on centers between concrete columns. Lateral stability is achieved through concrete shear walls (10" thickness) which are located around staircases and elevator shafts.

(1) Exterior of Building:

(i) Walls: The Building's exterior wall is a combination of brick clad concrete columns with an aluminum and glass window-wall infill system at the Fulton Street and Waverly Avenue facades.

Heavy gauge steel stud framing with a cement stucco finish is proposed at the side and rear facades and include aluminum and glass punched window openings. Thermal insulation is provided in the framing to the full depth of studs.

LL10 is not applicable to the building. It is superseded by LL 11/98. Under this Local Law the facades of the building have to be inspected 5 years after the completion of the facades and at 5 year intervals thereafter.

R value for exterior wall insulation is average 8.1 and the U value for the windows is 0.55. Exterior walls are fire rated for 1 hour at interior lot lines as required by NYC Building Code. New York State Energy code compliance was determined through the use of computer software developed by the United States Department of Energy.

The façade is a barrier system consisting of cast in place concrete frame with window wall at the Fulton Street and Waverly Avenue Facades. The side and rear facades consist of cast in place concrete frame, heavy gauge steel studs, cement stucco finish with punched window openings.

Setbacks are located at multiple floors and have roofing membrane terminated with metal flashing into the concrete

A Remedial Action Plan was submitted and approved by the NYC Mayors Office of Environmental Remediation to address the acoustic requirements of the building envelope.

(ii) Windows: A Remedial Action Plan was submitted and approved by the NYC Mayor's Office of Environmental Remediation to address acoustic requirements of building envelope.

Architectural grade thermally-broken fixed and in-swing casement aluminum windows, glazed with 1" dual sealed insulated glass units. Operable windows will be provided with single operating hardware with multi-point keepers and will be cleanable from the building interior without dismantling window components, including limit stops and child guards.

Insect screens are not provided although the windows are designed to allow for their installation.

Lot line windows are provided at the south and west facades along apartment lines A,G and F from the second to sixth floors.

Code requirements for light and air have been verified and meet code requirements.

(iii) Landmark status: N/A

(2) Parapets and copings: Parapets are 42" high cast in place concrete and are an integral part of the structure on the main roof and are provided along the side and rear facades.

42" high aluminum and safety glass railings are provided at the two front facades at the main roof, and along the seventh floor open terraces. Corrosion resistant anchors are specified.

(3) Chimneys and caps:

500 Waverly Avenue will have a refuse chute of heavy gauge steel adjacent to the elevator shaft serving all Residential Units which will be enclosed by 2-hour fire rated wall construction. The refuse shaft will extend from the cellar to the bulkhead roof, and will terminate in the cellar in a trash storage room enclosed by 3-hour fire-rated construction.

The Building will have one refuse chute. The chute will have an explosion vent and metal flashing collar terminating in accordance with the New York City Building Code through the bulkhead roof. The chute will be cold rolled commercial quality steel with factory applied damping material manufactured by U.S. Chutes or equal. Refuse Chute is enclosed in a concrete and concrete block shaft, protected with sprinklers in accordance with NYC Code and provided with 1 1/2 hour fire-rated doors at every opening

There is a trash compactor located at the cellar level of the Building. The compactor room and each trash closet are equipped with mechanical exhaust and are each protected with sprinklers and smoke detectors.

There are no incinerators in the Building.

The hot water heaters located on the roof will vent through a 4" flue that will terminate at a weatherproof enclosure with bird grill protection at the bulkhead roof. Back draft protection is not provided since it is not required for condensing water heaters.

<u>Domestic Hot Water Heaters:</u>
Manufacturer: Heat-fab
Material: Stainless Steel AL-294C
Dimension: 4" Diameter
Double Wall

There will be no fireplaces.

(4) Balconies and terraces:

There is one residential amenity terrace on the 2nd floor and one residential amenity area on the roof, both for common use by residential occupants of the building. There are 3 private

residential terraces on the 2nd floor, 5 residential terraces on the 7th floor and 3 private residential terraces on the roof. Additionally, there are 2 residential balconies on the 7th floor. Balcony finishes are described below.

(i) Deck finish; Concrete with drip edge below.

(ii) Balustrade; N/A

(iii) Railings: Metal and tempered or laminated safety glass railing.

(iv) Copings; N/A

(v) Soffits; N/A

(vi) Doors to balconies and terraces (type, material): Doors to the Residential Unit balconies are part of the window-wall system and are aluminum and glass with thermal break. Fasteners exposed to moisture are specified to be stainless steel for corrosion resistance. Windows have a 2 coat Kynar finish specified for exterior use.

(5) Exterior entrances;

The building entrance will be aluminum and glass storefront. Aluminum will be Kynar finish to match the window wall. All exterior entrances will be free of tripping hazards and will meet ADA standards. Applicable ADA standards are: door width, push/pull clearances, thresholds and door opening force.

Canopy over the residential entrance will positively drain toward gutters.

(i) Exterior doors and frames (material, type, lock); Exterior doors will be Kynar finish aluminum and clear glass with stainless steel pulls and center pivot–hardware. Aluminum and glass exterior doors will have thermal breaks.

(ii) Vestibule doors and frames (material, type, lock); 2 sets of Kynar finish aluminum and clear glass motorized sliding vestibule doors.

(iii) Exterior stairs ; None

(iv) Railings; None

(v) Mail boxes; USPS standard lockboxes located off of the residential lobby

(vi) Lighting (type, location). Lighting adequate for intended uses.

(6) Service entrances: None

(i) Doors and frames (material, type, lock);-None

(ii) Gates (material, type, lock); None

(iii) Exterior stairs ; None

(iv) Railings; N / A

(7) Roof and roof structures: Concrete and masonry stair, mechanical and elevator bulkheads.

(i) Type roofs for all areas

(a) Material; Reinforced cold applied inverted roof membrane assembly as manufactured by Laurenco or approved equal. Standard 10 year manufacturers warranty will be provided from date of substantial completion without monetary limitation.

(b) Insulation; Rigid roofing insulation meeting NYC Energy Code will be 4" closed cell extruded polystyrene with integral high density skin as manufactured by Dow Chemical Company or equal with an R value of R-5 per inch. R value for roof assembly will be R-21.73.

(c) Surface finish; Residential Terraces are pre cast concrete pavers on pedestals with gravel ballast along parapets. Gravel Ballast is provided at roof bulkheads. Steel dunnage where required specified to be primed with epoxy primer - Tenemec series N27 S.T. typoxy.

(d) Bond or guarantee; 10 year labor and material watertight warranty.

(e) Flashing materials including counter flashing: Stainless Steel

(ii) Drains:

(a) Location, material and type; Controlled flow roof drains are provided on each roof and seventh floor roof setback. Roof drains are conventional type, cast iron drains on all main roofs. No overflow scuppers are proposed.

(b) Gutters and leaders; None

(iii) Skylights; None

(iv) Bulkheads:

(a) Stairs; Concrete, and stucco over concrete block.

(b) Elevator; Concrete, and stucco over concrete block

(c) Other: Roof-mounted mechanical equipment is provided with spring-type vibration isolators to mitigate vibration and noise from reverberating into the building below.

(v) Metal work at roof levels: None

(a) Exterior, metal stairs; None

(b) Vertical ladders, including gooseneck; Galvanized steel.

(c) Railings; None

(d) Hatches to roof; None

(e) Other: None

(vi) Rooftop facilities.

There is an outdoor common residential terrace of 757 sf and three private residential terraces on the roof, one for each penthouse unit PH2, PH4 and PH5 totaling 1,858 sf. Common residential terrace is 11% of roof area. Private residential terraces are 26% of roof area. Common and private residential terraces are code compliant.

(8) Fire escapes. None

(i) Location (describe how attached and supported); None

(ii) Floors covered; None

(iii) Drop ladder; None

(iv) Type; None

(v) Materials. None

(9) Yard and courts. There are no front or side yards required. There is a 30’-0” rear yard required by New York City Zoning Resolution for residential portions of mixed buildings beyond 100’-0” of a corner that is provided at the interior lot portion of the site.

There is a 30’-0” setback required by the New York City Building Code from existing lot lines for providing natural light and air to the Residential Units. This setback is provided at the corner-lot portion of the site.

The rear yard and setbacks described above are provided at the second floor residential terraces and residential amenity terrace.

Terrace lighting is adequate for intended use.

(i) Paving: Pre-cast concrete roof pavers on pedestals.

(ii) Drainage: Conventional type cast iron terrace drains adequate for intended use.

(iii) Railings: Concrete parapets, 3’-6” high above the finished terraces.

(iv) Stairs (material); None

(v) Fencing (type and material); None

(vi) Walls (type and material), None

(10) Interior stairs. Describe: Cast in place concrete with painted pipe hand and guardrails.

(i) Number of stairs of each type; Two separate vertical exits serving cellar level to the roof level.

(ii) Enclosure: Exterior walls are cast in place concrete with 2hr. rated gypsum board partition on corridor face.

(iii) Stair construction: Concrete

(iv) Stringers: Concrete

(v) Treads: Concrete

(vi) Risers: Concrete

(vii) Guard rails: Painted steel pipe rail.

(viii) Balustrade: ½" x ½" painted steel bar at 4" on centers.

(11) Interior doors and frames.

(i) Unit entrance doors and frames: Residential Unit entrances shall be 45 minute fire rated hollow metal doors in fully welded frames complying with Building Code requirements.

Unit interior doors: Solid core wood doors in fully welded hollow metal frames.

(ii) Corridor doors and frames; Refuse Room and Electrical Closet doors at public corridor shall be 90 min fire rated hollow metal doors in fully welded frames complying with Building Code requirements.

(iii) Stair hall doors and frames; Shall be 90 minute fire rated hollow metal doors in fully welded frames complying with Building Code requirements.

(iv) Roof doors, basement doors and frames: Roof and Back of the house doors and frames will be painted hollow metal. Rating where required as per NYC Code.

(12) Elevators. Mid-Rise traction machine-room-less elevators with 350 feet per minute speed.

(i) Number of passenger and service elevators; There is (1) passenger elevator PE1 and (1) combination elevator CE1 serving all residential floors, the first floor residential lobby and the cellar. PE1 serves the roof level.

Elevator PE1 has a passenger capacity of 6 persons, elevator CE1 has a passenger capacity of 8 persons.

(ii) Manufacturer, age of each and capacity; New Elevators will be similar to Otis Gen 2. Elevator capacity of CE1 is 2500 #, PE1 is 2000#. Sponsor will procure a 1 year maintenance contract.

(iii) Type of operation for each elevator; Automatic, Duplex-Selective/Collective

(iv) Automatic (type of controls); Automatic, Duplex Selective/Collective

(v) Floors served; PE1 serves cellar through roof, CE1 serves cellar through seventh floor.

(vi) Type; Machine Room-Less Traction

(vii) Doors: Automatic, Sliding type.

(viii) Location of machine rooms; Machine located within hoistway overhead.

(ix) DC motor; No DC motors used.

(x) AC motor-generator set (manufacturer); Otis or equal.

(xi) Other. None

13. Elevator Cabs. Describe. Passenger elevator cab enclosure for both PE-1 and CE-1. CE-1 will be equipped to provide quilting protection when used for freight operations.

(i) Kind; (manufacturer) Similar to cabs manufactured by EDI/ECI.

(ii) Floor; Natural Stone with stone saddle.

(iii) Walls; Brushed stainless steel front control wall. Metal panel side and back wall similar to brushed nickel finish.

(iv) Ceiling; Similar to brushed nickel finished metal panel.

(v) Lighting; Recessed LED Downlights

(vi) Alarm, safety system. As per the NYC Elevator Code, all elevators will be equipped with an emergency lighting system to operate automatically in the event of loss of normal power and will provide the prescribed levels of illumination for a minimum of four hours.

Each car will also have a two-way hands free voice communication system for distressed passengers. It will be automatically activated when the emergency call button is pushed. As per NYC code, the emergency alarm bell will operate on a supplemental independent power source for a minimum of four hours.

(i) Auxiliary facilities:

(1) Laundry room. 153 sq. ft common Laundry Room with plastic laminate folding counter.

(i) Location and number of rooms: One Common Residential Laundry Room provided in Cellar level

(ii) Clothes washers: Two Heavy duty leased and/or metered card operated electric washers, Speed Queen or equal.

(iii) Clothes Dryers: Two heavy duty leased and/or metered electric dryers, mechanically vented through roof, Speed Queen or equal.

(iv) Room ventilation: Through louvered door.

(v) Dryer ventilation. Each dryer exhaust duct will be connected to a common duct riser which terminates above the main roof. Lint traps will be located immediately adjacent to the exhaust connection for each dryer into the common duct riser.

(2) Refuse Disposal.

(i) Incinerator(s): Incinerators are not provided. Every residential floor has a “Refuse Room” off the common corridor. The Refuse Rooms has a trash chute which empties into the Compactor located at Cellar level. There are 2 recycling bins in each Refuse Room. Building staff will collect recycling from the refuse rooms.

(ii) Compactor(s): There is one compactor at the cellar trash room.

(iii) Approvals by authority having jurisdiction; No specific approval is required for the compactor.

(iv) Initial storage location; Recycling area off the common corridor on each floor two through seven.

(v) Pick-up of Residential Unit refuse and recyclable items will take place by NYC Department of Sanitation. Non-Residential Units are responsible for arranging private trash removal.

(3) Bicycle Storage Area: A bicycle storage area with wall mounted bicycle racks is provided at the ground floor level adjacent to the parking entry. Bicycle storage capacity is for 24 bikes in compliance with NYC zoning requirement.

(4) Storage Space: Residential storage space is provided at the cellar and ground floor levels and are fully sprinklered.

(j) Plumbing and drainage.

(1) Water supply. Describe system, pumps, storage and location.
One 4” domestic water service with a reduced pressure zone backflow preventer and water meter will be provided from the public water main to triplex booster water pumps located in the water room on the cellar floor. The main shut-off valve will be located in the water room on the cellar floor.

The Building will have one (1) zone of cold water, domestic hot water and domestic hot water circulation. Domestic hot water will be provided via gas fired domestic hot water heaters. Valved outlets for domestic cold water will be provided for the Non-Residential Units. Sub-meters will be provided and paid for by the Non-Residential Unit Owners and/or their tenants.

(2) Fire protection system. Describe:

The fire alarm central panel will be located in the lobby on the ground floor.

One 6-inch fire service from Waverly Avenue with 6-inch double detector check valve to supply the automatic fire pump and jockey pump located in the fire pump room on the cellar level.

The main fire pump shall be a vertical in line type PEERLESS Model No. 6PVF10 (or equivalent), 750 GPM at 104 psi, with a 60 HP motor and shall feed the entire building's fire standpipe. The jockey pump shall be a vertical multi-stage type PEERLESS Model No. CR3-10 (or equivalent), 10 GPM at 109 psi, 2 HP and shall maintain the pressure in the entire building's fire standpipe. Both the fire pump and jockey pump will require periodic maintenance. Any control valves throughout the system will require periodic maintenance as well.

(i) Standpipes (material, size, location);
The fire standpipe system will consist of two 6" combined fire standpipe riser. Standpipe piping will be black schedule 40 steel with both malleable iron and ductile-iron fittings and threaded joints. The riser will serve all floors and will be located in the stairways. A three way roof manifold with 2½" hose valves with caps and chains will be provided. The fire standpipes will be supplied by the automatic fire pump (See section j(2) above).

(ii) Hose racks, hoses and nozzles (location);
A 2½" hose valve with cap and chain will be located at fire standpipe riser at each floor. A central hose station with 375 ft of 1.5" hose with a straight stream nozzle is located in a locked storage cabinet on the ground floor for fire department use. The hose valve will require periodic maintenance.

(iii) Sprinkler heads (type system, location);
Sprinkler water will be from the 6" combined standpipe/sprinkler riser. Automatic wet sprinklers will be supplied from combined FSP/sprinkler riser for entire building. Sprinkler piping will be black schedule 40 steel with both malleable iron and ductile-iron fittings and threaded joints downstream of the sprinkler floor control valve and black schedule 10 steel with both malleable iron and ductile-iron fittings and threaded joints for the rises and mains. The sprinkler system will have 3 different types of standard heads; upright, concealed and sidewall. Sprinkler heads will be located throughout all the Non-Residential Units, in all living areas in the Residential Units and also in the public corridors and other common areas.

(iv) Siamese connection (type, location).
The combined standpipe/sprinkler system will have two independent combined flush type 6" outlet with plate for sillcock (combination Siamese with hose bib) Siamese connections located on the ground floor; one connection next to each Non-Residential Unit entrance. Periodic maintenance will be required for the Siamese connections.

(3) Water storage tank(s) and enclosures. Describe: N/A

(i) Number, type, location of each; N/A

(ii) Material (interior, exterior and roof of tank); N/A

(iii) Access to tank (e.g.) vertical gooseneck ladder); N/A

(iv) Capacity (total gallons); N/A

(v) Capacity (fire reserve). N/A

(4) Water pressure and how maintained.
The water pressure will be maintained by a variable speed triplex booster system as manufactured by SyncroFlo. The triplex water booster pump is SyncroFlo Model 55TB05-4H (or equivalent) with 3 Peerless model C610A with an Amtrol WX-350 cushion tank. There will be a single house meter with two additional sub meters; one for each Non-Residential Unit. Domestic cold water system will be distributed horizontally at the base of the Building to supply risers. Branch piping will be provided to all fixtures, appliances and mechanical equipment within the building, including Residential Units and Common Areas.

(5) Sanitary sewage system. Describe, including:

(i) Sewage piping (materials);
Sanitary piping above ground will be hubless cast iron piping with stainless steel band clamps and neoprene rubber gaskets. Sanitary piping below ground will be extra heavy cast iron with extra heavy cast iron hubs and spigots and neoprene rubber compression gaskets.

(ii) Sewage pumps (if any);
A duplex ejector pump, model Zoeller F621, (or equivalent) pump controls, and 42” round fiberglass basin with steel cover at a depth of 6 feet will be located in the cellar. Sewage pumps will have a 1 year warranty.

(iii) Sewage disposal (public/private; treatment; drainfield; sewer).
Sanitary sewage will be conveyed by gravity via vented waste branches, stacks and house drains to the combined house sewer. Capped outlets will be provided on the roof for future installations. Sanitary and storm sewer discharged from the building will connect to the public combined storm sewer system of New York City, DEP (an un-metered Public Utility). A new 8” sewer service shall be connected to the existing combined 10” house sewer on Waverly Avenue. The cost of water and sewer will be allocated based on water meter usage.

(6) Permit(s) required. List and include date(s) obtained.
All permits will be obtained by the plumbing and sprinkler contractors.

(7) Storm drainage system.
There will be control roof drains, overflow roof drains, and area drains for this building. Required storm water detention will be provided by roof control drains on the main roof areas. The roof drains and area drains will be coated cast iron. Storm water will be delivered into the combined sewer system that services the sanitary and roof drainage needs of the building. Gravity roof drainage from roof drains, and drains located in the outdoor spaces drain to the existing house sewer, which is connected to street municipal sewer on Waverly Avenue.

(i) Catch basins (location); N/A

(ii) Yard and roof drains (location);
There are six (6) roof drains located on the roof, three (3) roof drains located on the second floor residential terrace, a total of ten (10) roof drains located on the seventh floor penthouse terraces, and each roof drain is paired with an overflow drain. There is one (1) planting area drain located on the seventh floor terrace, servicing the landscape area.

(iii) Piping (materials);
Above ground piping will be Hubless cast iron for 3” piping or less and extra heavy cast iron with extra heavy cast iron hubs & spigots for 4” size piping and greater. Underground piping will be extra heavy cast iron with extra heavy cast iron hubs & spigots.
Piping sizes: Size of sewage service will range from 2” to 8”, connecting to existing combined sewer/storm system in Building. Size of storm sewer service will range from 3” to 10”, connecting to existing combined sewer/storm system in Building.

(iv) Eject or sump pumps
A Zoeller duplex sump pump, model F621 (or equivalent), with a 42” round steel basin with steel cover at a depth of 6.5 feet.
Stancor elevator pit oil-minder control system SE-50 (or equivalent) elevator sump pumps will be provided for the elevator pits.

(k) Heating. Describe (including space heating and domestic hot water heating):

(1) Heating and distribution of domestic hot water and whether capable of providing peak required services. Describe heating system's ability to maintain legally required conditions under anticipated weather conditions, specifying internal temperature and ambient temperature used in calculations; All heating and distribution of domestic hot water is capable of providing peak services at design day conditions. All HVAC equipment will be sized for heating such that it will maintain 70°F in the Residential Units when the outdoor temperature is at 8.7°F. All water heating units are sized to provide 120°F water at peak load at NYCECC design temperatures. The heating systems are adequate to maintain comfortable conditions and comply with New York State Energy Conservation Code and ASHRAE Standard 55.

(2) Two gas fired water heaters located on the roof level water room will supply domestic hot water throughout the residential areas of the building. The gas fired water heaters will be Lochinvar Armor AWN501PM (or equivalent) to provide domestic hot water for the building. Water heaters will have 500,000 BTU/HR input each with a 594 GPH recovery rate at 100°F rise, and 1.3 gallon internal capacity and two (2) separate RAO257 (or equivalent) 257 gallon storage tanks. The domestic hot water heaters comply with the energy efficiency requirements of the latest edition of the ASHRAE 90.1 Standard and shall be AHRI certified to 96% thermal efficiency.
The domestic hot water heaters will have a 5 Year Limited Warranty and a 1 Year Parts Warranty.
Cold water piping above ground will be type “L” hard drawn copper tubing.
Cold water piping underground will be cement lined ductile iron class 52.
Domestic hot water piping will be type “L” hard drawn copper tubing.
Hot and cold water pipe within main risers and at building perimeters shall be insulated throughout; cold water piping shall have jacketed fiber glass insulation, and hot water piping shall have 1" jacketed fiber glass insulation.
All units are sized to provide 120°F water at peak load at NYCECC design temperatures.
Domestic hot water in-line centrifugal circulation pumps are installed with every domestic water heater. Domestic hot water circulation pumps are Bell & Gossett Model Number PL-36 or equivalent with 1-1/4” bronze flange. The pump carries a one year warranty.

(3) Manufacturer and age of boiler (s). (model, capacity; alternatively, give type, approximate

age and approximate remaining useful life); There are no space heating boilers installed in this project. There are (2) two gas fired domestic water heaters located on the roof level water room which will supply domestic hot water throughout the residential areas of the building.

(4) Manufacturer and age of burners (model; alternatively, give type and approximate remaining useful life); New Lochinvar AEN501PM domestic hot water heaters with modulating burners.

(5) Type of controls; Built-in cascading sequencer controller with graphic LCD display.
(6) Radiators, piping, insulation, valves, pumps; None.
(7) Fuel (if oil give type and grade; if gas give type and supply system); Low pressure gas.
(8) Location of oil tank, materials, enclosure; None.
(9) Capacity of oil tank. N/A.

Each Residential Unit will be provided with packaged terminal heat pump (PTHP) unit(s), with electric resistance back up heating, which will provide space heating and air conditioning. The PTHPs will all be Applied Comfort DHPC series models or equivalent. Operation of each PTHP will be controlled by a 7-day programmable thermostat with automatic change over to provide heating or air conditioning. The nominal heating capacity of each PTHP unit will vary from 10,800 BTU/Hr to 12,500 BTU/Hr for the primary heat pump system, and from 11,900 BTU/Hr to 17,300 BTU/Hr for the electric resistance backup system, depending on the size and exposure of the Residential Unit served. The PTHPs will be rated at no less than 3.0 COP.

The Penthouse level (the 7th floor) will be provided with Variable Refrigerant Flow (VRF) systems. VRF Systems will be Mitsubishi Electric PURY-P144TKMU-A systems or equivalent. Operation of each VRF will be controlled by a 7-day programmable wall mounted thermostat with automatic change over to provide heating or air conditioning at any time of the year. The VRF Systems will have a heating capacity of 160,000 BTUH and a COP of 3.4 or greater.

Heating in common spaces on the ground floor and cellar will be provided by split type systems with Condensing Units (CUs) on the roof and Air Handler Units (AHUs) within each space to which air conditioning is being provided. The split system for the ground floor lobby will be a Mitsubishi model PEFY-P24-NMAU or equivalent for the indoor unit and a Mitsubishi model PURY-P144TKMU-U or equivalent for the outdoor unit. The split systems for the rest of the common spaces on the ground floor and cellar will be Mitsubishi model P(K/E)FY-(06-54)-N(MA/HM/KM)U or equivalent for the indoor units and Mitsubishi model PURY-P144TKMU-U or equivalent for the outdoor units. The split system for the electric room will be a Mitsubishi model MSZ-GE24NA or equivalent for the indoor unit and a Mitsubishi model PUZ-A24NHA or equivalent for the outdoor unit. The split system for the parking attendant will be a Mitsubishi model PKFY-P18NHMU or equivalent for the indoor unit and a Mitsubishi model PUMY-P36NHMU or equivalent for the outdoor unit.

The nominal heating capacity of each split system will vary from 5,000 BTU/Hr to 40,000 BTU/Hr, depending on the size and exposure of the common space served. The split systems will be rated at no less than 7.7 HSPF. Operation of each AHU will be controlled by a 7-day programmable wall mounted thermostat with automatic change over to provide heating or air conditioning.

The heating systems are adequate to maintain comfortable conditions and comply with New York State Energy Conservation Code and ASHRAE Standard 55.

All HVAC equipment will be sized for operating conditions such that it will maintain 70°F in the Residential Units when the outdoor temperature is at 8.7°F. All HVAC equipment will meet minimum code (ASHRAE 90.1, NYCECC) requirements for efficiency.

(l) Gas supply (if not described above). Describe

(1) Type; Single ConEd gas service line entering building Gas meter Room from Waverly Avenue.
(2) Meters; Three (3) gas meters servicing Residential Units located in cellar.
(3) Piping; Threaded schedule 40 steel.

(m) Air conditioning.

(1) Type of system;

Each Residential Unit, excepts for spaces on the apartment areas on the 7th Floor, will be provided with digital packaged terminal heat pump (PTHP) unit(s), with electric resistance back up heat, which will provide space heating and air conditioning. The PTHPs will all be Applied Comfort DHPC series models or equivalent. Operation of each PTHP will be controlled by a 7-day programmable thermostat with automatic change over to provide heating or air conditioning. The nominal cooling capacity of each PTHP unit will vary from 11,300 BTU/Hr to 13,400 BTU/Hr for, depending on the size and exposure of the Residential Unit served. The PTHPs will be rated at no less than 8.9 EER. Air conditioning in Common Areas on the ground floor and cellar will be provided by variable refrigerant flow (VRF) split type systems, with Condensing Units (CUs) on the roof and Air Handler Units (AHUs) within each space to which air conditioning is being provided.

The Penthouse level will be provided with Variable Refrigerant Flow (VRF) systems. VRF Systems will be Mitsubishi Electric PURY-P144TKMU-A systems or equivalent. Operation of each VRF will be controlled by a 7-day programmable thermostat with automatic change over to provide heating or air conditioning in any season. The VRF Systems will have a heating capacity of 144,000 BTUH and an EER of 11.7 or greater.

The split system for the ground floor lobby will be a Mitsubishi model PEFY-P24-NMAU or equivalent for the indoor unit and a Mitsubishi model PURY-P144TKMU-U or equivalent for the outdoor unit. The split systems for the rest of the Common Areas on the ground floor and cellar will be Mitsubishi model P(K/E)FY-(06-54)-N(MA/HM/KM)U or equivalent for the indoor units and Mitsubishi model PURY-P144TKMU-Uor equivalent for the outdoor units. The nominal cooling capacity of each split system will vary from 6,000 BTU/Hr to 54,000 BTU/Hr for, depending on the size and exposure of the Common Areas served. The split system for the electric room will be a Mitsubishi model MSZ-GE24NA or equivalent for the indoor unit and a Mitsubishi model PUZ-A24NHA or equivalent for the outdoor unit. The split system for the parking attendant will be a Mitsubishi model PKFY-P18NHMU or equivalent for the indoor unit and a Mitsubishi model PUMY-P36NHMU or equivalent for the outdoor unit.

The split systems will be rated at no less than 11.7 EER.

Operation of each AHU will be controlled by a 7-day programmable wall mounted thermostat with automatic change over to provide heating or air conditioning.

There will also be a reserved space, installed and infrastructure and other provisions for a future split system for the Retail Unit, to be furnished by the Retail Unit owner or their tenants.

Other Common Areas will be provided also be provided with electric heating elements.

All HVAC equipment will be sized for operating conditions such that it will maintain 75°F in the Residential Units when the outdoor temperature is at 92.4°F

The cooling systems are adequate to maintain comfortable conditions and comply with New York State Energy Conservation Code and ASHRAE Standard 55.

All exterior metals including fasteners will be corrosion resistant.

All HVAC equipment will meet minimum code (ASHRAE 90.1, NYCECC) requirements for efficiency.

All systems will be controlled by an automatic temperature control system(s) with capability of assigning heating or air conditioning service to each of the condensing units.

(2) Central system (manufacturer, model and capacity);

There shall be two central make up air units supplying ventilation and space conditioning to the entire building, including common areas and Residential Units. These systems shall be of equal or greater quality to: AAON model RN-009 and AAON model RN-013. These makeup air units shall be located on the roof. These units shall contain a modulating gas-fired furnace, with a nominal heating capacity of 156,000 BTU/Hr, to be used during the heating season. Makeup air units will have a cooling efficiency of no less than 10.9 EER, and a heating efficiency of no less than 80%.

(3) Cooling towers, condensers (roof top, self-contained units, including number, location and description);

(4) Individual units covered by the offer (window/sleeve -specify number, capacity, amperage and efficiency).

N/A

(5) Rooftop Equipment: Specify measures that are to be implemented to prevent equipment vibration and noise from reverberating in the apartments below.

New steel dunnage, concrete pads or acoustic curbs will be provided for mechanical equipment. Dunnage will be shop primed and painted with a high performance exterior anti-corrosion finish. All mechanical equipment shall be mounted on spring vibration isolators to prevent structure born vibration.

(4) Individual units covered by the offer (window/sleeve -specify number, capacity, amperage and efficiency).
N/A

(n) Ventilation. Describe system in kitchens, fireplaces and all windowless areas such as corridors, garages, laundries, baths, etc.

Kitchens	**Residential Unit kitchens will be naturally ventilated through the opening of operable windows (as per 2008 NYC Building Code 1203.4.1.4) with additional ventilation being provided by a recirculating kitchen hood.**
Bathrooms	**Interior Residential Unit bathrooms will be exhausted via an exhaust fan system terminating above the roof level.**
Cellar Level Rooms	**Cellar level rooms (including MEP and storage rooms) will be ventilated via a rooftop make up air unit and exhausted via with an exhaust fan system terminating above the roof level. The top register providing the outdoor air for the space will have an NC <25. The make-up air unit utilizes 100% outdoor air which naturally pressurizes the common area.**
Laundry Room	**The Laundry Room on the cellar floor will be ventilated with 1,500 CFM of outdoor air via a rooftop make up air unit and exhausted with a dedicated exhaust fan terminating above the roof level. The grille providing the outdoor air for the space will have an NC <25. The make-up air unit utilizes 100% outdoor air which naturally pressurizes the area.**
Gym	**The Gym on the cellar floor will be ventilated with 160 CFM of outdoor air via a rooftop make up air unit and exhausted via a dedicated exhaust fan terminating above the roof level. The grille providing the outdoor air for the space will have an NC <25. The make-up air unit utilizes 100% outdoor air which naturally pressurizes the area.**
Garage	**The Garage will be naturally ventilated through a dedicated outside air louver located on the ground floor, and exhausted via a dedicated exhaust fan terminating above the roof level.**
Residential Unit Common Corridors	**The Common Corridors will be ventilated with 210 CFM of outdoor air via a rooftop make up air unit. The top register providing the outdoor air for the space will have an NC <25.**

Residential Units	**Residential Units below the 7th floor will be mechanically ventilated via PTHPs. The Penthouse will be ventilated via trickle vents (as per 2008 NYC Building Code 1203.4.12).**

(o) Electrical system. Specify:

(l) Service from main service switchgear (amperes, voltage, phases, wire, protective equipment);
Electrical service will be located in the cellar. The anticipated Residential Unit service will be 6000 Amps, 120/208 Volt, 3 Phase, 4 Wire. The anticipated Retail Unit service will be 1200 Amps, 120/208 Volt, 3 Phase, 4 Wire. A 1200 Amp switch will be provided for the fire pump service. A 1200 Amp switch will be provided for all the House mechanical equipment and power loads. The main switchgear will provide power to house panels and Residential meter banks as well as metering equipment for Non-Residential Units.

(2) Service to individual Residential Units (risers, etc.);
See below table.

(3) Compartment switch gear and unit services (location and floor of sectional meter boards);
The electrical service room, switchboards, and distribution panels will be located on the cellar floor. The Residential Unit loads shall be fed by direct Con Edison metered panels in each Residential Unit. Meters shall be located in a core area electric room on the cellar floor. One 600A trans 'S,' one 400A trans 'S,' and one 200A trans 'S,' for Retail A, the garage and Retail B, respectively, will be located in the main electrical room on the cellar floor.
The equipment will be rated to comply with New York City Code and will take into account all equipment provided in Residential Units, such as washing machines, clothes dryers, dishwashers, microwaves, etc.

(4) Unit service (ratings of fuses and circuit breakers); adequacy of electrical system to handle modern usage and appliances such as air conditioners, dishwashers and dryers;
See above sections I.2 & I.3

(5) Adequacy:
(i) Service - average number of circuits per apartment and capacity to handle modern appliances - specifically air conditioners, dishwashers and electric dryers;
Capacity provided for each Residential Unit will be in accordance with Code requirements in various sizes as noted below, @208/120V 1-phase, 3-wire and @208/120V 3-phase, 4-wire. Average number of circuits per Residential Unit panel boards will be provided for an average total of 42 circuits. Service will be adequate for modern usage
Fused Switch size will be as follows:

Unit	Amperes
2A	210A (3PH)
2B	125A (3PH)
2C	125A (3PH)
2D	150A (1PH)
2E	100A (1PH)

Unit	Amperes
4A	150A (3PH)
4B	150A (1PH)
4C	125A (3PH)
4D	150A (1PH)
4J	150A (1PH)

Unit	Amperes
6A	150A (3PH)
6C	125A (3PH)
6D	150A (1PH)
6E	150A (1PH)
6F	150A (1PH)

2F	100A (1PH)		4E	150A (1PH)		6G	125A (1PH)
2G	125A (1PH)		4F	80A (1PH)		6H	125A (1PH)
2H	125A (3PH)		4G	125A (1PH)		6J	125A (3PH)
3A	150A (3PH)		4H	150A (3PH)		PH1	225A (3PH)
3B	150A (1PH)		5A	150A (3PH)		PH2	200A (3PH)
3C	125A (3PH)		5B	125A (3PH)		PH3	200A (3PH)
3D	150A (1PH)		5C	125A (3PH)		PH4	200A (3PH)
3E	150A (1PH)		5D	150A (1PH)		PH5	200A (3PH)
3F	150A (1PH)		5E	150A (1PH)			
3G	80A (1PH)		5F	150A (1PH)			
3H	125A (1PH)		5G	125A (1PH)			
3J	125A (1PH)		5H	125A (1PH)			
			5J	125A (1PH)			

(ii) Lighting and fixtures;

Switched lighting fixtures will be provided in bathrooms, foyers, walk-in closets, and kitchens. Fixtures will be energy efficient fluorescent or LED lamp type in foyers, baths, kitchens and other residential and common spaces.

(iii) Convenience outlets, appliance outlets.

Convenience outlets will be provided as per code in all Residential Units inclusive of all sleeping rooms, living rooms etc. Code required countertop receptacles and dedicated appliance receptacles will be provided for dishwashers, washing machines etc.
Water-Resistant receptacles shall be provided in all exterior use areas, including the roof and Residential terraces.

(p) Intercommunication and/or door signal systems, security closed circuit TV.

Telephone service will enter the Building main telephone room located on Cellar Level. It will then be distributed throughout the Building through risers and sleeves. Each Residential Unit will receive telephone service to be arranged and paid for by such Residential Unit Owner.
Each Residential Unit will be provided with an intercom system that utilizes the telephone system. Unit Owner must provide telephone (landline or mobile phone) for intercom.
The Building is to be provided with an intercom system linking the service entry areas.
Wiring must be installed in each Residential Unit to enable the Unit Owner to obtain telephone and cable television service at the Unit Owner's expense.
The Building will not be equipped with a master television antenna system.

(q) Public area lighting. Describe and state adequacy (entrances, halls and stairs, corridors, basements, courts and yards).

Lighting fixtures are provided in 500 Waverly Avenue entry, stair and hall, common corridors, gym, fire stairs, and utility rooms, with power density that conforms with the NYS ECCC (Energy Conservation Construction Code) and is adequate for intended use.
Necessary exterior lighting will be controlled by use of time clocks, time switch, and photocells.
All outdoor receptacles are specified to be weather proof and GFI.

(r) Garages and parking areas. Describe:

There is a residential garage entrance provided on the ground floor of 500 Waverly Avenue. Access to the below-grade garage levels is via an automated parking lift. There is no commercial parking required.

(1) Location of garages; Residential parking provided at cellar level.

(2) Location of parking areas; 31 parking spaces are located in automatic racks and 3 conventional parking spaces are located on the ground floor level.

(3) Surfaces; Concrete with sealer.

(4) Parking; An automatic unattended parking system is provided through access from street on Waverly Avenue.

(5) Garage ventilation; The Garage will be naturally ventilated through the opening of the operable garage door and exhausted via a dedicated exhaust fan terminating about the roof level.

(6) Garage fire protection; Automatic Sprinkler

(7) Drainage: Sump Pump

(s) Swimming pool(s); None

(t) Tennis courts, playgrounds and recreation facilities.

(1)Tennis courts; Describe: None

(2) Playgrounds; None

(3) Other recreational facilities. Describe any beach or lake front, boating facilities, golf course(s), handball, basketball or other game courts: Gym located in cellar. See (x) finish schedule of spaces other than Units for Gym Finishes.

(u) Permits and certificates.

The permits required are as follows.

1. New Building Permit

2. Sprinkler, Standpipe, Fire Alarm, Paving Plan, Elevator permits.

(v) Violations. List all violations outstanding as of the date of this report and the agency imposing the violation, the condition involved, the date violation issued, and work required by violation notice to cure. If no violations are outstanding, so state. There are no violations outstanding.

(w) Unit information.

Summary of Proposed Apartment

Measurement of Units

Floor	Unit	Unit Description Number of BR & Bath									Remarks
		4BR 3.5.0 B	4BR 2.5.0 B	2BR 1.0B	3BR 2.5 B	3BR 2.0 B	2BR 1.0 B	2BR 2.0 B	1BR 1.0B	0 BR 1.0B	
2nd	A				1						
	B							1			
	C					1					
	D								1		
	E								*1		*Inclusionary
	F								*1		*Inclusionary
	G									1	
	H							1			
3rd-6th	A		1			3					
	B						*2	2			*3B,4B Inclusionary
	C					4					
	D								4		
	E								4		
	F								4		
	G									*1+3	*4G Inclusionary
	H			*4							*Inclusionary
	J								*2+2		*3J,5J Inclusionary
7th	PH1	1									
	PH2					1					
	PH3				1						
	PH4							1			
	PH5							1			

Each Unit is measured horizontally from the exterior face of the concrete wall or exterior face of glass surfaces to the outside face of the walls separating the Unit from a Common Element. Where there is demising wall between two Units the dimension is to the centerline of the demising wall. Columns, shafts, etc. are included in the Unit measurement.

Vertically:
The height of a unit as described in the chart below. Dimensions are dependent on normal construction tolerances, dropped ceilings, ductwork, etc.

Unit Heights

Floor	Story Height	Clear Height from Top of Finished Floor to Underside of Slab Above	Clear Height from Top of Finished Floor to Underside of Dropped Ceiling Above
Ground	12′-10″	11-0″	**
2nd	10′-0″	9′-4″	8′-3″
3rd	10′-0″	9′-4″	8′-3″
4th	10′-0″	9′-4″	8′-3″
5th	10′-0″	9′-4″	8′-3″
*6th	11′-8″	10′-6″	9′-6″
7th	11′-8″	10′-8″	8′-8″

*Except at apartments 6A, 6E and 6F which have Clear Height from Top of Finished Floor to Underside of Slab Above at both 9'-8" and 10'-6".
** Clear Height from Top of Finished Floor to Underside of Dropped Ceiling Above at the Lobby varies at 9'-6", 10'-4" and 10'-10". Clear Height from Top of Unfinished Floor to Underside of Slab Above at commercial units are generally at 12'-7"

(l) Type and grade of finish material used in each type of Residential Unit and the number of coverings given. Include paint, wall and floor coverings, as well as specifying the type of flooring, walls and ceiling used.

Finish Schedule: Typical Residential Units*:*

Spaces	Floor	Walls	Base	Ceiling	Remarks
Foyer	WD	P	WB	CONC/P	
Living Room	WD	P	WB	CONC/P	
Bedrooms	WD	P	WB	CONC/P	
Kitchen	WD	P	WB	GYP/P	
Master bath	PT	PT/P	PT	GYP/P	
Secondary bath	PT	PT/P	PT	GYP/P	
Powder room	PT	P	PT	GYP/P	
Closets	WD	P	WB	CONC/P	
W/D Closet	VCT	P	V	CONC/P	

Abbreviation of Finishes:

ACT	Acoustical Tile
CPT	Carpet
CPT/T	Carpet Tile
CT	Ceramic Tile
CONC	Concrete
DP	Deck Paint
GYP	Gypsum Board
LVT	Wood Look Vinyl

P	Paint
PT	Porcelain Tile
ST	Stone Tile
SL	Stone Slab
V	Vinyl
VCT	Vinyl Composite Tile
WB	Wood Base
WC	Wall Covering
WD	Wood
MT	Metal
RB	Rubber

(2) Presence, type and condition of all bathroom fixtures. New fixture, refer to following bathroom finish schedule for types.

(3) Presence, type and condition of kitchen and laundry equipment. New equipment, refer to following kitchen finish schedule for equipment.

Market Rate Units: Architectural Finishes

Item	Code	MFR	Model #
Wood Flooring	WF .01	Engineered oak flooring	Acoustic Underlayment
Wood Base	WB .01	Local MFR, TBD	Custom, modern profile, paint-grade wood- or MDF 5" high
Paint	PT .01	Benjamin Moore or equivalent	OC-17 - White Dove, Eggshell finish
Paint	PT .02	Benjamin Moore or equivalent	INT RM - SuperWhite, Satin finish
Paint	PT .03	Benjamin Moore or equivalent	INT RM - CeilingWhite, Flat finish
Paint	PT .04	Benjamin Moore or equivalent	CSP-500 Color Stories - Whisper, sheen: Egg Shell
Washing Machine	EQ .01	Bosch or equivalent	WAT28400UC- 24”Compact Washer 300 Series, White
Dryer	EQ .02	Bosch or equivalent	WTG86400UC - Ascenta 24" Compact Condensation Dryer WTZ20410 Laundry Stacking KIt
Light Fixture: Closet	LA .05 /5A		Surface Mounted Linear Fluorescent
Light Fixture: Hall	LA .01		LED Downlight
Light Fixture: PH Hall, Foyer	LA .09 /9A		LED Downlight

KITCHENS Market Rate			
Item	**Code**	**MFR**	**Model #**
Stone: Quartz Countertops, Backsplash	ST .01	Silestone or equivalent	LAGOON Suede
Cabinetry	WD .01	Cabinet Mfr, TBD	Particle Board or MDF Kitchen Cabinet Doors
Cabinetry	PF .01	Cabinet Mfr, TBD	Particle Board or MDF Kitchen Cabinet Doors , color to match Benjamin Moore OC-66
Faucet	PL .15	Grohe or equivalent	#32319-DC0 Minta Single-Lever Sink Mixer 1/2", finish: SuperSteel
Sink	PL .01	Blanco or equivalent	518171 – 23" x 16" x 9' Sink. 3 ½" Duo Strainer Stainless Steel
Refrigerator: 36"	EQ .03	Liebherr or equivalent	HC2062 - Premium Plus Series, custom panel
Refrigerator: 30"	EQ .04	Liebherr or equivalent	HC1540 - Premium Plus Series, custom panel
Cooktop: 30"	EQ .08	Bosch or equivalent	NGM5055UC – 30" Gas Cooktop 500 Series, Stainless Steel
Cooktop: 36"	EQ .07	Bosch or equivalent	NGM5655UC - 36" Gas Cooktop 5 Burner
Wall Oven / Microwave Combo	EQ .09	Bosch or equivalent	HBL5751UC - Bosch 30" Single Wall Oven
Range: 24" Slide-in	EQ .10	Bertazonni or equivalent	PRO244GASX – 24" Gas Range 4 burners, stainless, ALU burners
Range: 30" Slide-in	EQ .11	Bosch or equivalent	HGIP054UC – 30" Gas Slide-in Range, Benchmark Series, Stainless Steel
Microwave: Drawer 24"	EQ .14	Sharp or equivalent	SMD2470AS – 24" Microwave Drawer Oven
Dishwasher: 24"	EQ .16	Bosch or equivalent	SHV53TL3UC – 24" Panel Ready Dishwasher 300 Series
Dishwasher: 18"	EQ .24	Bosch or equivalent	SPV68U53UC – 18" Panel Ready Dishwasher, ADA Compliant EuroTub 800 Series
Hood 36"	EQ .18	Faber or equivalent	CRIS36 – Cristal HC Slideout Range Hood
Hood 30"	EQ .19	Faber or equivalent	CRIS30 – Cristal HC Slideout Range Hood
Hood 24"	EQ .20	Faber or equivalent	CRIS24SS – Cristal 24 SS Slideout Hood
Garbage Disposal	EQ .21	Bone Crusher or equivalent	700BF – ½ Horsepower, Batch Feed
Light Fixture: Kitchen	LA .1A		LED Downlight
Light Fixture: Kitchen	LA .02	Rejuvenation	3 light chandelier
Light Fixture: Kitchen	LA .2A	Rejuvenation	2 light chandelier

BATHROOMS Market Rate			
Item	**Code**	**MFR**	**Model #**
Stone: Quartz Countertops, Backsplash	ST .04	Local Mfr., TBD	Natural or engineered stone, polished finish, 3/4" slab
Cabinetry	WD .02	Cabinet Mfr, TBD	Particle board or MDF cabinet
Tile: Porcelain	CT .01	Atlas Concorde, or equivalent	Sign: Porcelain Stoneware, color: Cream, finish: Matt Brushed, size: 12" x 24" x 3/8"thick
Tile: Porcelain: Shower	CT .02	Atlas Concorde, or equivalent	Sign: Porcelain Stoneware, color: Cream, finish: Matt Brushed, size: Mossaico, 2x2 tiles on 12"x12" meshback sheets
Tile: Porcelain: Wall Base	CT .03	Atlas Concorde, or equivalent	Sign: Porcelain Stoneware, color: Cream, finish: Matt Brushed, size: Battiscopa, 3"h x 18"w
Tile: Ceramic: Wall	CT .04	Nemo Tile or equivalent	Ceramic wall tile, approximate size: 3.85" x 15.75", color: 20 White Steel
Toilet	PL .13	Kohler or equivalent	K-3654 Wht Persuade Dual Flush T&B K-4322 Wht Persuade D/Flush El. Bowl K-4419 Wht Persuade Dual Flush Tank K4774 Wht Brevia Q/R El. Toilet Seat
Faucet: Lavatory	PL .16	Grohe or equivalent	#20072-ENO Atrio Three-Hole basin Mixer w/ 18026 Cross Handles
Shower: Shower body Hand Shower Pressure Balance Trim	PL .23 24 25	Grohe	19866000 Grohflex Timeless. PBV Kit #1 35026000 Grohflex Rough
Diverter Trim	PL .26A	Grohe	19166.000 Atrio 3 Port Diverter 29712.000 3 Port Diverter/Tran Vlv.
Diverter Trim	PL .26B	Grohe	19181.000 Atrio 5 Port Trim 29712.000 3 Port Diverter/Tran Vlv.
Tub Spout	PL .27	Grohe or equivalent	13274001 Concetto Bath Spout
Sink: Large	PL .02	Nameeks or equivalent	8092 – 31.5” x 12.6”

BATHROOMS Cont'd

Item	Code	MFR	Model #
Sink: Pedestal	PL .04	Nameeks or equivalent	8031/R – 18" x 18" Single Hole Only
Tub	PL .11	Duravit or equivalent	#700095 – D-Code Bathtub 59" x 29 ½" White Outlet in Foot Area, US Version Gerber 14-813 Trip Waste
Toilet	PL .13	Toto or equivalent	#CST416M: Aquia II, two-piece, elongated, high-efficiency
Towel Bar	HW .01	Moen or equivalent	YB0424CH - Align 24" Towel Bar, Chrome Finish
Paper Holder	HW .02	Moen or equivalent	YB0408CH - Align Pivoting Paper Holder, Chrome Finish
Robe Hook	HW .03	Moen or equivalent	YB0403CH - Align Robe Hook, Chrome Finish
Shower Door: Glass	HW .24	Century Shower or equivalent	Custom: Frameless clear glass, with pivot-hinge hardware and door pull, Finish: Polished Chrome
Shower Rod	HW .25	Valsan or equivalent	67504CR: Shower rod brackets (pair), polished Chrome, for use with 1" DIA polished chrome, plated brass tubing
Medicine Cabinet: Large	HW .13	Century Shower or equivalent	Custom Medicine Cabinet: Mirror with polished edges, 36"high x 4"deep, 2 door (left: 19"wide, right: 19"wide), with interior duplex outlet; additional mirror: width TBD x 7/8"thick
Medicine Cabinet: Small	HW .14	Century Shower or equivalent	Custom Medicine Cabinet: Recessed, Frameless mirror with polished edges, 36"high x 4"deep, 2 door (left: 19"wide, right: 8"wide), with interior duplex outlet; additional mirror: width TBD x 7/8"thick
Medicine Cabinet: Powder	HW .15	Century Shower or equivalent	Medicine Cabinet: 36"high x 24"wide, 1 door
Light Fixture: Vanity	LA .06 6A	Rejuvenation or equivalent	Surface Mounted Double Vanity Light

INCLUSIONARY UNITS: Architectural Finishes				
Item	**Code**	**Location**	**MFR**	**Model #**
Flooring: LVT Wood-Look Plank	RF .01	General	Raskin Industries, or equivalent	ELEV-801 - Elevations: Floating, resilient, gravity-grip flooring, w/ micro-bevel, size: 7.08 x 47.24" planks, 5 mm gauge, w/ 20 mm wear layer, color: Chateau
Ceramic Tile: Floor	CT .07	Bathrooms	Nemo Tile or equivalent	Logica Glazed Ceramic Stoneware, size: 12x24, color: Beige
Ceramic Tile: Wall	CT .08	Bathrooms	Nemo Tile or equivalent	Ceramic Wall Tile, size: 3" x 6",
Wood Base	WB .01	General wall base	Local MFR, TBD	Custom, modern profile, paint-grade wood- or MDF 5" high.
Paint	PT .01	General wall paint	Benjamin Moore or equivalent	
Paint	PT .02	Doors, Trim, Base	Benjamin Moore or equivalent	
Paint	PT .03	Ceilings	Benjamin Moore or equivalent	
Paint	PT .04	Bathroom Walls	Benjamin Moore or equivalent	
Light Fixture	LD .08	Foyer, Hall	Kichler Lighting	LED Downlight

KITCHENS Inclusionary				
Item	**Code**	**Location**	**MFR**	**Model #**
Plastic Laminate: Countertops, Backsplash	PC .02		Wilsonart or equivalent	
Thermofoil: Cabinetry	PC .01		Cabinet Mfr, TBD	Thermofoil color: White Satin
Faucet	PL .18		American Standard or equivalent	4205.104.075 - Reliant Pull-out Kitchen Faucet
Sink	PL .05		Moen or equivalent	G20192 2000 Series 20-Guage Single Bowl, 21"W x 16"D x 7.5Tall
Refrigerator: 30"	EQ .05		Frigidaire or equivalent	FFTR1821QM - 30" Top Freezer, 18.2 cu.ft., finish: silver mist
Refrigerator: 24"	EQ .25		GE or equivalent	GPS12FSHSB – 11.6 CF 24" LED Glass I/M

KITCHENS Inclusionary Cont'd				
Item	**Code**	**Location**	**MFR**	**Model #**
Range: Gas, Freestanding	EQ .12		Frigidaire or equivalent	FFGF3047LS- 30" Freestanding gas range, finish: silver, ADA-compliant
Microwave / Hood	EQ .15		Frigidaire	FFMV162LS - 30" 1.6 cu.ft. Over-the-Range Microwave, finish: silver mist
Dishwasher	EQ .17		Frigidaire or equivalent	FBD2400KS- 24" Dishwasher, finish: silver mist
Light Fixture: Ceiling	LA .04			Surface Mounted luminaire

BATHROOMS				
Item	**Code**	**Location**	**MFR**	**Model #**
Tub	PL .12		Sterling or equivalent	
Toilet	PL .14		Sterling, Kohler or equivalent	
Sink	PL .06		Sterling or equivalent	
Faucet	PL .19		Moen	
Tub / Shower Faucets	PL .28		American Standard or equivalent	
Towel Bar: 24"	HW .04		Moen or equivalent	
Paper Holder	HW .05		Moen or equivalent	
Robe Hook	HW .06		Moen or equivalent	
Shower Rod	HW .07		Valsan or equivalent	
Medicine Cabinet	HW .20		Pegasus, through Wayfair.com or equivalent	
Carpet: Broadloom	CA .10	Bedrooms	Shaw or equivalent	

(ii) If any equipment or fixtures described are not included in the offering price, or the offering price is conditioned on the equipment and fixtures selected, such fact must be conspicuously noted in the body of the Plan.

(x) Finish schedule of spaces other than units. The following is a form of schedule to be given for each floor.

LOBBY				
Item	**Code**	**Location**	**MFR**	**Model #**
Flooring: Ceramic tile	CT .09	Lobby Floors	Royal Mosa or equivalent	Terra Tones: A: dark color: 215(equal mix of X, Y & Z shades), Size: 12x24" B: light color: 206(equal mix of X, Y & Z shades), Size: 12x24" C: light color: 206(equal mix of X, Y & Z shades), Size: 2x24"
Wall Covering: Commercial grade, Type II Vinyl	WC .01	Lobby Walls	Cargnegie Fabrics or equal	8052-01 - Flax, content: TPO technology (90% Olefin, 10% recycled glass), non-woven, preformance: Type II; size: 52" wide rolled goods
Wall Covering: Commercial grade, Type II Vinyl	WC .02	FL1 Lobby: Mail Room, Stair Vestibule	Cargnegie Fabrics or equivalent	6423-W-126 - Strie, color: 126, 100% Xorel (Paper-Backed), 52"w, no repeat
Custom Millwork Feature Wall / Screen	WD .03	Walls	Veneer: Tabu or equivalent	TABU-MI-C2385, stain and sheen to match architects control sample
Paint	PT .01	General wall paint	Benjamin Moore or equivalent	OC-17 - White Dove, Eggshell finish
Paint	PT .03	Ceilings	Benjamin Moore or equivalent	INT RM - Ceiling White, Flat finish
Paint	PT .04	Bathroom Walls	Benjamin Moore or equivalent	CSP-500 Color Stories - Whisper, sheen: Egg Shell
Light Fixture: Pendant	LD .07	Elevator Lobby	Tom Dixon or equivalent or equivalent	Decorative Pendant
Light Fixture: Pendant	LD .08	Lobby	Tom Dixon or equivalent	Decorative Pendant

LOBBY Cont'd				
Item	**Code**	**Location**	**MFR**	**Model #**
Light Fixture:	LD .03 3A 3B 3C	Lobby		LED Downlight

PUBLIC CORRIDORS				
Item	**Code**	**Location**	**MFR**	**Model #**
Carpet Tile	CA .02	Corridors	Interface Carpets or equivalent	Equal, random Blend of 3 different styles / colors: 1) 126560AK0H, color 102895 2) 126620AK0H, color 102903 3) 127340AK00, color 103617 Size (all): 25cm x100cm (9 7/8" x 39 3/8")
Flooring: Vinyl Tile	RF 02	Trash Rooms	Amstrong Flooring or equivalent	Amstrong Striations BBT with Biostride 12" x 24" x 1/8" -T3609 - Malted Milk
Wall Base: Vinyl	WB .04	Corridors	Johnsonite or equivalent	MW-063-R Millwork Series Contoured Wall Base, profile: Equinox, color: Burnt Umber
Wall Base: Vinyl	WB .05	Trash Rooms	Johnsonite or equivalent	Standard Cove Base, 4"high, color: Burnt Umber
Wall Covering: Commercial grade, Type II Vinyl	WC .03	Corridors	Wolf Gordon or equivalent	G-9426687, pattern: Contemplation, color: Akira, 100% Type II Vinyl, size: 54" rolled goods
Wall Covering: Commercial grade, Type II Vinyl	WC .04	Corridors	Wolf Gordon or equivalent	G-9426663, pattern: Skyward Grill, color: Whispered Taupe, 100% Type II Vinyl, size: 52" rolled goods
Paint: Wall	PT .06	Trash Rooms	Benjamin Moore or equivalent	CSP-365 Color Stories - Grandma's China, sheen: Egg Shell
Light Fixture: Ceiling	LF .01/ 1A	Apartment Corridors	TBD	LED Downlight
Light Fixture: Ceiling	LF .02	Ceiling PH		LED Downlight w/Decorative Trim

PUBLIC CORRIDORS Cont'd				
Item	**Code**	**Location**	**MFR**	**Model #**
Light Fixture:	LF .06	Elevator Lobbies		Linear LED Ceiling Cove Fixture

AMENITY SPACE: FLOOR 2 -INDOOR				
Item	**Code**	**Location**	**MFR**	**Model #**
Wood Flooring	WF .02	FL2 Amenity Lounge	Engineered wood flooring	
Wood Base	WB .06	FL2 Amenity Lounge	Local MFR, TBD	Custom profile, stain-grade wood, finish to match WD-04, 5.5"high
Wall Covering: Commercial grade, Type II Vinyl	WC .06	FL2 Amenity Lounge, entry, game table area	Tri-Kes or equivalent	BX4438, pattern:Chevy Charm, color: Whispered Taupe, 100% Type II Vinyl, size: 54" rolled goods
Custom Millwork	WD .04	FL2 Amenity Lounge custom millworkk	Local MFR, TBD	Veneer to match architect's control sample
Stone: Quartz Countertops, Backsplash	ST .05	FL2 Amenity Lounge Kitchenette	Silestone or equivalent	
Faucet	PL .20	FL2 Amenity Lounge: Kitchenette	Elkay or equivalent	LKLFHA3042NK - Harmony Single Handle Pull-Out Bar Faucet, finish: Satin Nickel, 8.5"reach x 10.75"h
Sink	PL .07	FL2 Amenity Lounge Kitchenette	Elkay or equivalent	LKLFHA3042NK LF Pulldown Bar Faucet 37274 NK
Refrigerator: 24"	EQ .06	FL2 Amenity Kitchenette	Marvel or equivalent	MA24RAP3RP – 24" All Refrigerator, ADA Height (Marvel low profile) Solid Panel Ready Overlay Door, Integrated, Right Hinge
Stone: Countertops, Backsplash	ST .05	FL2 Amenity Lounge Kitchenette	Silestone or equivalent	Merope Suede, 3cm Thickness
Tile: Porcelain	CT .19	Bathroom: Floor 2 & Cellar Tenant Bathroom	Nemo TIle or equivalent	Ceramic Tile

AMENITY SPACE: FLOOR 2 –INDOOR Cont'd				
Item	**Code**	**Location**	**MFR**	**Model #**
Mirror	HW .22	FL2 Amenity W.C	TBD	
Faucet:Lav, Sensor	PL .17	FL2 Lounge W.C. Cellar Tenant W.C. Cellar Retail W.C.	Sloan or equivalent	
Sink	PL .08	FL2 Amenity Lounge W.C. Cellar Tenant W.C.	Lacava or equivalent	4652-01-001 – White Lav, Designer Series, Maui v/Mounting Brk
Sink	PL .10	Cellar Retail W.C.	Sterling or equivalent	442031-0 –Worthington Bar. Free Lav 1H Kw
Toilet	PL .14	FL2 Lounge W.C. Cellar Retail W.C. Cellar Tenant W.C.	Sterling, Kohler or equivalent	Sterling-403315-Wht 1.6 / 1.28 El. Bowl Sterling-404551-0 1.28GPF Wind. Tank K-4694 (Kohler) Ridgewood Toilet Seat, Elongated Closet Front, white
Grab Bar	HW .08	FL2 Lounge W.C.	Kohler or equivalent	K-14565-BN - 42" Contemporary Grab Bar, Finish: Vibrant Brushed Nickel
Paper Holder	HW .11	FL2 Lounge W.C.	Bobrick or equivalent	B-4288 - Contura Series Surface-Mounted Multi-Roll Toilet Tissue Dispenser, Stainless Steel, 6"w x 6"d x 11"h
Soap Dispenser	HW .23	FL2 Lounge W.C.	Sloan or equivalent	SJS-1050 - Sensor-Operated Wall-Mount Liquid Soap Dispenser
Paper Towel Dispenser/ Trash Receptacle	HW .12	FL2 Lounge W.C.	Bobrick or equivalent	B-3942 - Classic Series Semi-Recessed Convertible Paper Towel Dispenser and Waste Receptacle, Stainless Steel, 17.5"w x 6"d x 56.25"h
Light Fixture	LD .10	FL2 Lounge	Circa Lighting	Drunmore Single Sconce ARN2018

AMENITY SPACE: FLOOR 2 –INDOOR Cont'd				
Item	**Code**	**Location**	**MFR**	**Model #**
Light Fixture	LD .11	FL2 Lounge	Restoration Hardware	Gallery Picture Light 12"
Light Fixture	LD .01	WC		Surface Mounted Linear Fluorescent Strip Fixture

AMENITY SPACE: ROOF DECK				
Item	**Code**	**Location**	**MFR**	**Model #**
Concrete Paver	CT .17	Roof Amenity Space Roof Tenant Terraces	RoofBlok or equivalent	2" Thick Concrete Paver on pedestals; color TBD
Ceramic Tile:	CT .18	Roof Amenity Space: Shower Backsplash	Nemo Tile or equivalent	Norr GraRR02 6"x24" 10mm
Outdoor Shower	PL .29	Roof Amenity Space	Outdoor Shower or equivalent	FTA-C50-316-HC Hot and Cold Mix, Shower Head Only
Light Fixture	LX .03	Terraces Roof		Wall recessed LED
Light Fixture	LX .04 4A	Terraces Roof		Landscape mounted LED spotlight
Light Fixture	LX .05	Terraces Roof		LED Bollard
Light Fixture	LX .08	Terraces Roof		LED Bollard
Gas Grill	EQ .23	Roof Amenity Space	Blaze or equivalent	BLZ5NG – 40" Gas Grill

AMENITY SPACE: GYM				
Item	**Code**	**Location**	**MFR**	**Model #**
Resilient Flooring: Recycled Rubber Tile	RF .03	Cellar Gym	EcoFloor, or equal	ECOstudio #1209 - Mrs. Doubtfireplace, 1/8" thick ADD: 1/8" rubber underlayment
Wall Covering	WC .10	Cellar Gym	York Contract Wallcovering, through Tri-Kes	SG2455 - Stacy Garcia Collection / Magnetic Stripe. Type II, Low-VOC, 54"Wide
Mirror: Custom Sizes	GL .01	Cellar Gym	TBD	1/4" Tempered Mirror, custom sizes, polished edges
Paint	PT .12	Cellar Gym - Wall	Benjamin Moore or equivalent	CSP-160 Color Stories - Urban Sophisticate, sheen: Egg Shell
Paint: Ceiling	PT .13	Cellar Gym - Ceiling	Benjamin Moore or equivalent	OC-17 - White Dove - Flat Finish
Water Fountain	PL .22	Cellar Gym	Elkay or equivalent	LZS8WSLP EZH20 Cooler Kit
Ballet Barre	HW .37	Cellar: GYM	TBD	TBD
Light Fixture: Linear Pendant: Ceiling	LD .05	Cellar: GYM	Selux or equivalent	Surface Mounted incandescent

AMENITY SPACE: LAUNDRY				
Item	**Code**	**Location**	**MFR**	**Model #**
Flooring: VCT	RF .04	Cellar Laundry Rm	Amstrong Flooring or equivalent	Amstrong Imperial Texture Standard Excelon, 12" x 12" x 1/8", 2 colors, cherboard pattern -51803 - Pearl White -51868 - Smokey Brown
Paint: CMU wall	PT .14	Cellar Laundry Rm	Benjamin Moore or equivalent	OC-23 - Classic Grey, finish: Egg Shell
Paint: ceiling	PT .13	Cellar Laundry Rm Ceiling	Benjamin Moore or equivalent	OC-17 - White Dove - Flat Finish
Commercial Washer (x2)	EQ .24	Cellar Laundry	To be Leased	
Commercial Dryer (x2)	EQ .25	Cellar Laundry	To be Leased	
Light Fixture	LF .12	Cellar Laundry	Axis or equivalent	Pendant Mount Fluorescent

BACK-OF-HOUSE /BIKE ROOM / TENANT STORAGE / JANITOR CLOSET				
Item	**Code**	**Location**	**MFR**	**Model #**
Flooring: Smooth Concrete	SL .01	Back-of-House; Bike Room; Tenant Storage,	TBD	TBD
Paint: CMU - Wall	PT .14	Cellar Laundry Rm Bike Room; Tenant Storage	TBD	OC-23 - Classic Grey, finish: Egg Shell
Bicycle Rack System	HW ..38	FL1 Bike Room	TBD	TBD - Refer to Schematic Layout on 1st floor Plan
Storage Cage / Locker System	HW .39	Cellar Tenant Storage	TBD	TBD - Refer to Schematic Layout on Cellar Plan
Sink: Janitor	PL .09	Cellar Janitor Closet	Stern Williams or equivalent	SBC-1702 – Stainless Steel Flange
Faucet: Janitor	PL .21	Cellar Janitor Closet	Stern Williams or equivalent	T-10-VB Mop Sink Faucet
Light Fixture	LF .13	Tenant Sorage	Lithonia or equivalent	Pendant mount fluorescent

REFUSE ROOMS				
Flooring: VCT	RF .02	Refuse Rooms	Armstrong or equivalent	Armstrong Striations BBT w/Biostride. T3609 Malted Milk
Flooring:	CT .19	Refuse Room Roof	Nem or equivalent o	Twill Series Graphite
Light Fixture	LF .10	Refuse Rooms	Lithonia or equivalent	Wall surface mounted fluorescent fixture
Light Fixture	LF .11	Refuse Room Roof		Wet Location wall mounted linear fluorescent

CELLAR PUBLIC CORRIDOR				
Item	**Code**	**Location**	**MFR**	**Model #**
Flooring: Ceramic Tile	CT .10	Cellar Corridors	Mirage Ceramica	Heritage Series Ardenne finish naturalle
Wall Base: Ceramic Tile	CT .10	Cellar Corridors	Mirage Ceramica	Heritage Series Ardenne finish naturalle
Paint	PT .18	Cellar Corridors	Benjamin Moore or equivalent	CSP-395 Color Stories - Strand of Pearls, sheen: Egg Shell
Paint	PT .13	Cellar Corridors Ceilings	Benjamin Moore or equivalent	OC-17 - White Dove - Flat Finish
Light Fixture	LF .09	Cellar Corridors		Wall sconce incandescent

RETAIL UNIT				
Item	**Code**	**Location**	**MFR**	**Model #**
Flooring: Sealed Concrete	SL .01	Retail	TBD	TBD
Paint: CMU	PT .14	Retail	Benjamin Moore or equivalent	OC-23 - Classic Grey, finish: Egg Shell
Paint: CMU	PT .07	TYP Public Corridors - Refuse Rooms	Benjamin Moore or equivalent	CSP-725 Color Stories - Barely There, sheen: Flat

NON-RESIDENTIAL: RESTROOM (First floor Retail Unit)				
Item	**Code**	**Location**	**MFR**	**Model #**
Flooring: Vinyl Tile	RF .07	Commercial-Restroom	Armstrong Flooring or equivalent	Amstrong Imperial Texture Standard Excelon, 12" x 12" x 1/8", 2 colors, cherboard pattern -51803 - Pearl White -51868 - Smokey Brown
Paint: CMU	PT .14	Commercial-Restroom	Benjamin Moore or equivalent	OC-23 - Classic Grey, finish: Egg Shell
Faucet:Lav	PL .17	Commercial-Restroom	Sloan, or equivalent	
Sink	PL .10	Commercial-Restroom	Sterling, or equivalent	
Toilet	PL .14	Commercial-Restroom	Sterling, Kohler or equivalent	
Grab Bars	HW .08	Commercial-Restroom	Kohler or equivalent	

CELLAR RESTROOM				
Flooring: Ceramic Tile	CT .10	Cellar- Restroom	Mirage Ceramica or equivalent	Heritage Series, Ardenne
Base: Ceramic Tile	CT .10	Cellar- Restroom	Mirage Ceramica or equivalent	Heritage Series, Ardenne
Walls	PT .05	Cellar- Restroom	Benjamin Moore or equivalent	CSP-70 upper west side
Light Fixture	LD .05	Cellar- Restroom		Incandescent vanity lighting

Room Floor Walls Ceiling Remarks
Describe all common rooms and spaces including but not limited to: sub-sub cellar, sub-cellar, basement, cellar, first floor, penthouse floor, public and service halls, corridors, lobbies: See Finishes of Common Spaces above.

(y) Safety and warning devices. Describe any fire or smoke safety devices installed in units and common areas. State what devices are required by law, and whether any required devices have not been installed. Combined smoke/CO detectors are provided in each Residential Unit as required by code.

(z) Additional information required. Include the following in the Description of Property and Building Condition section of the plan:

(1) A site plan showing landscape features, roads, the outside dimensions of the building(s) and designated common areas, including recreation and refuse disposal areas, and all privately owned access roads. The site plan may be omitted if the building covers the entire lot (see attached plans).

(2) An area map showing the location of the condominium with respect to its surroundings, if the condominium is not located in a highly urban area Not provided.

(3) Floor plan for each line or type of Unit drawn to scale, indicating room dimensions and unit boundaries.

(4) Floor to ceiling heights of Units.

(5) Approximate total area of each Unit.

(6) A master floor plan showing unit boundaries and the relationship of units to each other. The master floor plan may be omitted if the site plan clearly shows unit boundaries and appropriate unit designations.

See attached unit plans.

(aa) AG Inspection. Not expected.

(bb) Further Development.

(1)If additional units are to be added, sponsor must submit plans and specifications approved by all necessary local governmental agencies before the offering plan may be accepted for filing.

None

(2) If additional units will be on top of an existing structure, state: None

(i) Whether the existing structure has sufficient capacity to support the additional load, and, if not, what steps are being taken to support the increased load. None

(ii) What the resulting building height will be. None

(3) Describe the components which will be removed, relocated, or extended, e.g., parapet, bulkheads, roof, tanks, elevators, service rooms, landscaping, etc. None

(4) Describe the effect the additional structure will have on existing systems and state the adequacy of all existing systems which will be affected by the addition, including heat and hot water, water pressure, sewage, elevators, electricity, air conditioning, parking and sprinklers. None
(5) Include a list of facilities that will be shared by the existing and new structures, e.g., laundry room, intercom, garage, etc. None

(6) State the effect that the renovation or construction will have on tenants in occupancy. Specifically: None

(i) The manner in which construction debris will be handled and its effect on common areas used by tenants. None

(ii) The schedule for renovation and construction work, e.g., Monday-Friday, 8:00 a.m. to 5:00 p.m., except holidays. None

(iii) Any measures that will be taken to protect the security of the building during the construction or renovation process. Include a statement of the manner in which tenants and construction workers will gain access to the building. None

(iv) Whether there will be any interruption of services during construction or renovation and, if so, provide details. This includes water, electricity, elevator service, and laundry rooms. None

(v) Whether new piping will be added to existing piping and whether such work may cause breaks in existing piping. If so, state whether precautions will be taken to minimize damage and state who will be responsible for any such damage. None

(vi) Whether the sponsor and/or contractors will have liability insurance in effect during construction. None

(cc) Asbestos. State whether Asbestos Containing Material (ACM) is present in insulating or fireproofing material anywhere in the building. Sponsor shall perform such tests as are necessary to make such determination. In the event that ACM is present, sponsor shall have a person who is qualified to render an opinion on asbestos prepare a report on the asbestos in the building (the "asbestos report"). Such asbestos report shall contain at least the following information:

(1) The qualifications of the person preparing the report. None

(2) A detailed inventory of the asbestos in each unit and in all other areas of the property, including the location, amount of ACM, type and concentration of asbestos in ACM, and condition. At least 10% of all units must be inspected in an initial inspection. If ACM is found in any of these units, a second inspection, with notice to tenants, must be performed in all remaining accessible units. List units inspected. None

(3) Recommendations for handling each and every item of the asbestos inventory, i.e., removal, enclosure, encapsulation, or leaving undisturbed. None

(4) How the recommendations should be implemented. Include, if applicable, whether units must be vacated or whether use of certain rooms will be limited and the projected duration thereof. State whether the work must be performed in compliance with New York City Local Law 76 of 1985 or any other applicable laws. None

(5) A recommended protocol (operations and maintenance program) for the future handling and maintenance of asbestos which will remain in the building, whether encapsulated, enclosed or left undisturbed. N/A

(dd) Lead-based paint. Include records, reports, violations and any other information known or available to the sponsor or its agents concerning the presence of lead-based paint and/or lead-based paint hazards. N/A

(ee) Documents to be transferred to the Condominium. The following documents, to the extent available and applicable, shall be transferred to the Condominium upon transfer of sponsor control:

Operation and maintenance manuals for mechanical equipment, electronic system manual, re-commissioning manual, equipment warranties, roof warranty, major equipment start-up sheets, control system as-built, original test and balance report for HVAC system, indoor air quality report, final as-built drawings as maintained during construction, (ie structural, mechanical, electrical plumbing and shop drawings).

Substitution:

Wherever materials, finishes, appliances, equipment, fixtures and other construction and design details are specified in this report, Sponsor has the right to provide substitutions in their place similar materials, appliances, equipment and/or fixtures of equal or better quality or recognized by industry standards for performance, efficiency, longevity or other classifications (as applicable) and may utilize different materials, appliances, equipment and/or fixtures than those provided in Sponsor's model Units, if any.

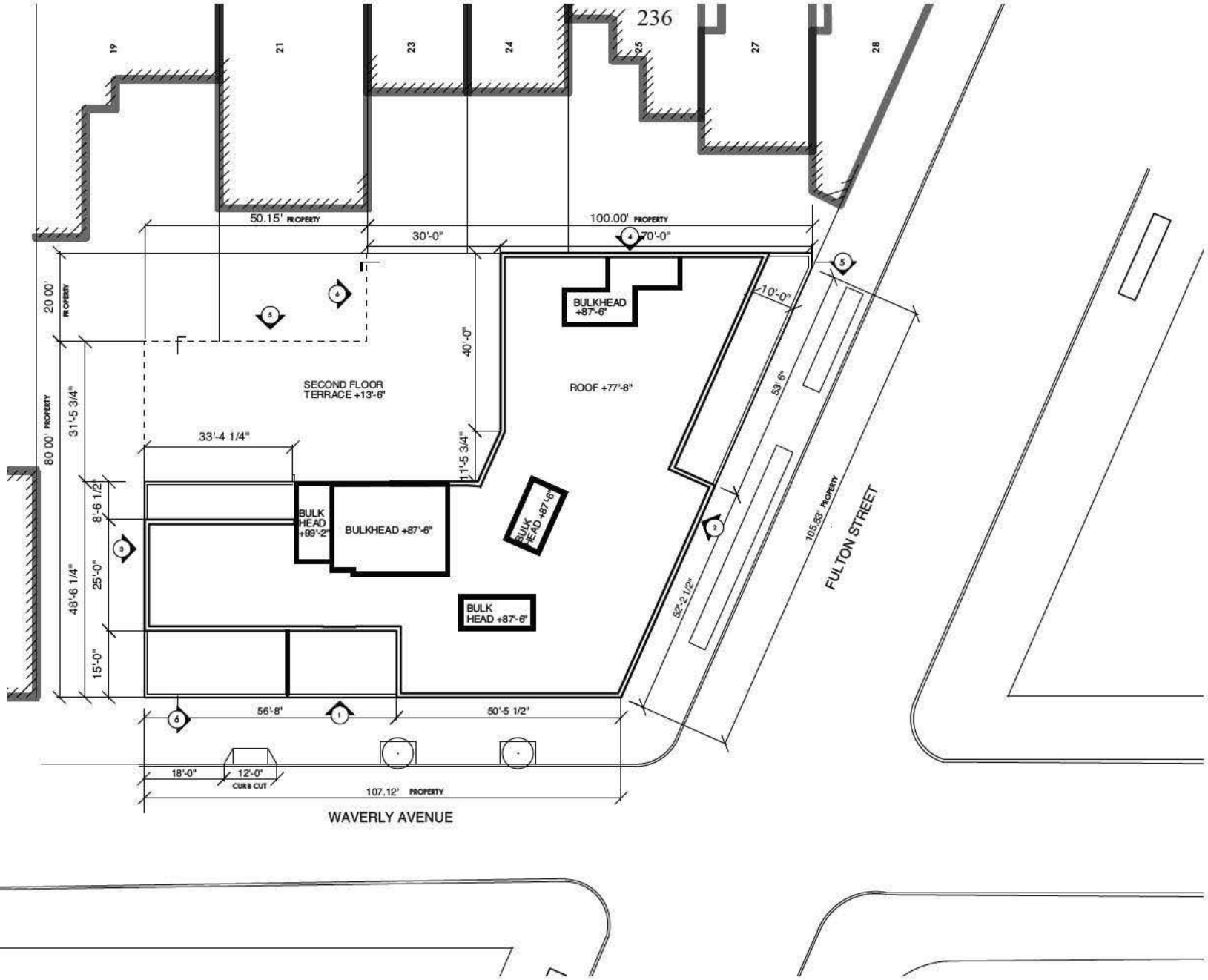
End of report.

The above represents a complete Description of Property prepared by or firm for the sponsor. Gerner Kronick + Valcarcel, Architects, D[illegible]

Randolph Gerner, AIA

REGISTERED ARCHITECT
RANDOLPH H. GERNER
No. 015360
STATE OF NEW YORK

FLOOR PLANS



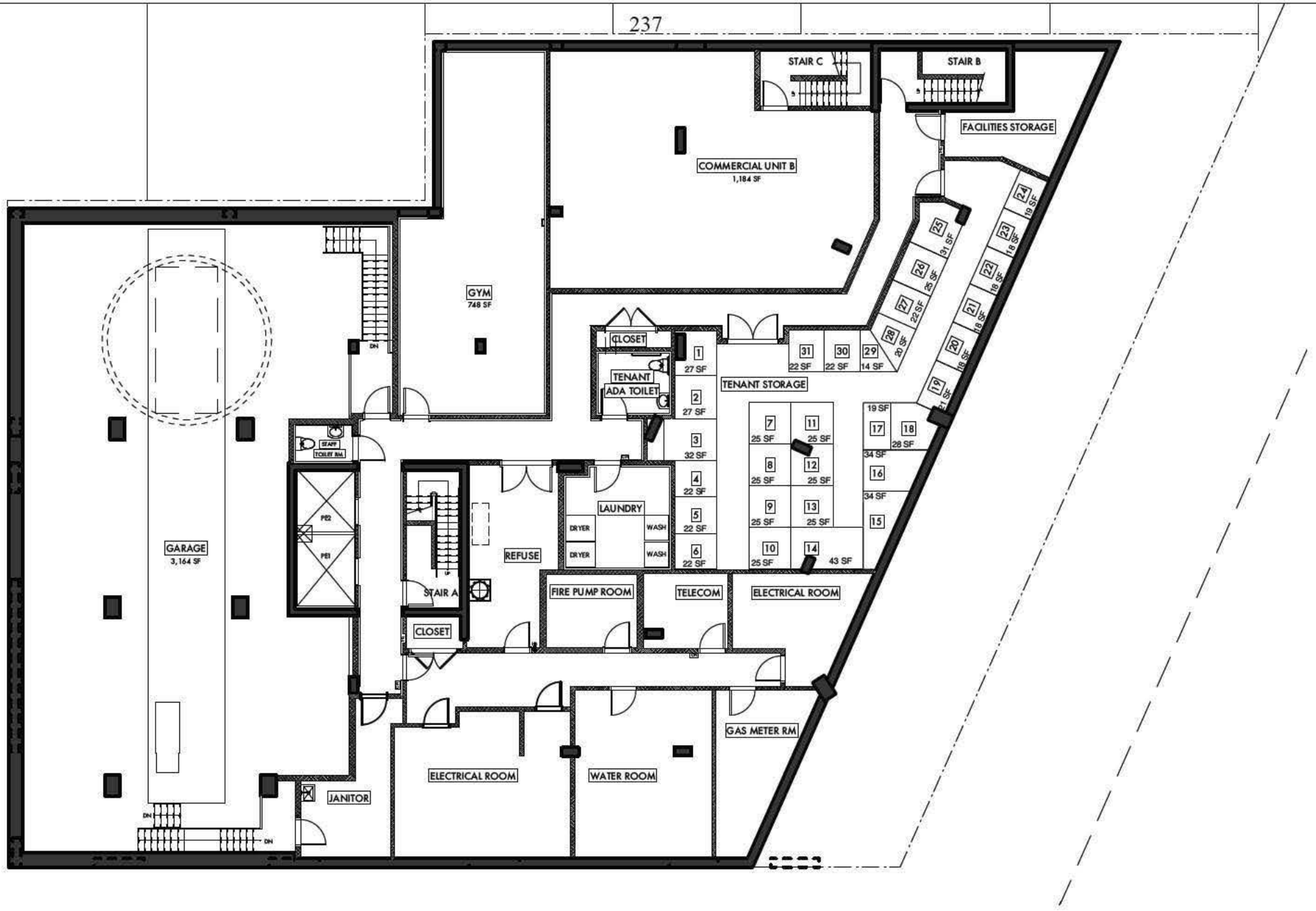
SITE PLAN

03.29.16

50'
25'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



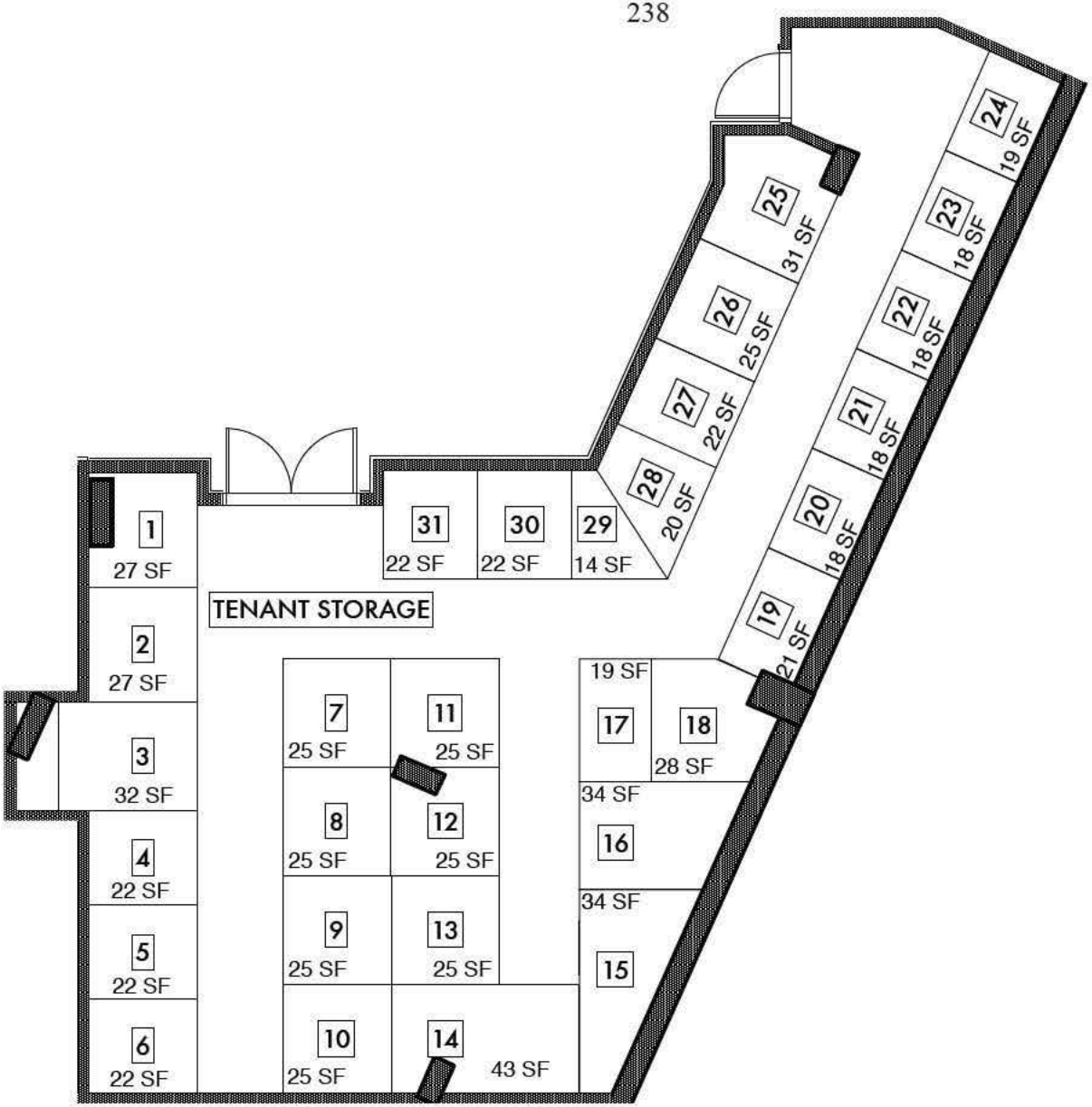
CELLAR PLAN

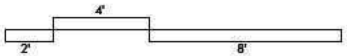
03.29.16

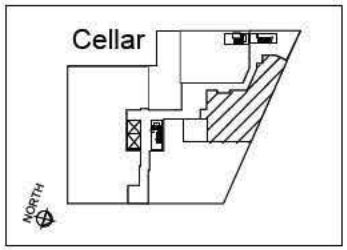
10'
5' 20'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC





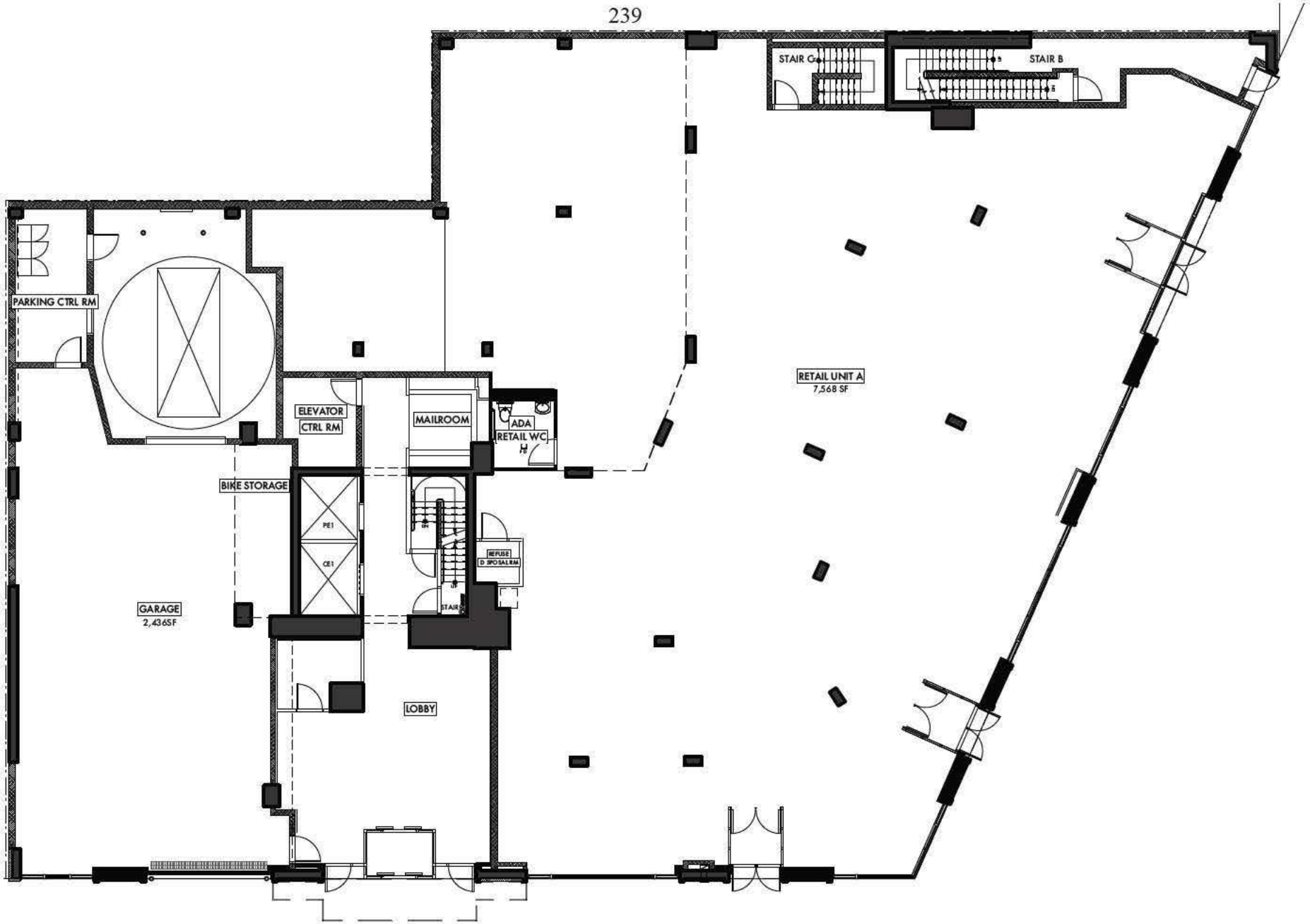


TENANT STORAGE PLAN

03.29.16

ALL D MENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES . SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFER NG PLAN. PLANS AND D MENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



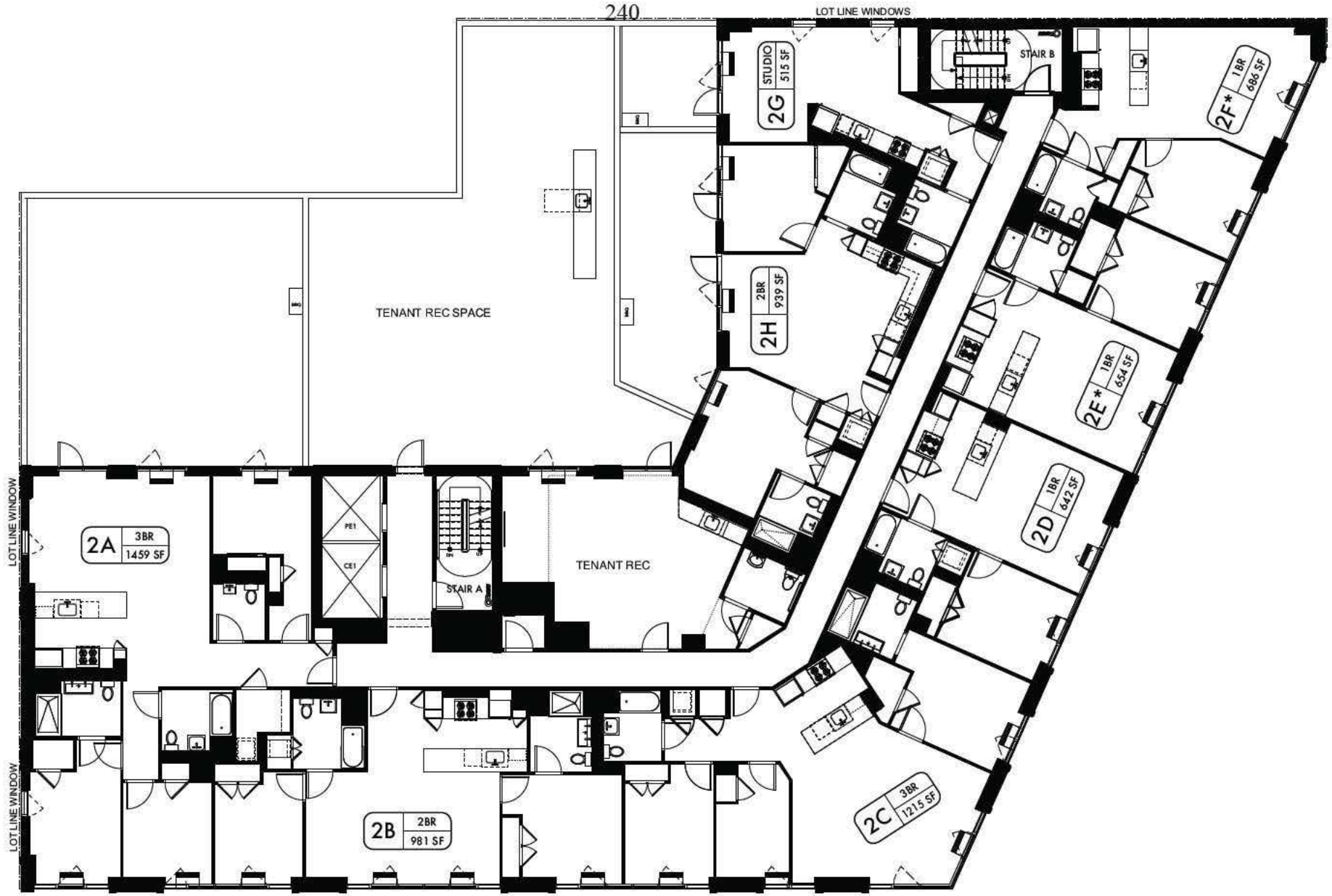
FIRST FLOOR PLAN

03.29.16

10' 5' 20'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



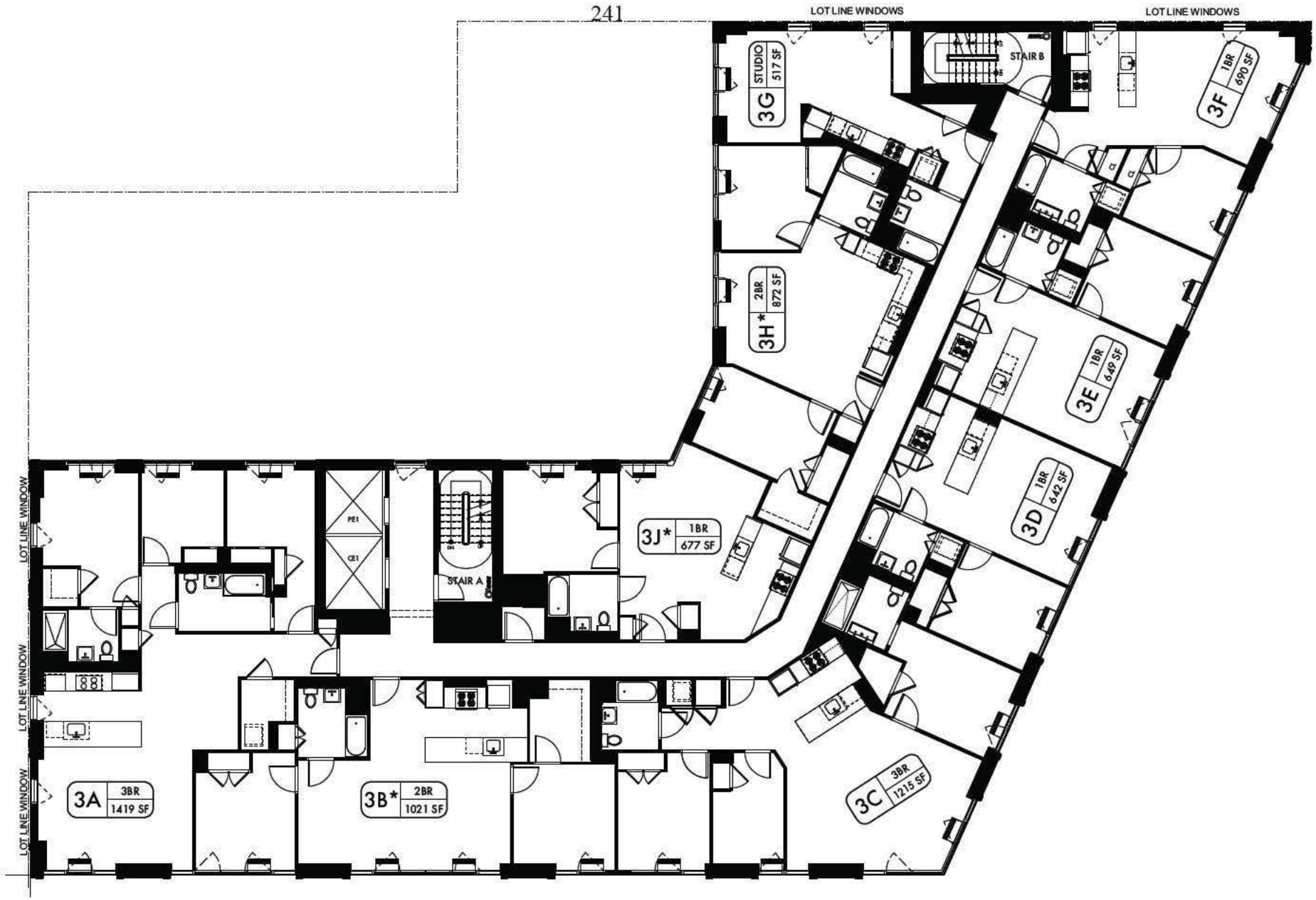
2ND FLOOR PLAN

03.29.16

10'
5' 20'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



3RD FLOOR PLAN

03.29.16

10'
5'
20'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



4TH FLOOR PLAN

03.29.16

10'
5'
20'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



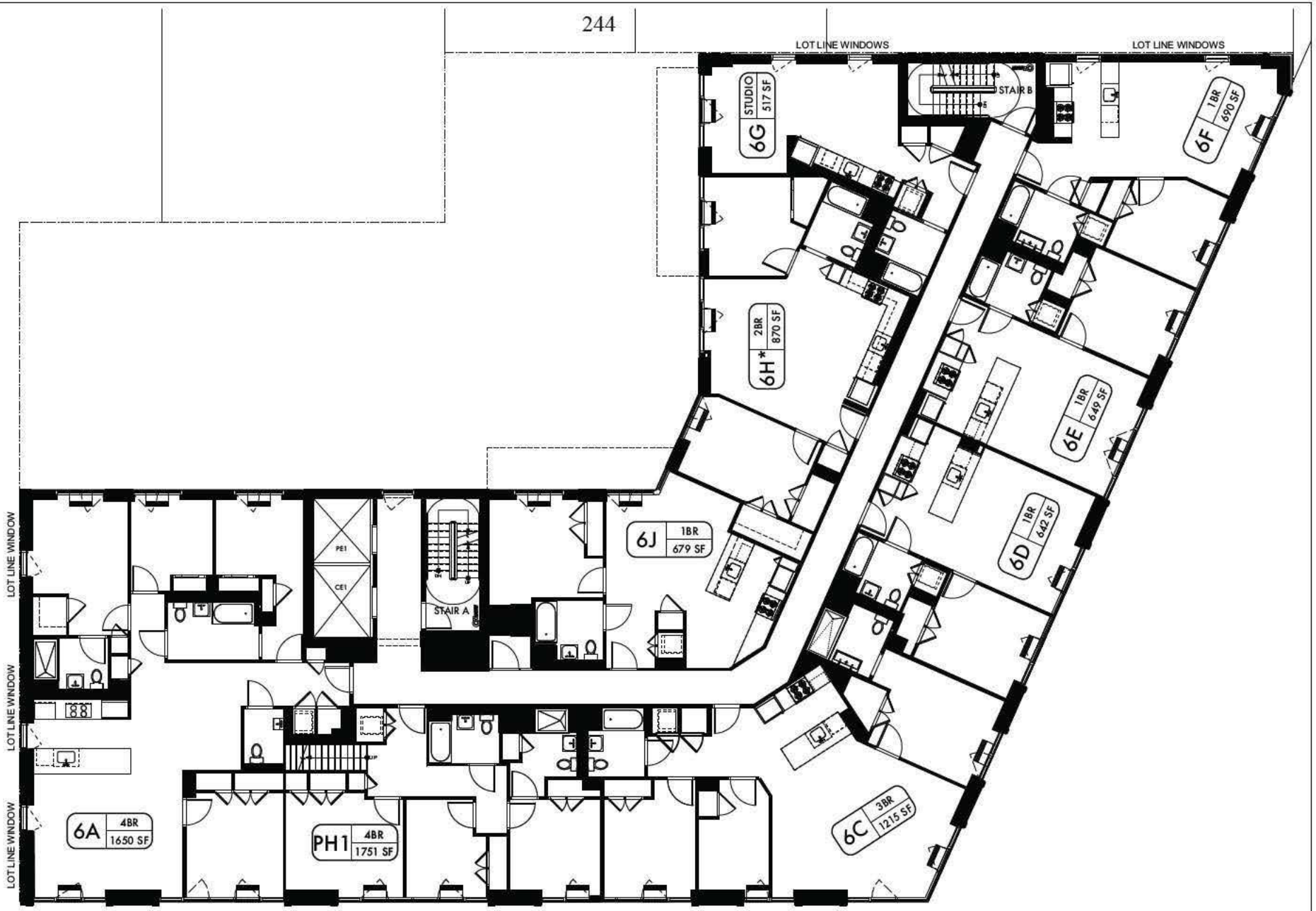
5TH FLOOR PLAN

03.29.16

10' 5' 20'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



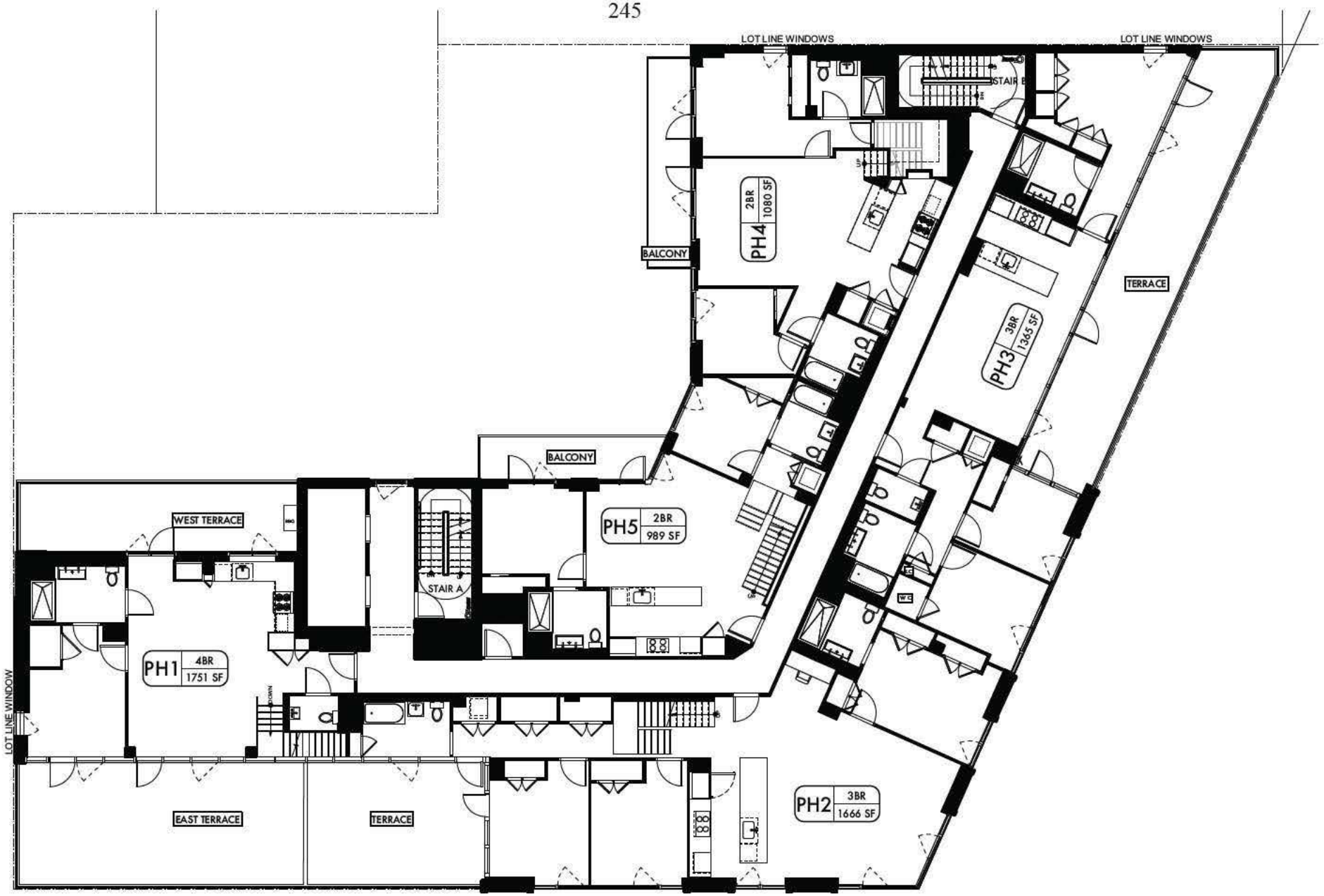
6TH FLOOR PLAN

03.29.16

10'
5' 20'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



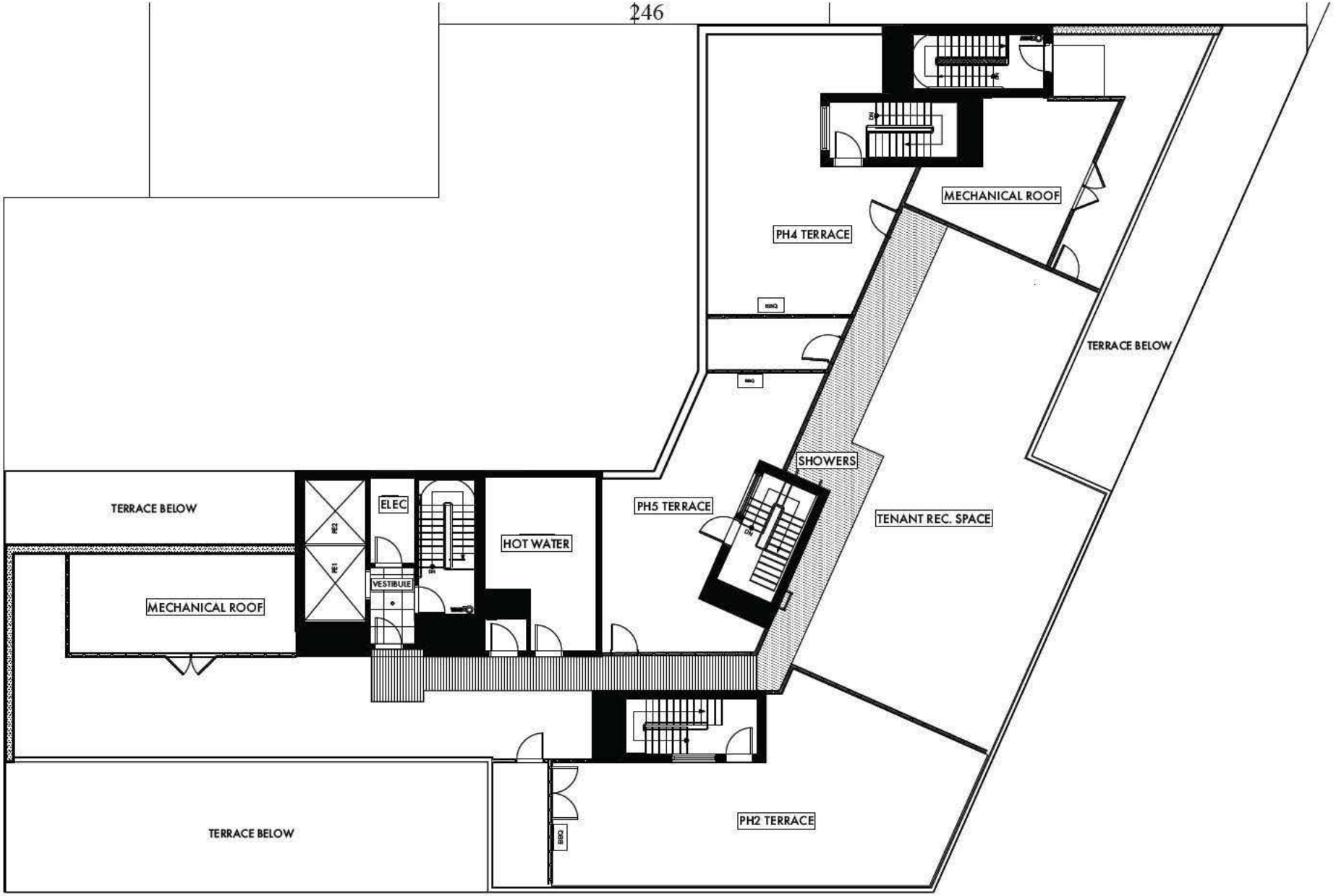
7TH FLOOR PLAN

03.29.16

10'
5' 20'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



ROOF PLAN

03.29.16

10'
5'
20'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



1-EAST ELEVATION [WAVERLY AVENUE]

03.29.16

10'
5'
20'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



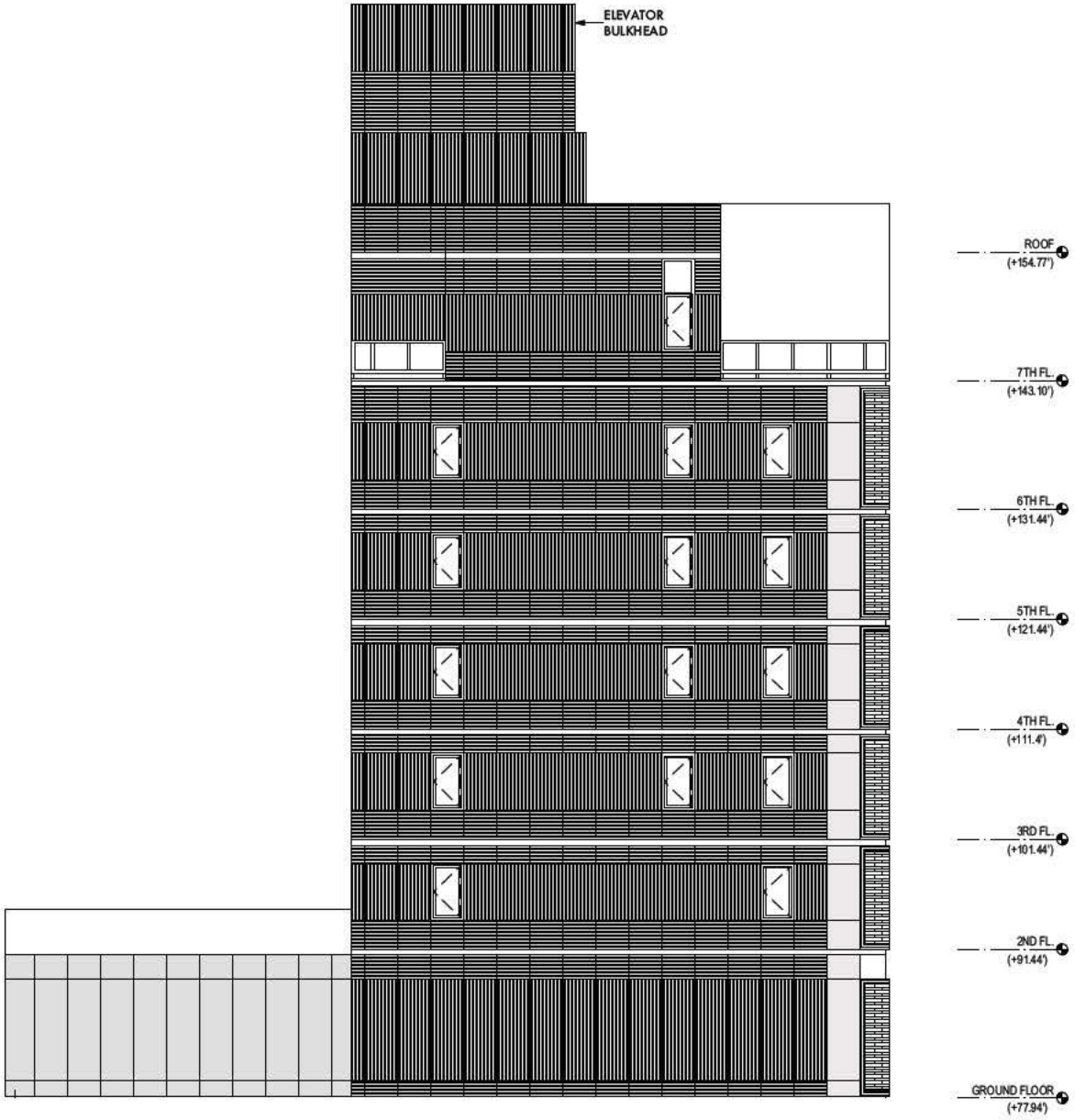
2-NORTH ELEVATION [FULTON STREET]

03.29.16

10'
5'
20'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



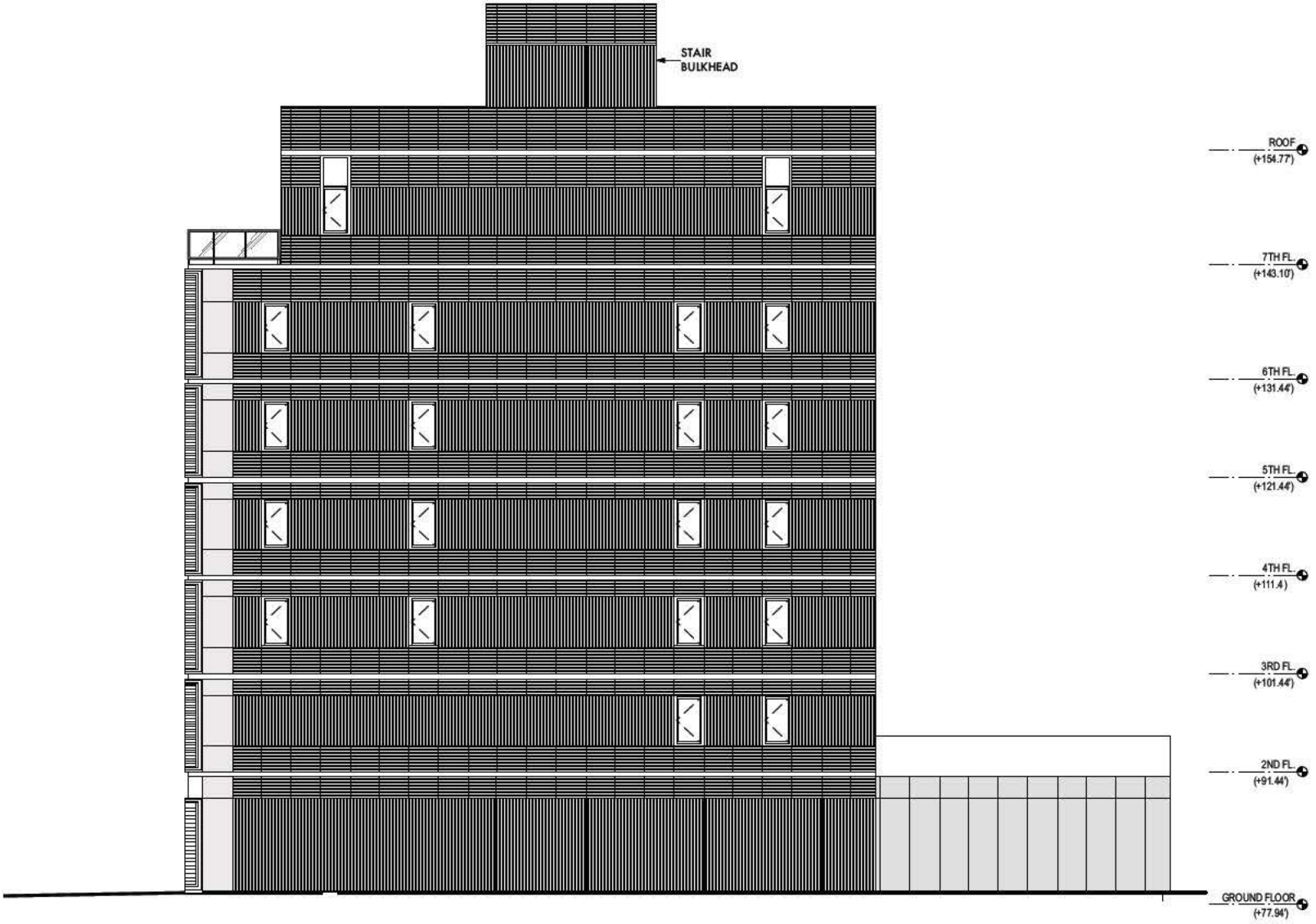
3-SOUTH ELEVATION (SIDE)

03.29.16

10'
5' 20'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



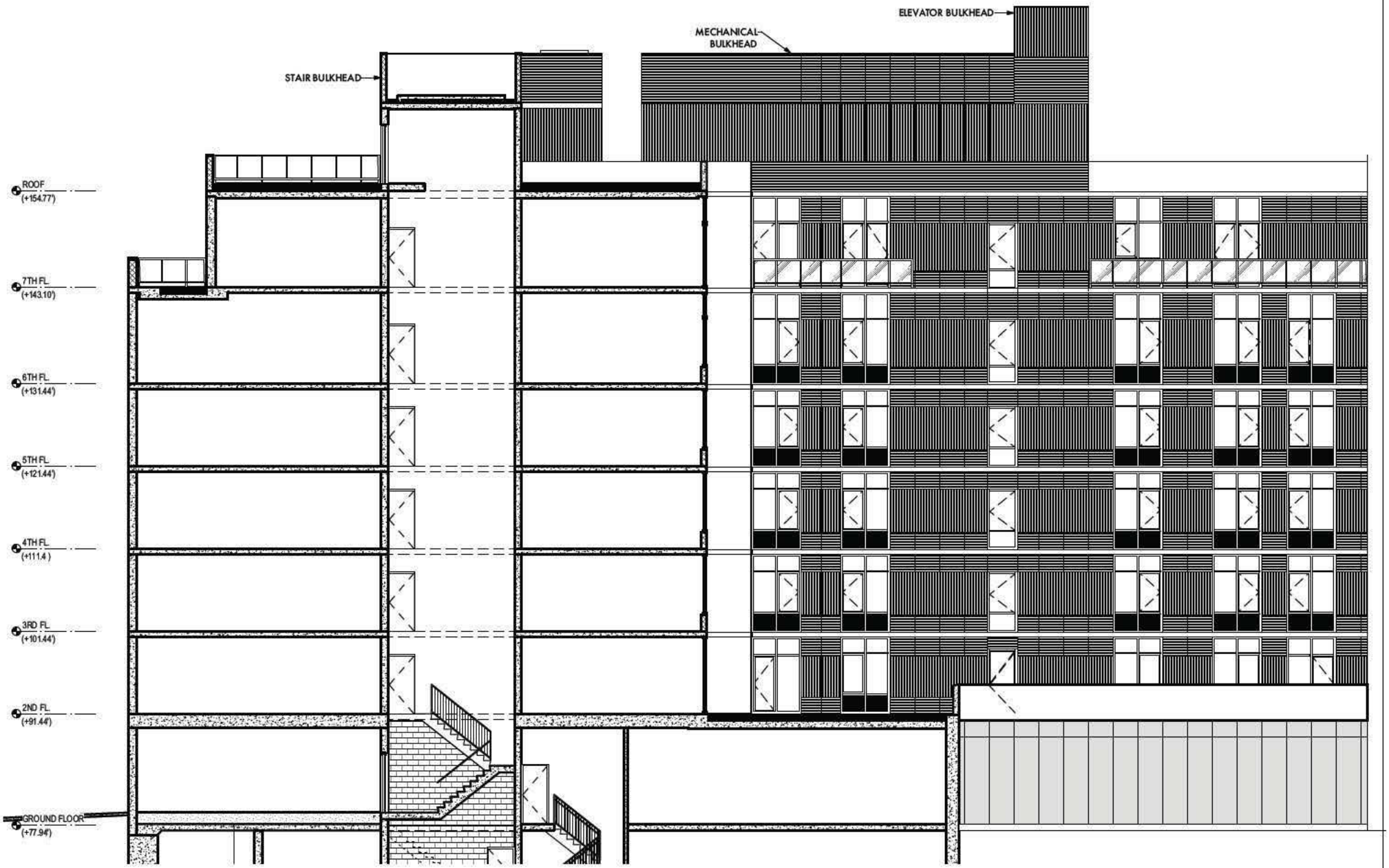
4-WEST ELEVATION (SIDE)

03.29.16

10'
5' 20'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



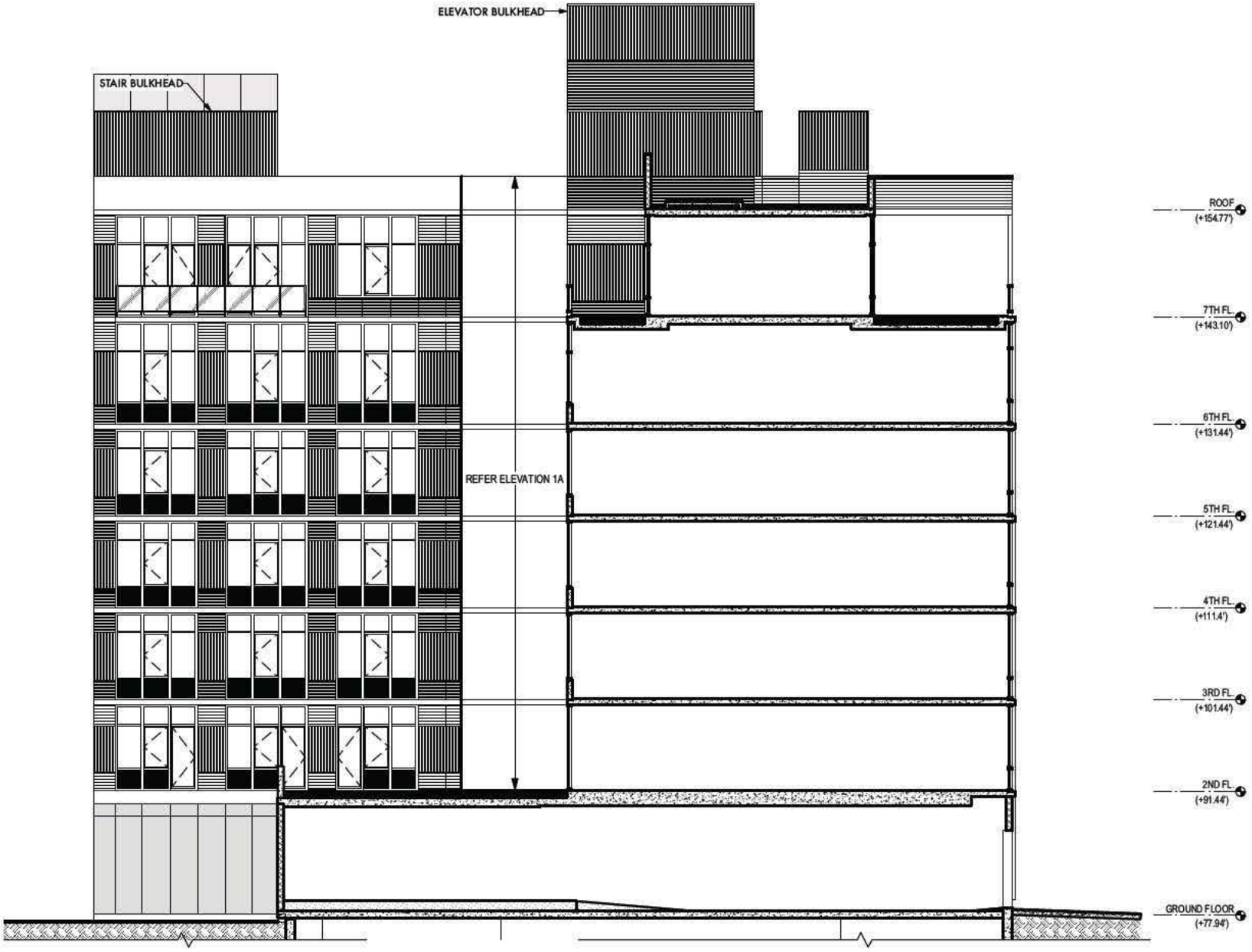
5-WEST REAR ELEVATION

03.29.16

10' 5' 20'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



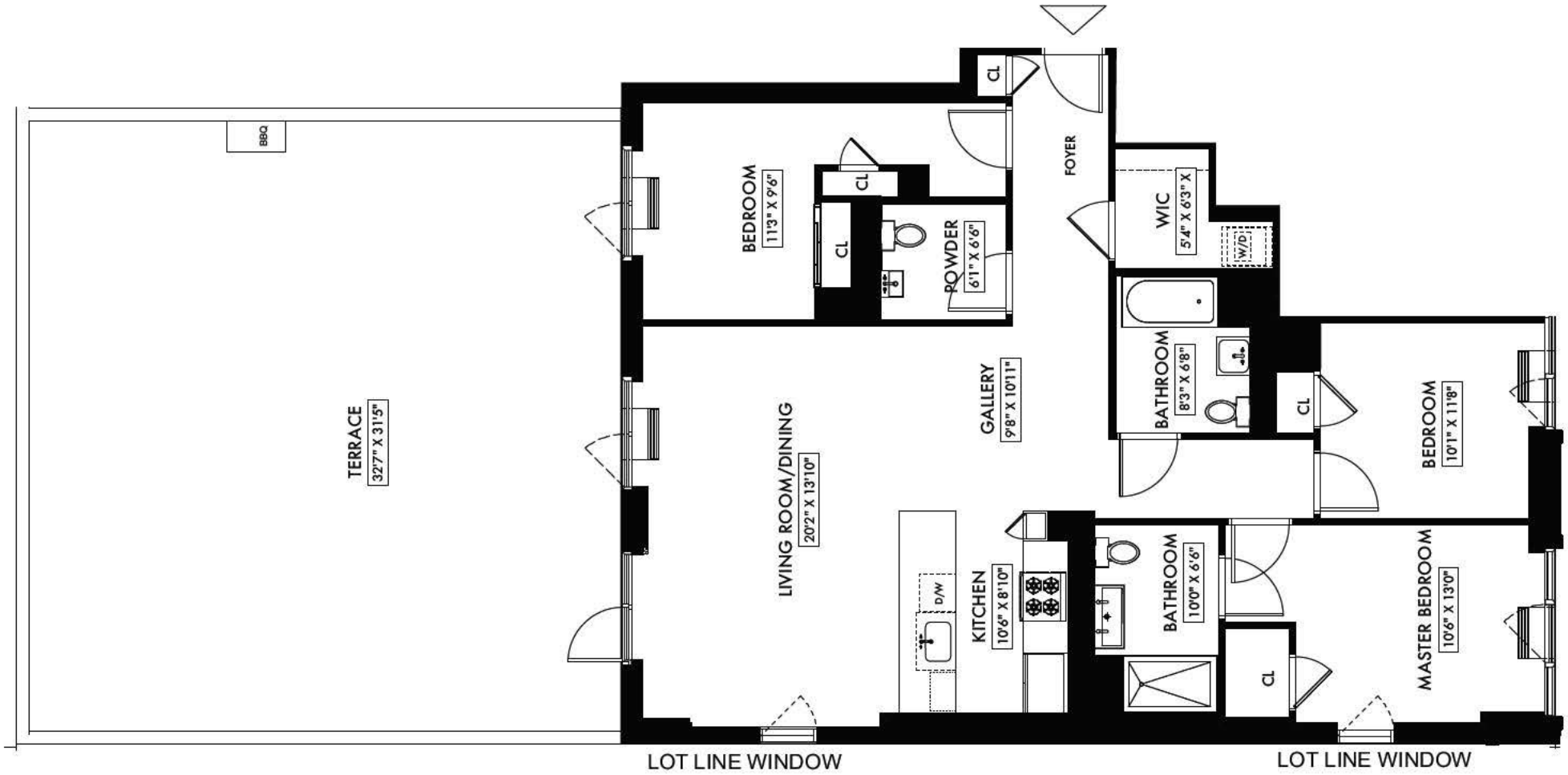
6-SOUTH REAR ELEVATION

03.29.16

10'
5' 20'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



UNIT

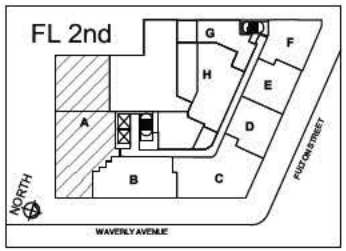
2A

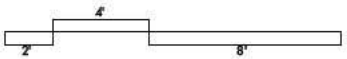
500 WAVERLY

FLOOR 2
3 BEDROOM
2.5 BATH

1459 SQ.FT. / 135 SQ.MT

1 TERRACE
1028 SQ.FT. / 95.5 SQ.MT.

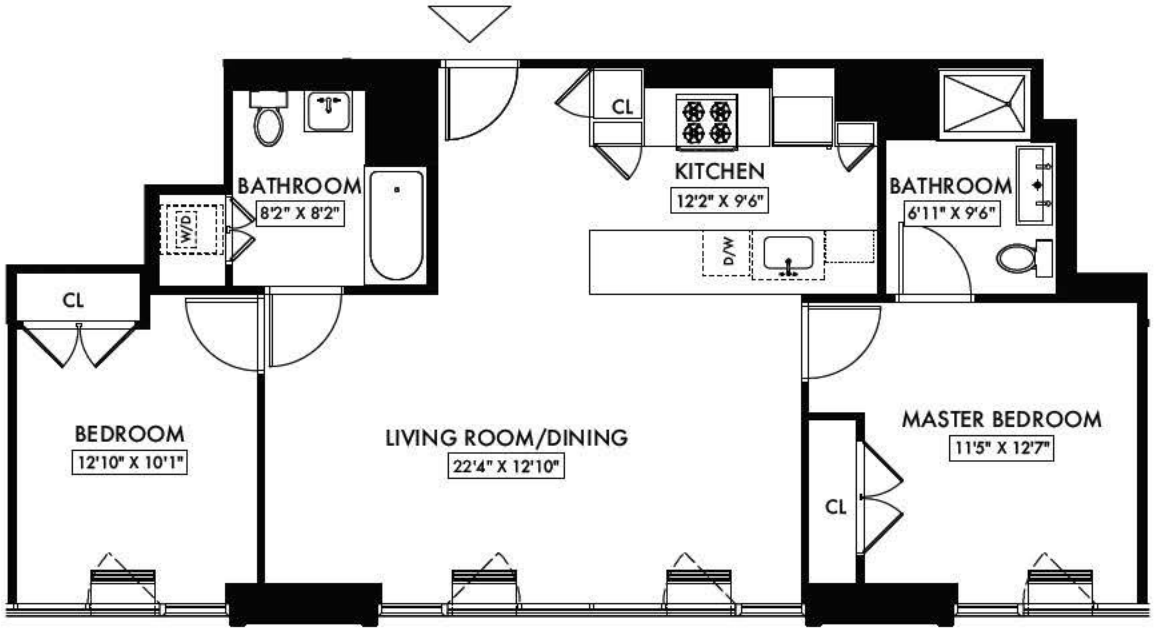




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



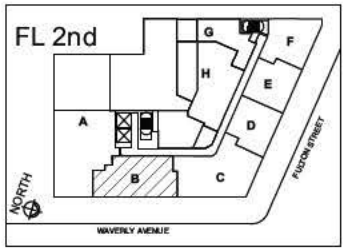
UNIT

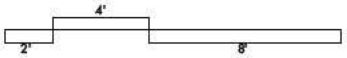
2B

500 WAVERLY

FLOOR 2
2 BEDROOM
2 BATH

981 SQ.FT. / 91 SQ.MT.





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



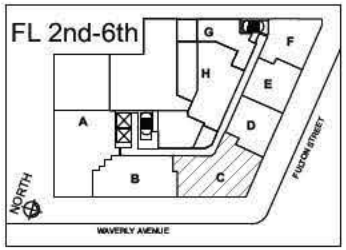
UNIT

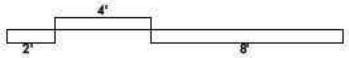
2C-6C

500 WAVERLY

FLOORS 2 - 6
3 BEDROOM
2 BATH

1215 SQ.FT. / 112 SQ.MT.

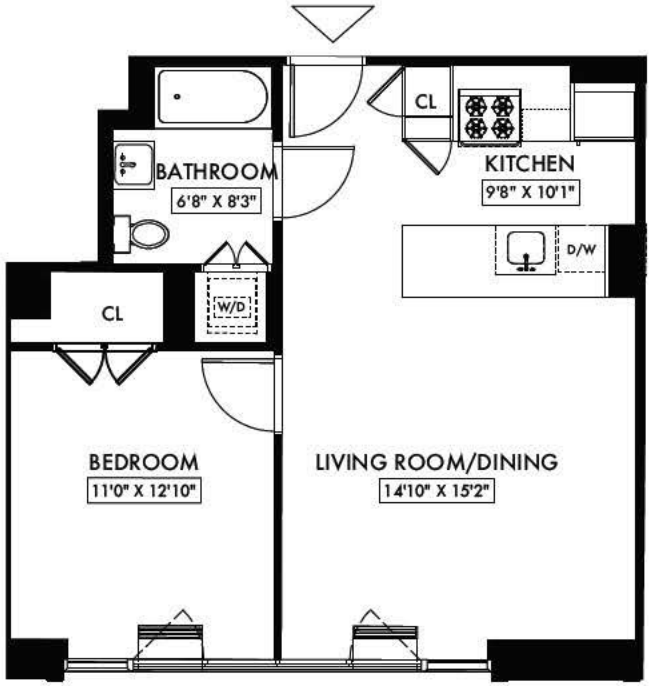




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



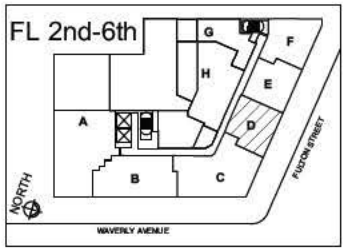
UNIT

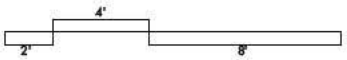
2D-6D

500 WAVERLY

FLOORS 2 - 6
1 BEDROOM
1 BATH

642 SQ.FT. / 60 SQ.MT.





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



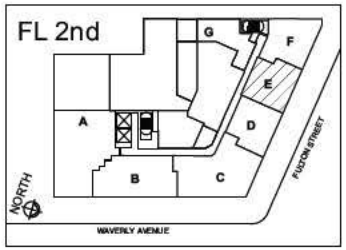
UNIT

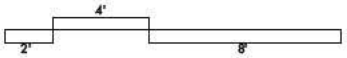
2E

500 WAVERLY

FLOOR 2
1 BEDROOM
1 BATH

654 SQ.FT. / 60.7 SQ.MT.

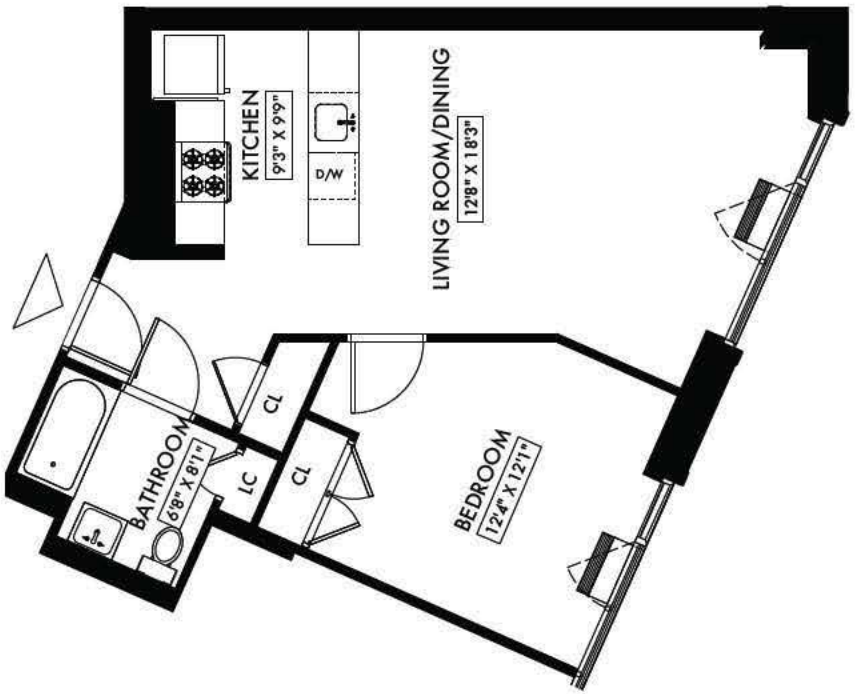




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



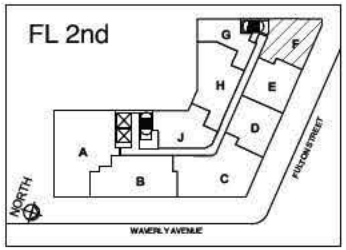
UNIT

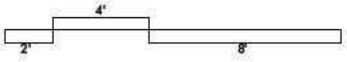
2F

500 WAVERLY

FLOOR 2
1 BEDROOM
1 BATH

686 SQ.FT. / 63.7 SQ.MT.

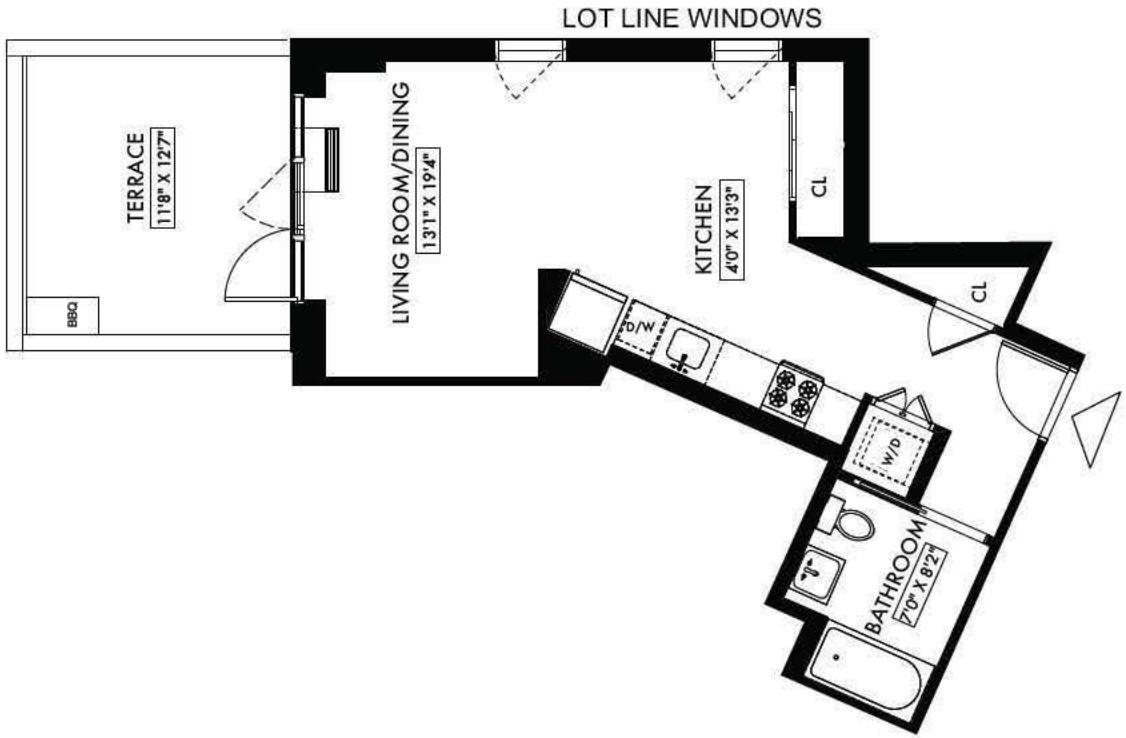




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



UNIT

2G

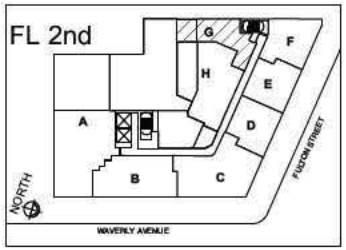
500 WAVERLY

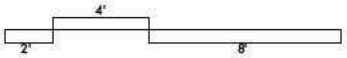
FLOOR 2
0 BEDROOM
1 BATH

515 SQ.FT. / 47.8 SQ.MT

1 TERRACE
147 SQ.FT. / 13.5 SQ.MT

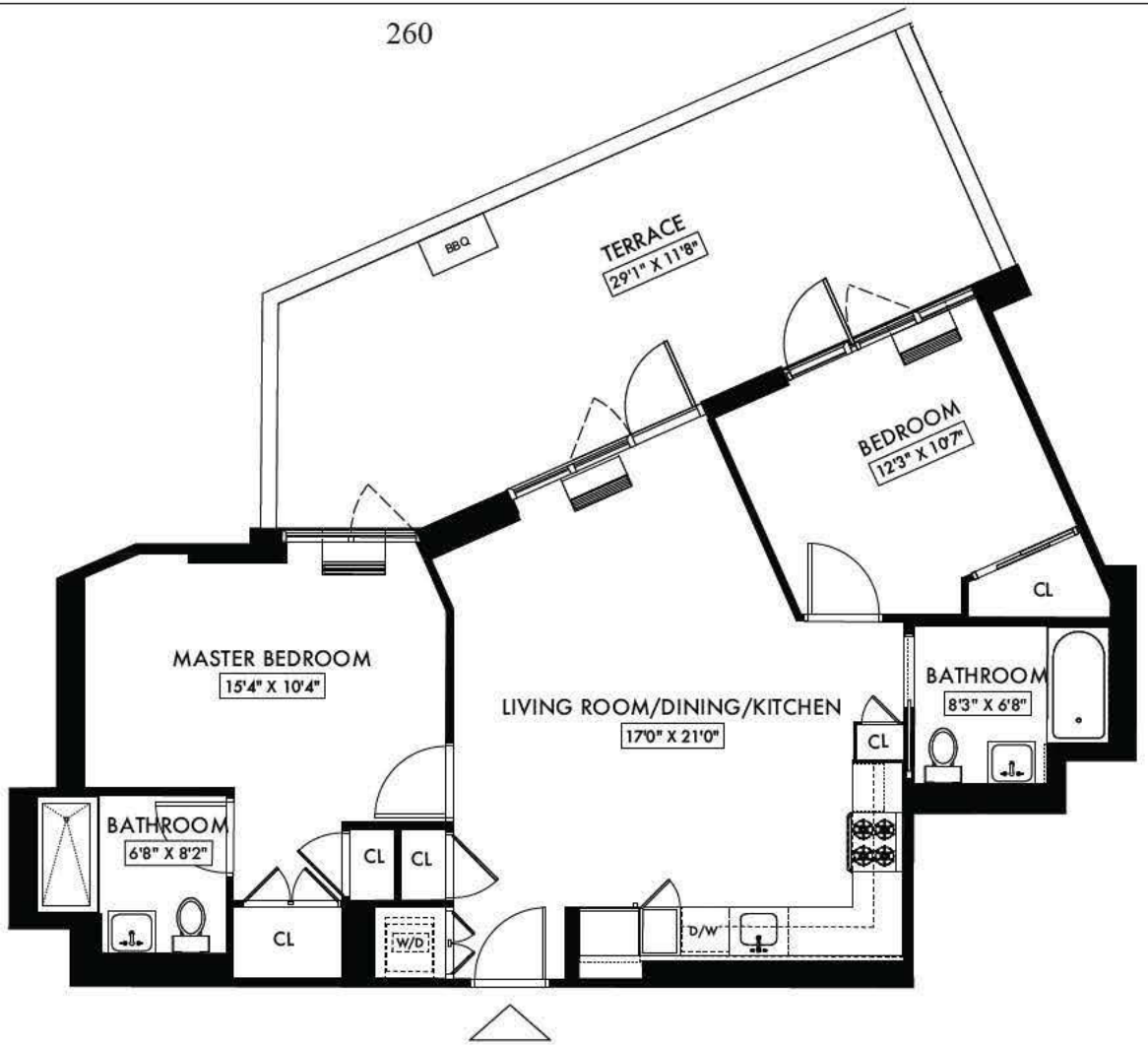
03.29.16





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



UNIT

2H

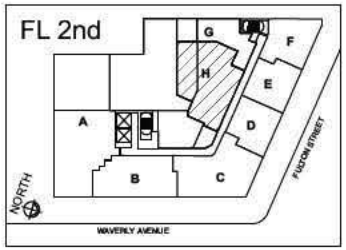
500 WAVERLY

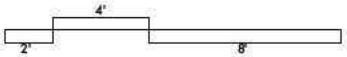
FLOOR 2
2 BEDROOM
2 BATH

939 SQ.FT. / 87.2 SQ.MT.

1 TERRACE
361 SQ.FT. / 33 SQ.MT.

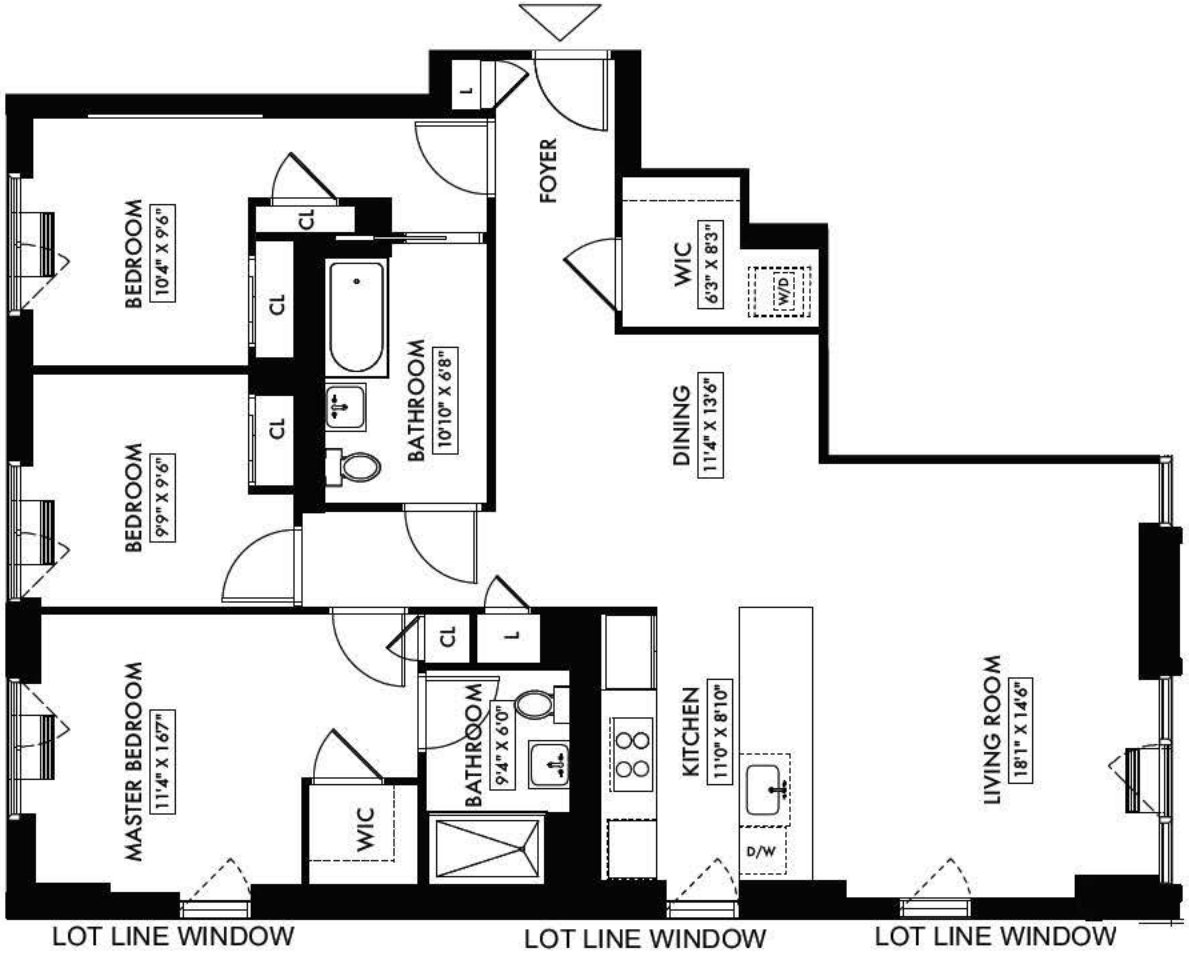
03.29.16





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



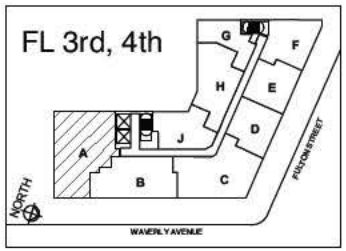
UNIT

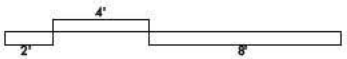
3A,4A

500 WAVERLY

FLOORS 3-4
3 BEDROOM
2 BATH

1419 SQ.FT. / 131.8 SQ.MT.

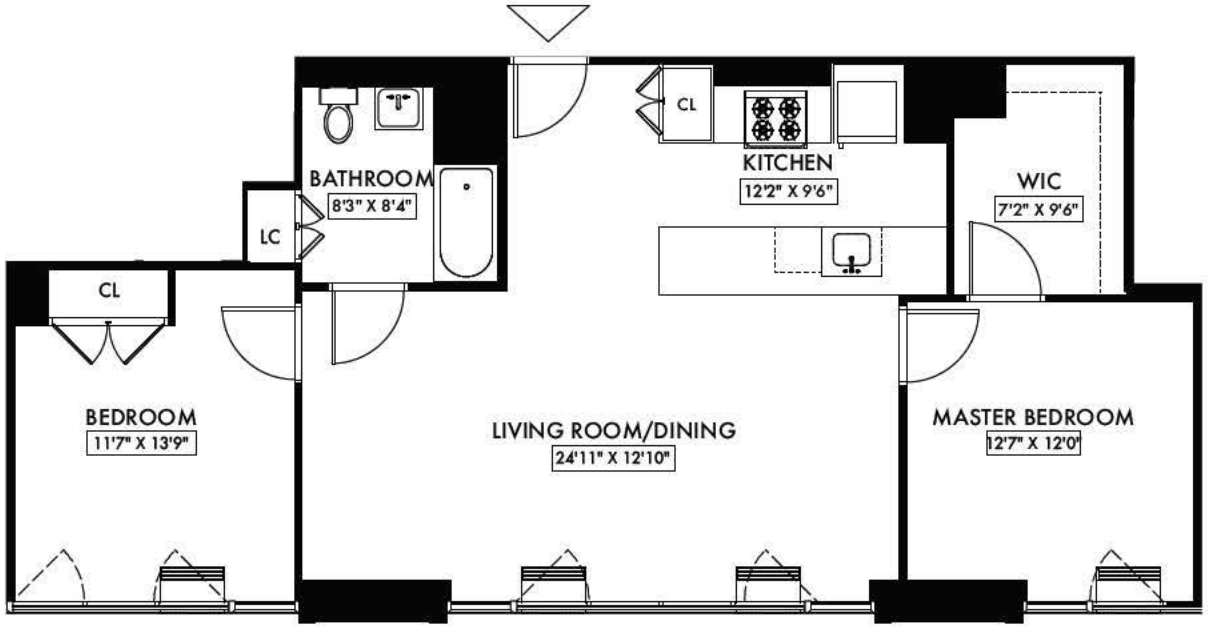




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



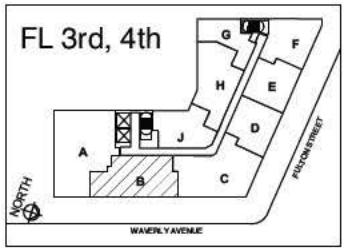
UNIT

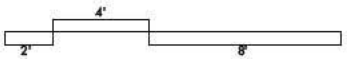
3B,4B

500 WAVERLY

FLOORS 3-4
2 BEDROOM
1 BATH

1021 SQ.FT. / 94.8 SQ.MT.

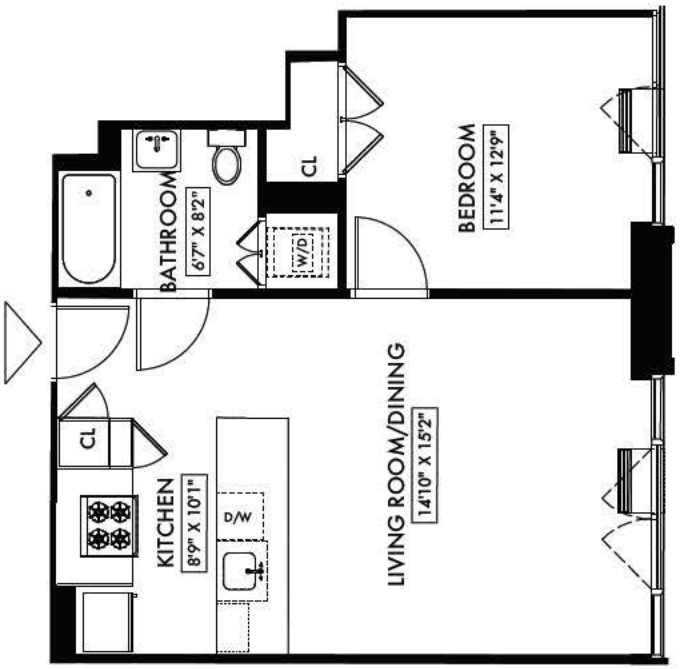




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



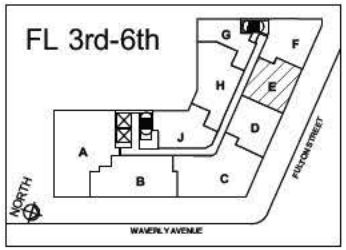
UNIT

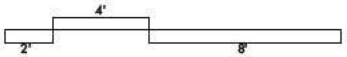
3E-6E

500 WAVERLY

FLOORS 3-6
1 BEDROOM
1 BATH

649 SQ.FT. / 60.3 SQ.MT.





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



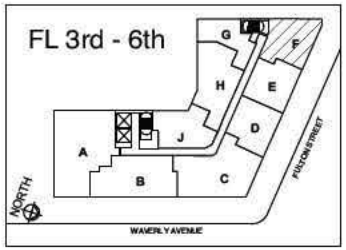
UNIT

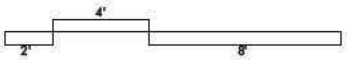
3F-6F

500 WAVERLY

FLOORS 3-6
1 BEDROOM
1 BATH

690 SQ.FT. / 64.1 SQ.MT.



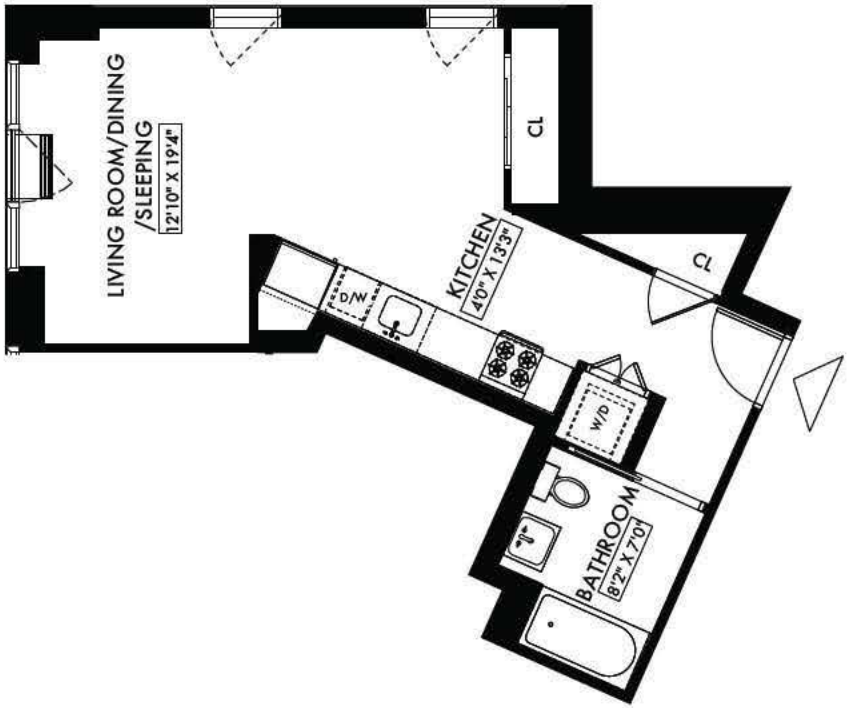


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC

LOT LINE WINDOWS



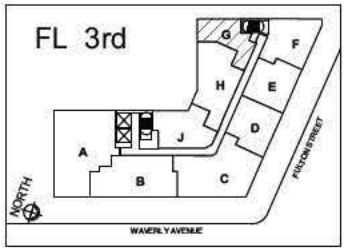
UNIT

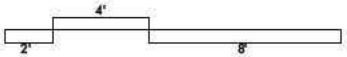
3G

500 WAVERLY

FLOOR 3
0 BEDROOM
1 BATH

517 SQ.FT. / 48 SQ.MT.

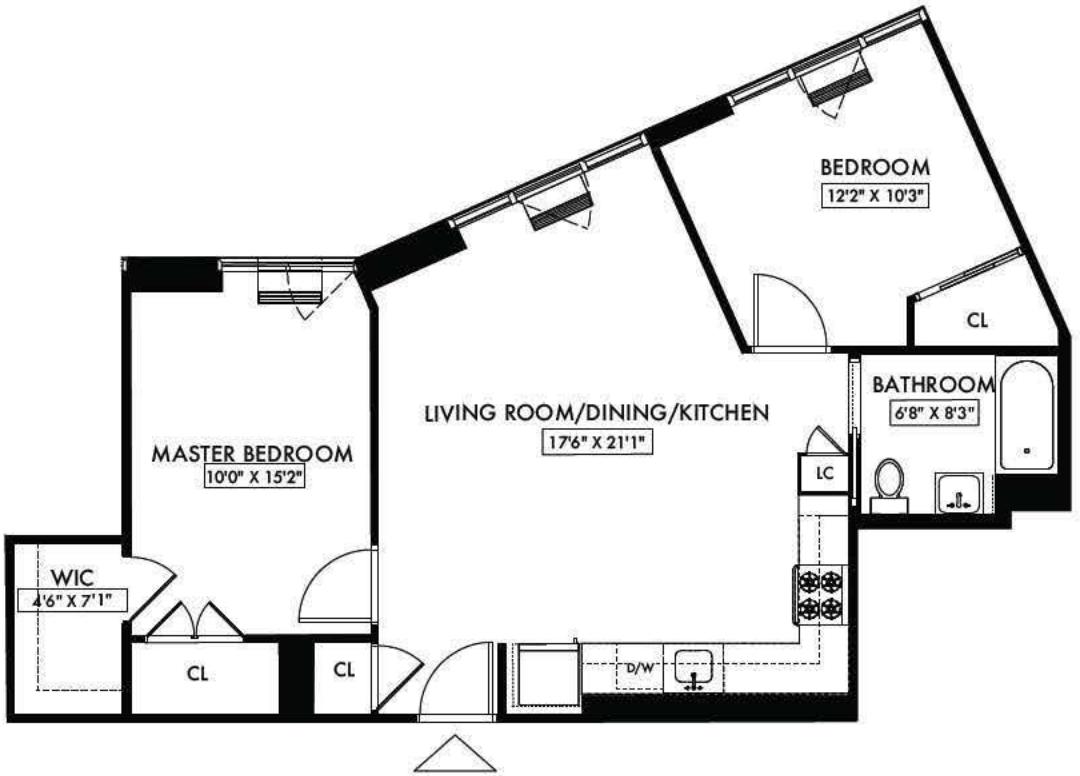




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



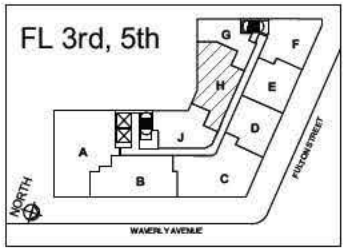
UNIT

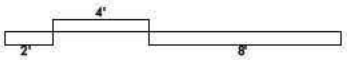
3H,5H

500 WAVERLY

FLOORS 3, 5
2 BEDROOM
1 BATH

872 SQ.FT. / 81 SQ.MT.

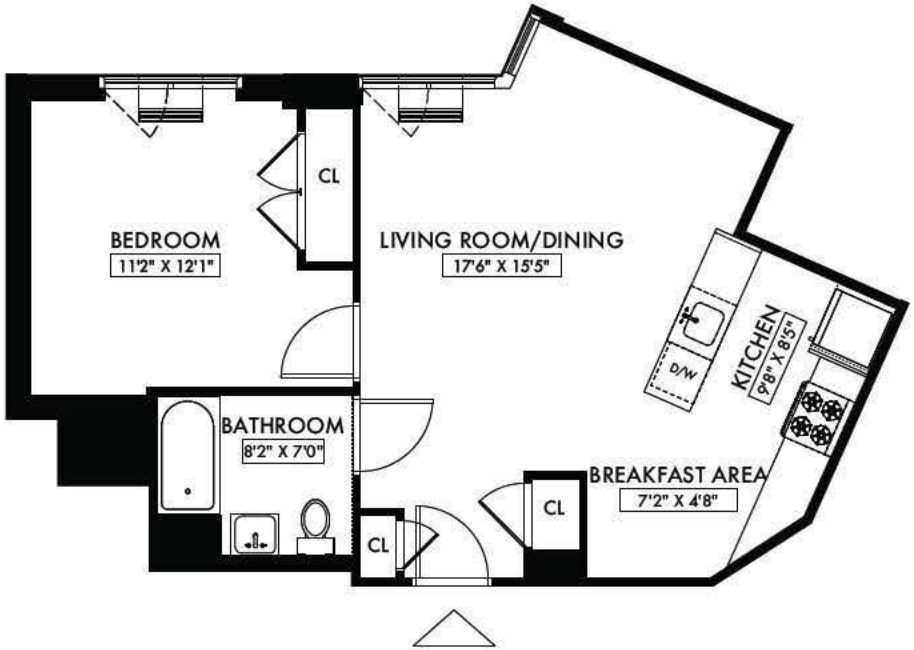




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



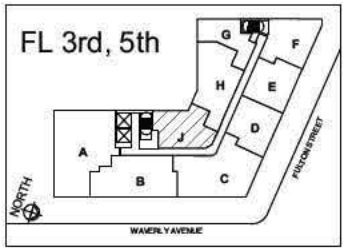
UNIT

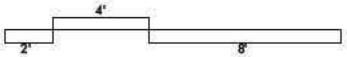
3J,5J

500 WAVERLY

FLOORS 3, 5
1 BEDROOM
1 BATH

677 SQ.FT. / 62.8 SQ.MT.

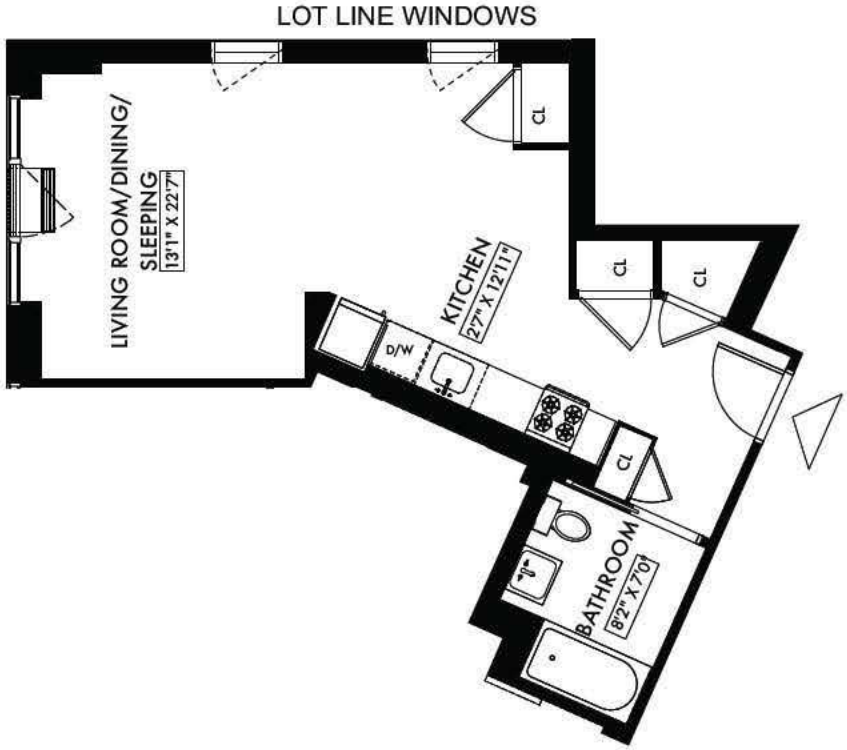




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



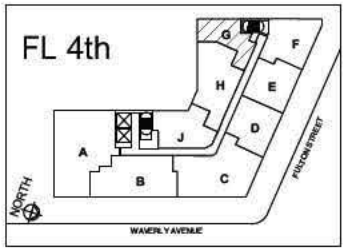
UNIT

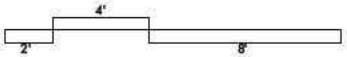
4G

500 WAVERLY

FLOOR 4
0 BEDROOM
1 BATH

521 SQ.FT. / 48.4 SQ.MT.

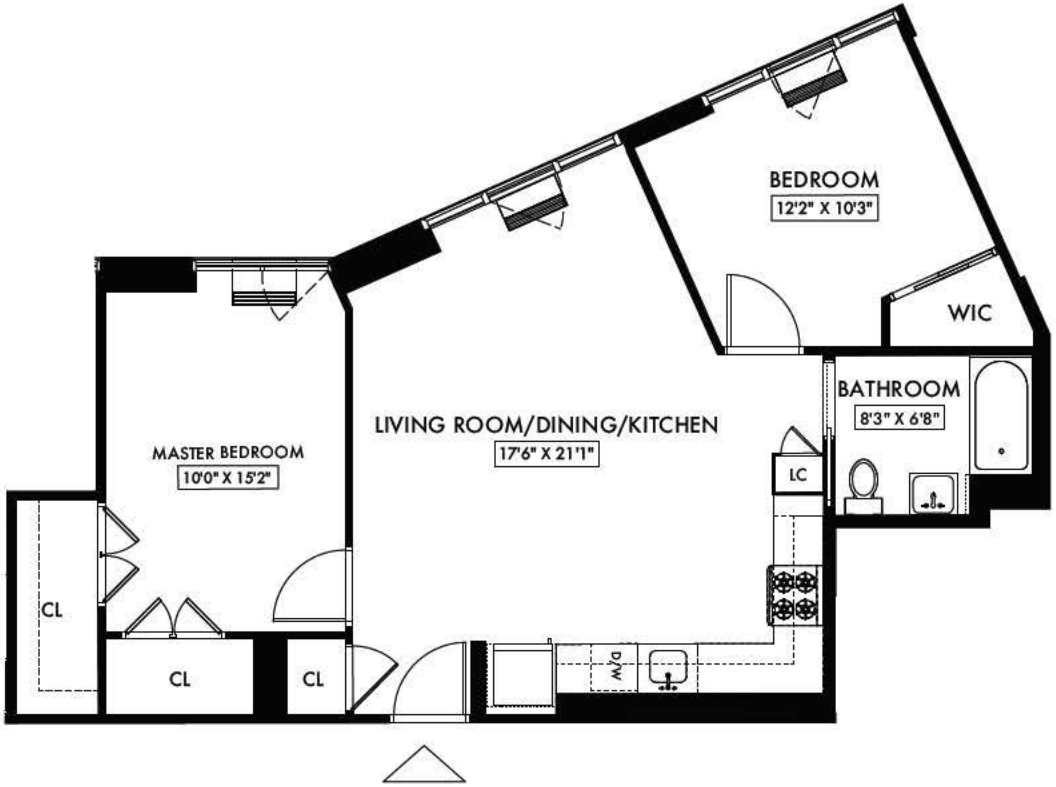




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



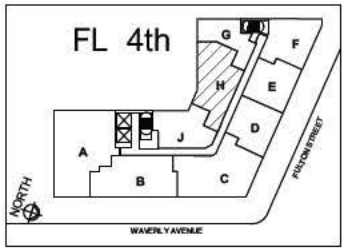
UNIT

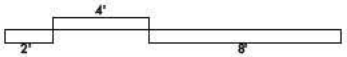
4H

500 WAVERLY

FLOOR 4
2 BEDROOM
1 BATH

866 SQ.FT. / 80.4 SQ.MT.

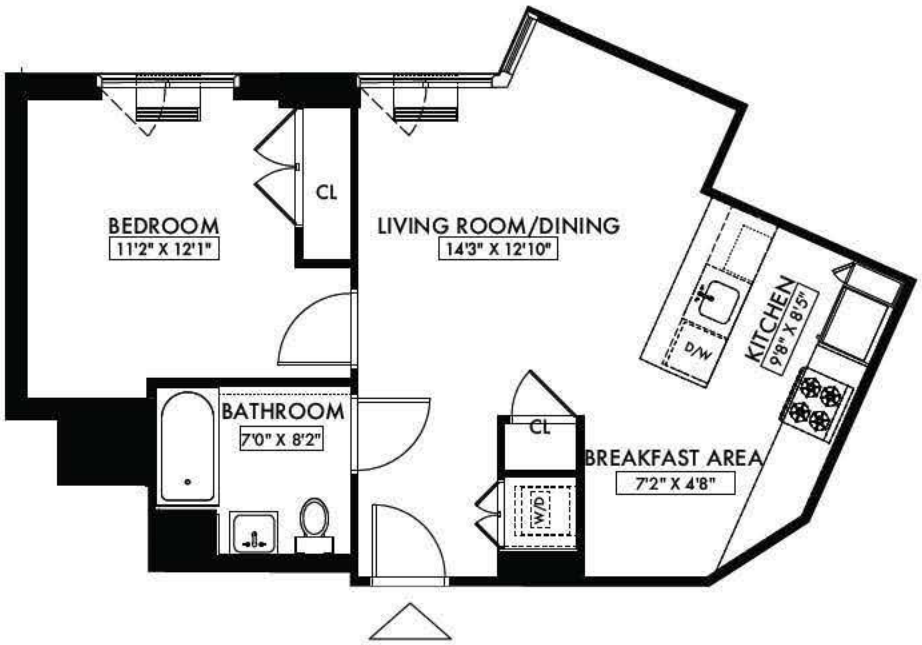




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



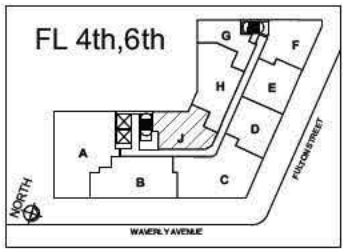
UNIT

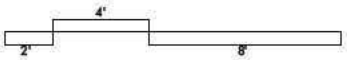
4J,6J

500 WAVERLY

FLOORS 4, 6
1 BEDROOM
1 BATH

679 SQ.FT. / 63 SQ.MT.

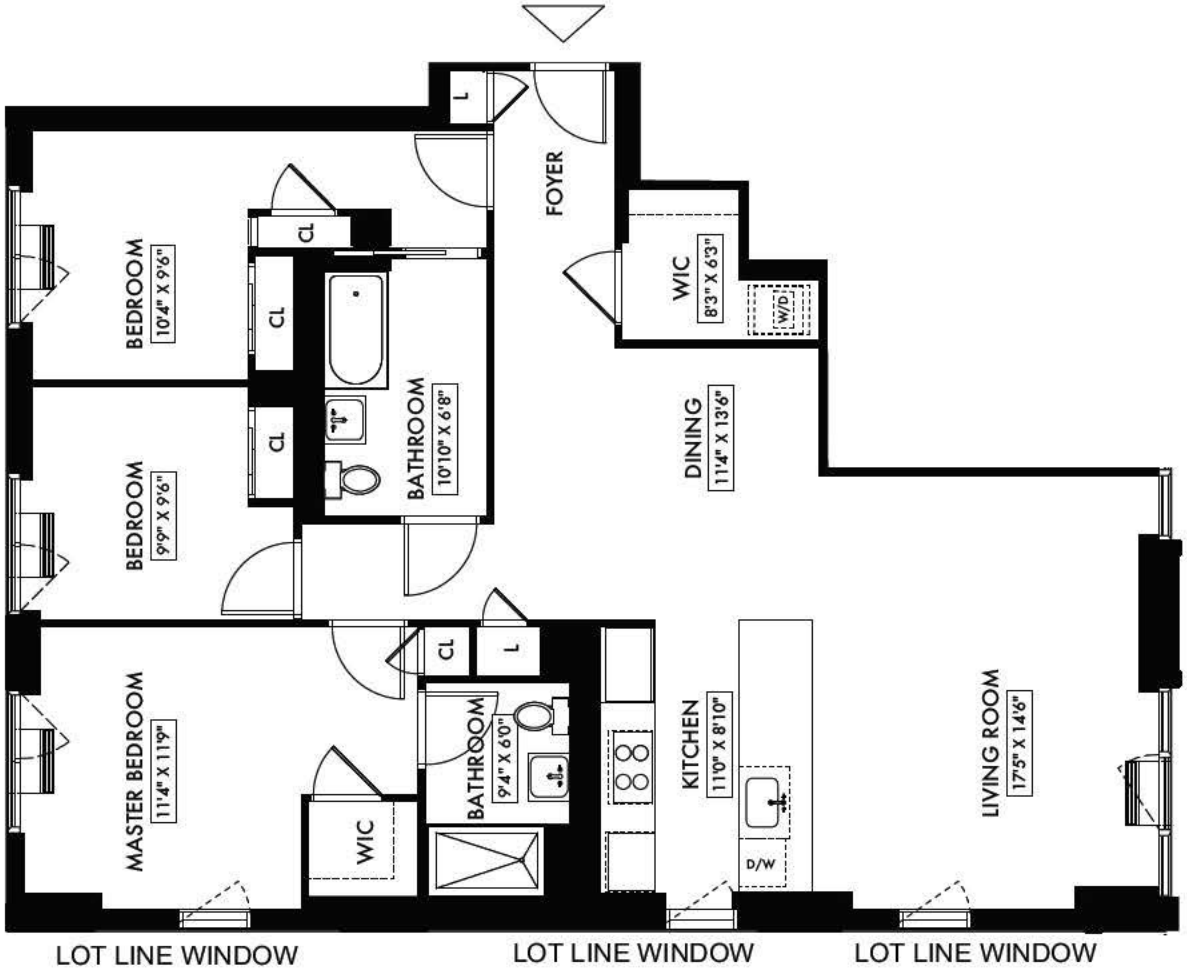




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



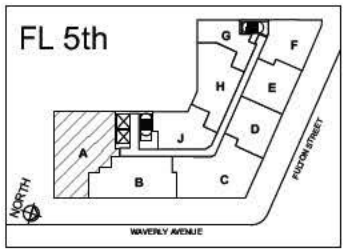
UNIT

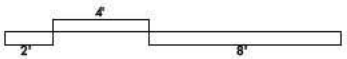
5A

500 WAVERLY

FLOOR 5
3 BEDROOM
2 BATH

1417 SQ.FT. / 131.6 SQ.MT.

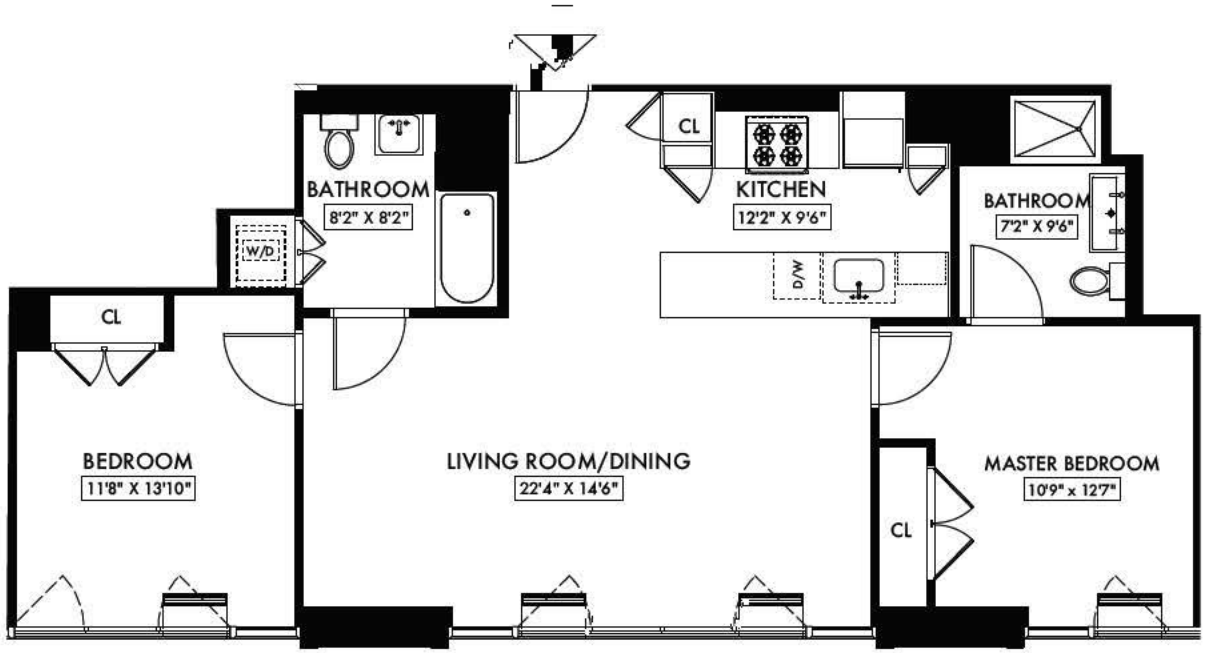




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



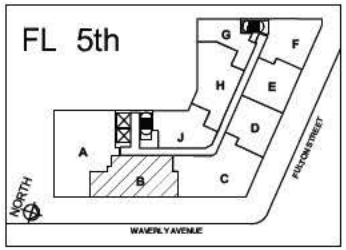
UNIT

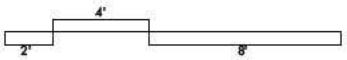
5B

500 WAVERLY

FLOOR 5
2 BEDROOM
2 BATH

1024 SQ.FT. / 95 SQ.MT.



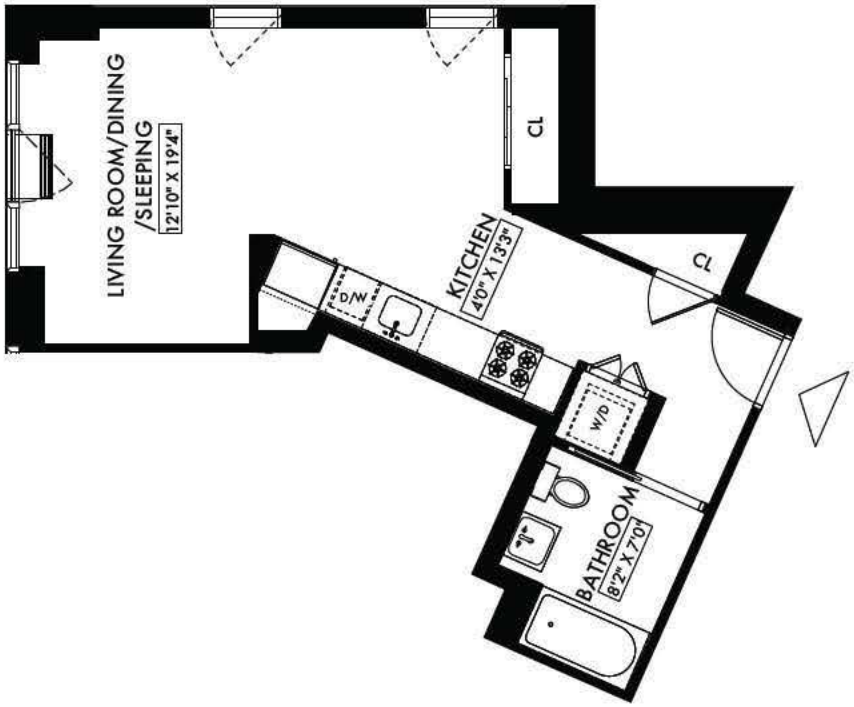


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC

LOT LINE WINDOWS



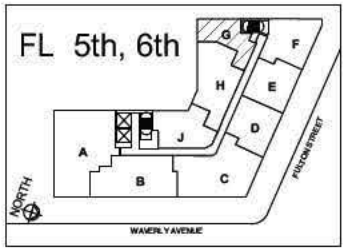
UNIT

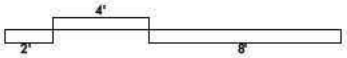
5G,6G

500 WAVERLY

FLOORS 5, 6
0 BEDROOM
1 BATH

517 SQ.FT. / 48 SQ.MT.

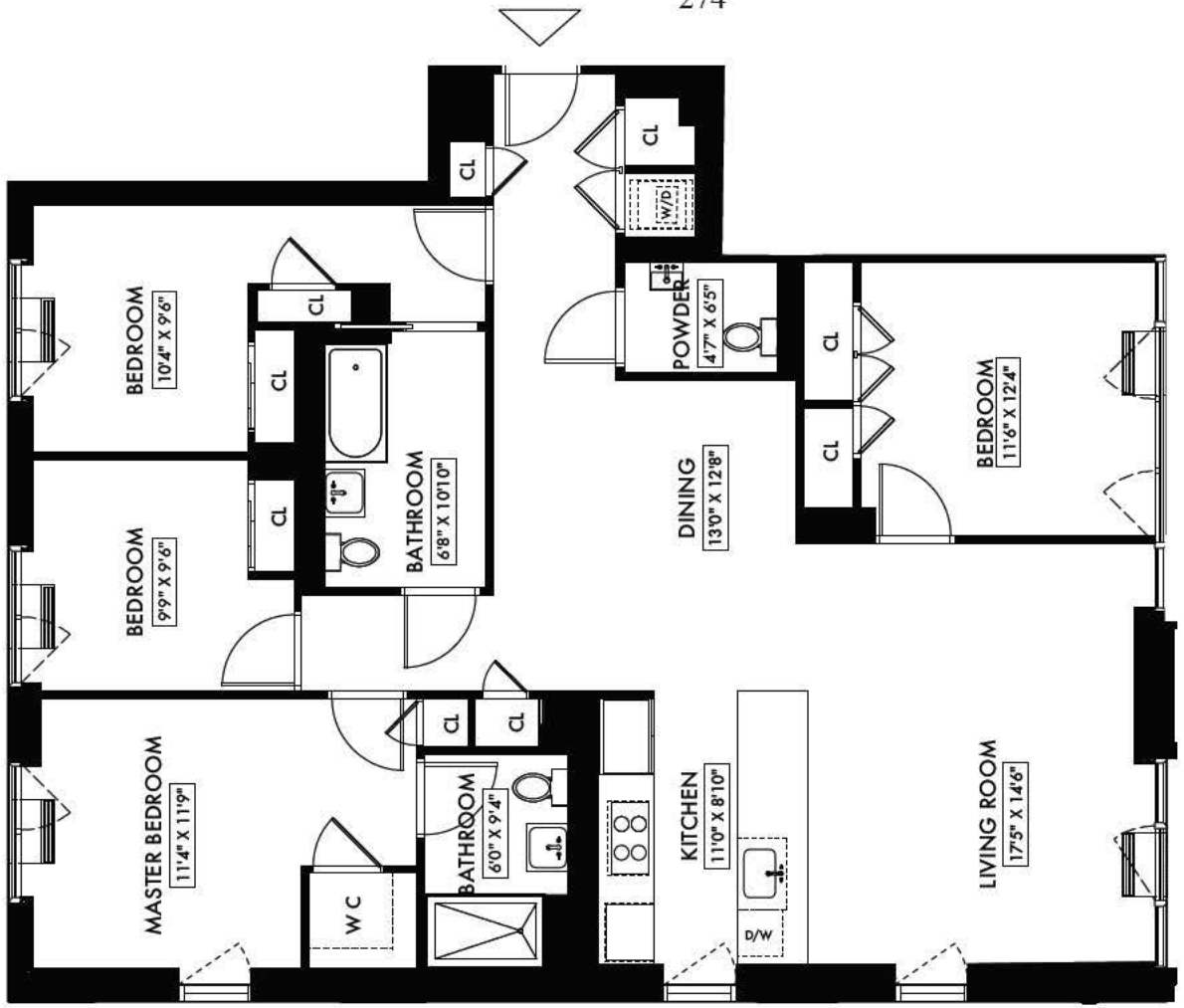




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



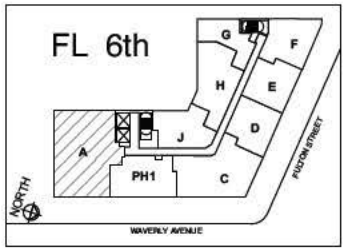
UNIT

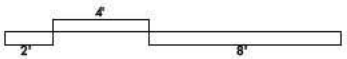
6A

500 WAVERLY

FLOOR 6
4 BEDROOM
2.5 BATH

1650 SQ.FT. / 153.2 SQ.MT.

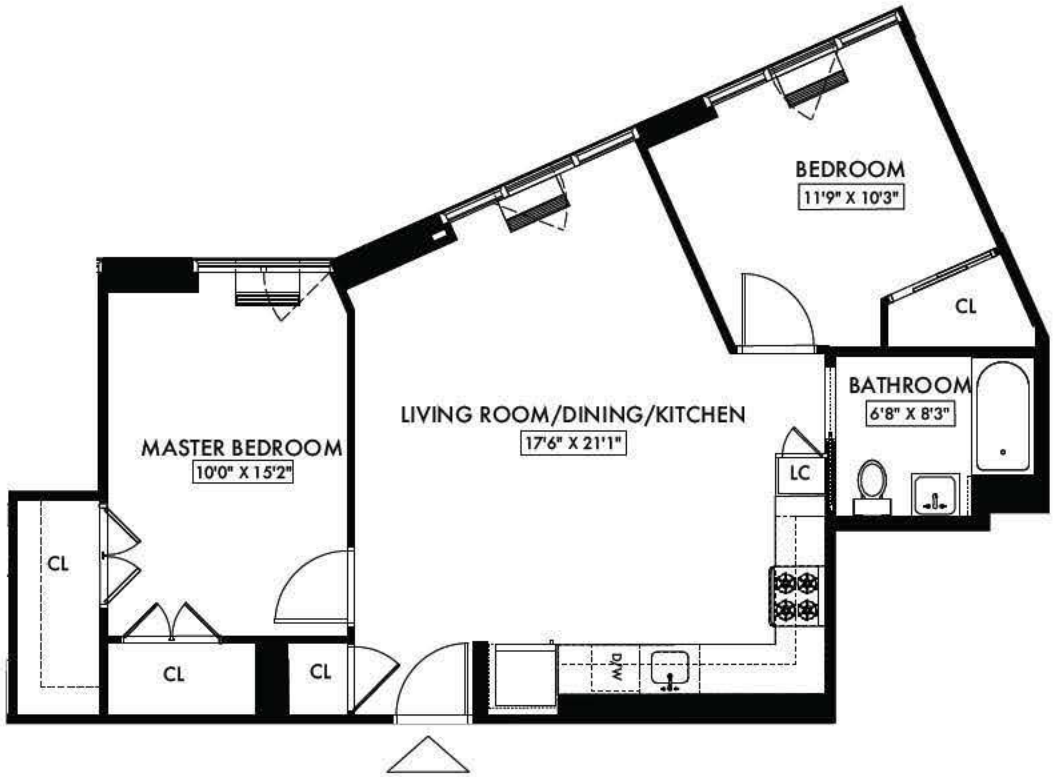




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



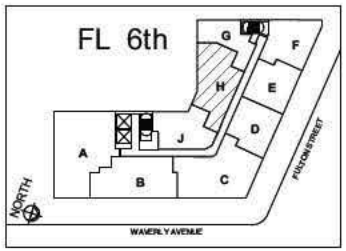
UNIT

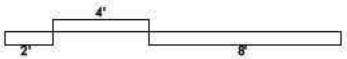
6H

500 WAVERLY

FLOOR 6
2 BEDROOM
1 BATH

870 SQ.FT. / 80.8 SQ.MT.





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



UNIT

PH1

LOWER LEVEL

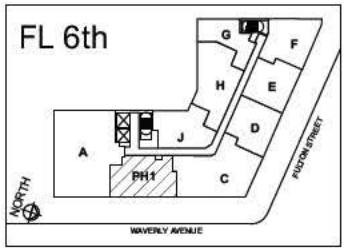
03.29.16

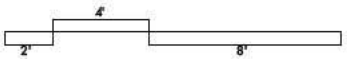
500 WAVERLY

FLOOR 6
4 BEDROOM
3.5 BATH

LOWER LEVEL 808 SQ.FT / 75 SQ.MT.
TOTAL 1751 SQ.FT. / 162.6 SQ.MT.

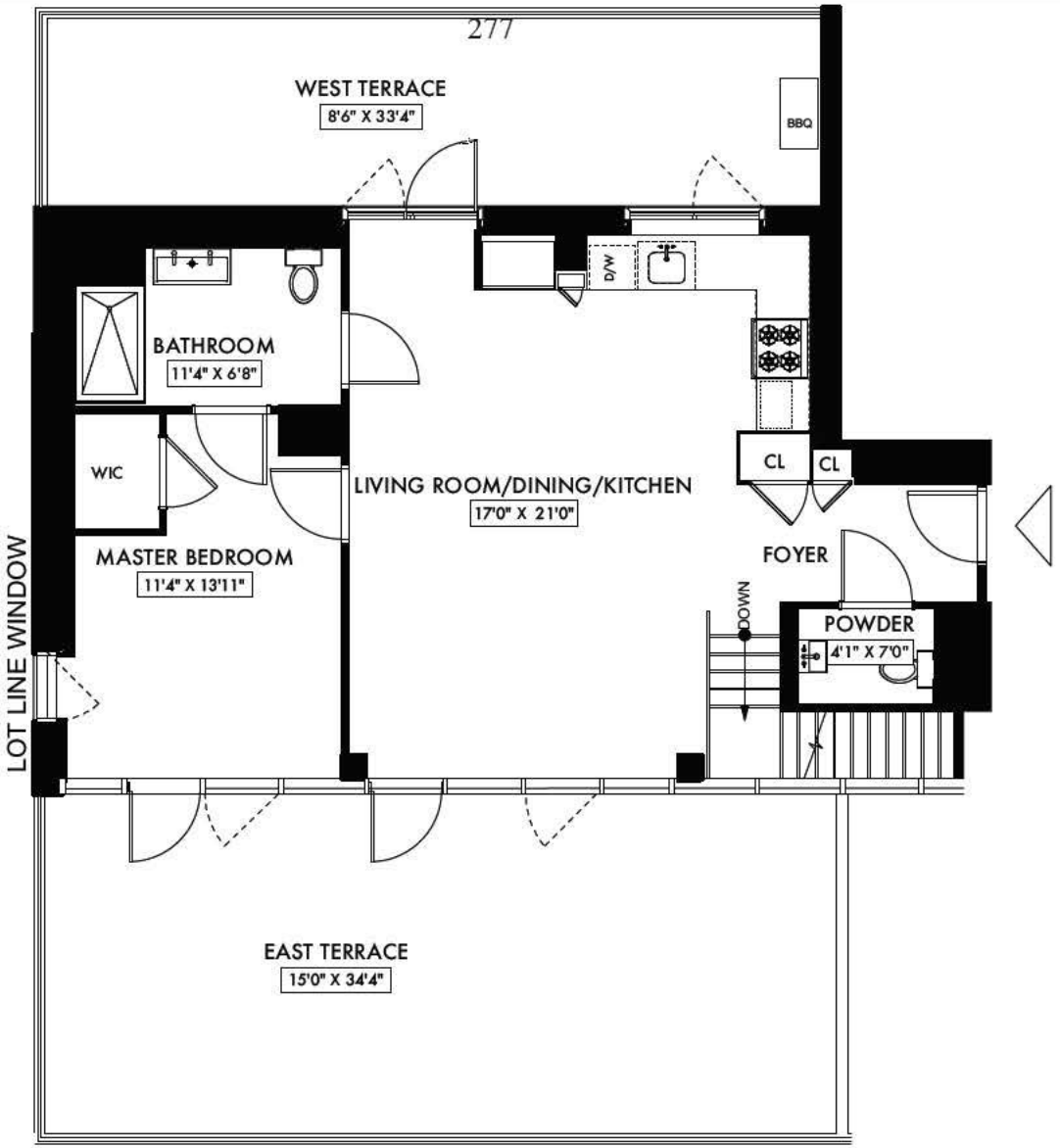
2 TERRACES
799 SQ.FT. / 74 SQ.MT.





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



UNIT

PH1

UPPER LEVEL

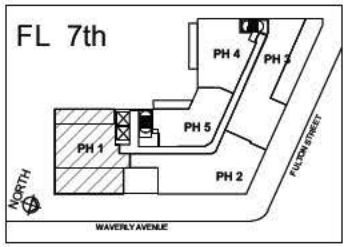
03.29.16

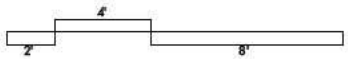
500 WAVERLY

FLOOR 7
4 BEDROOM
3.5 BATH

UPPER LEVEL 943 SQ.FT / 87.6 SQ.MT.
TOTAL 1751 SQ.FT. / 162.6 SQ.MT.

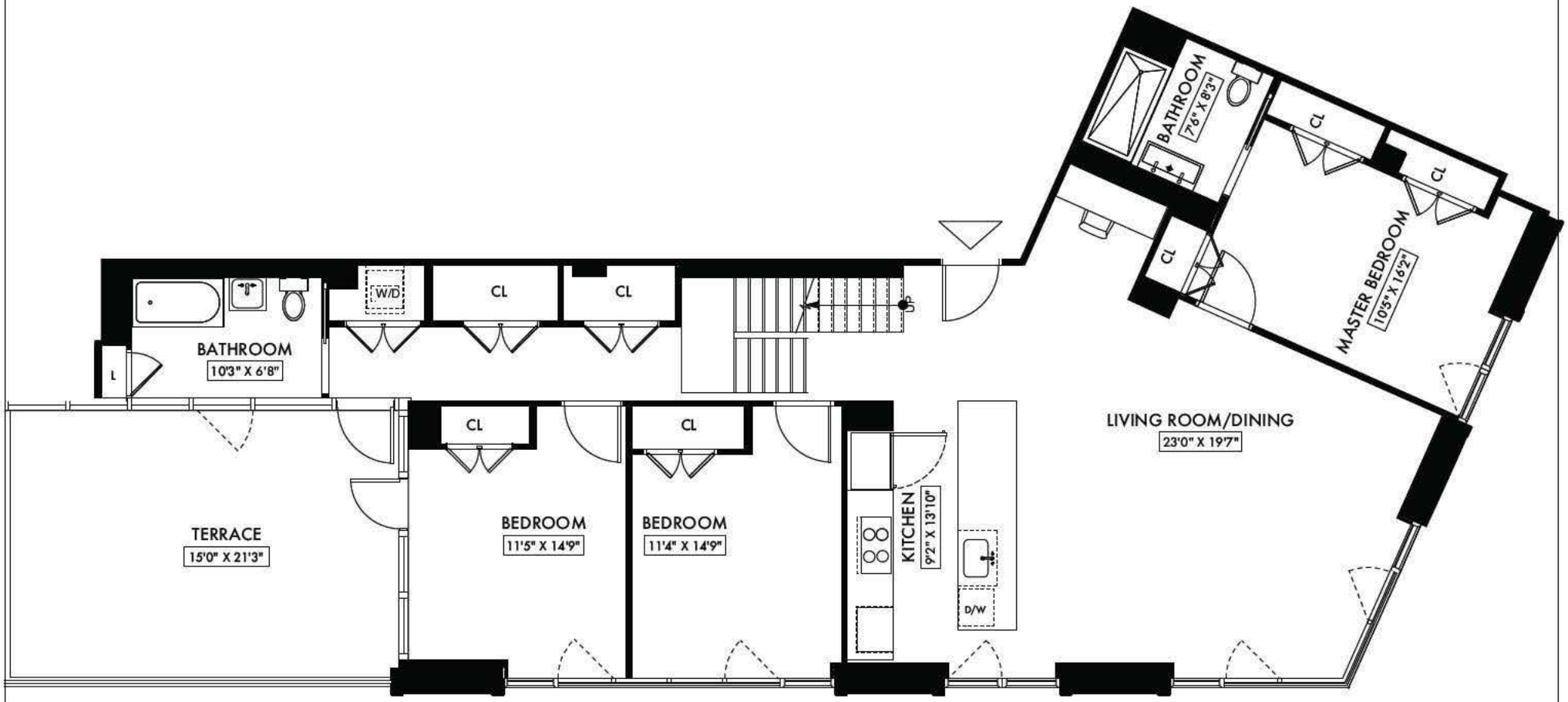
2 TERRACES
799 SQ.FT. / 74 SQ.MT.





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC



UNIT

PH2

LOWER LEVEL

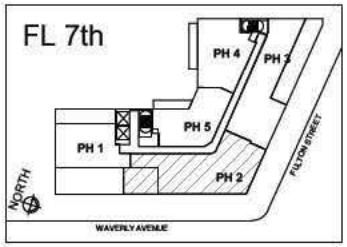
500 WAVERLY

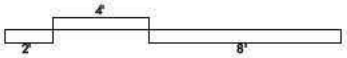
FLOOR 7
3 BEDROOM
2 BATH

1666 SQ.FT. / 154.7 SQ.MT.

2 TERRACES
1205 SQ.FT. / 112 SQ.MT.

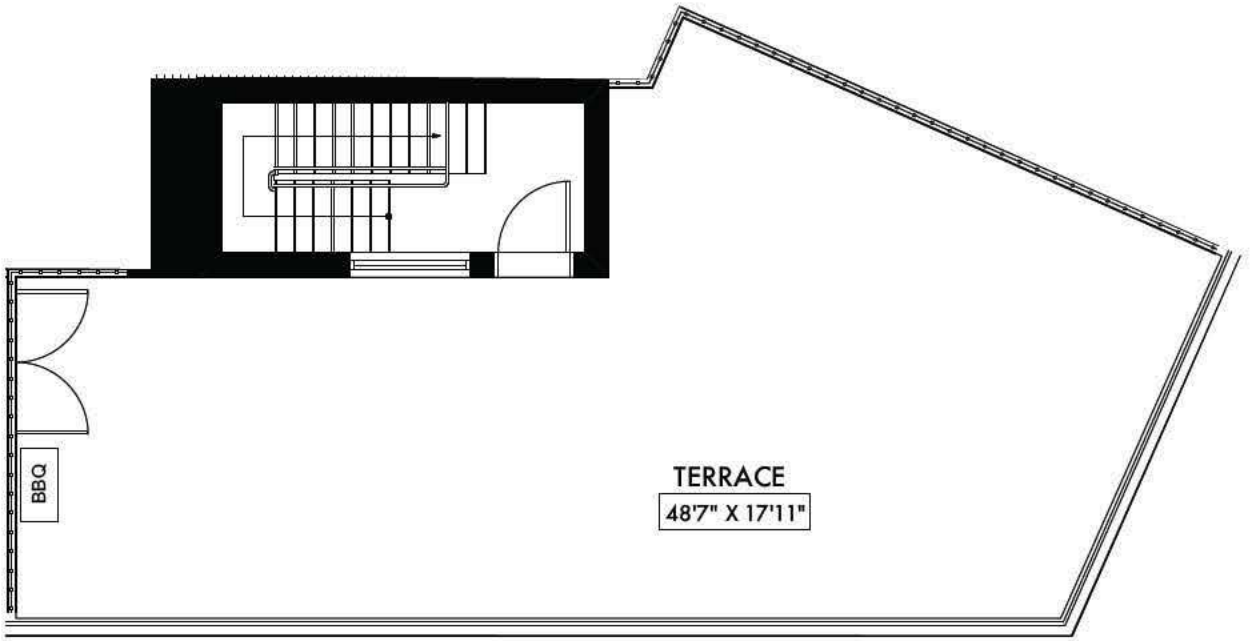
03.29.16





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC

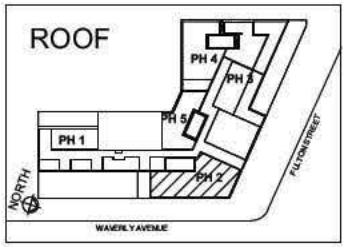


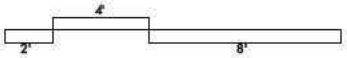
UNIT

PH2

UPPER LEVEL

TERRACE
886 SQ.FT. / 82.3 SQ.MT.

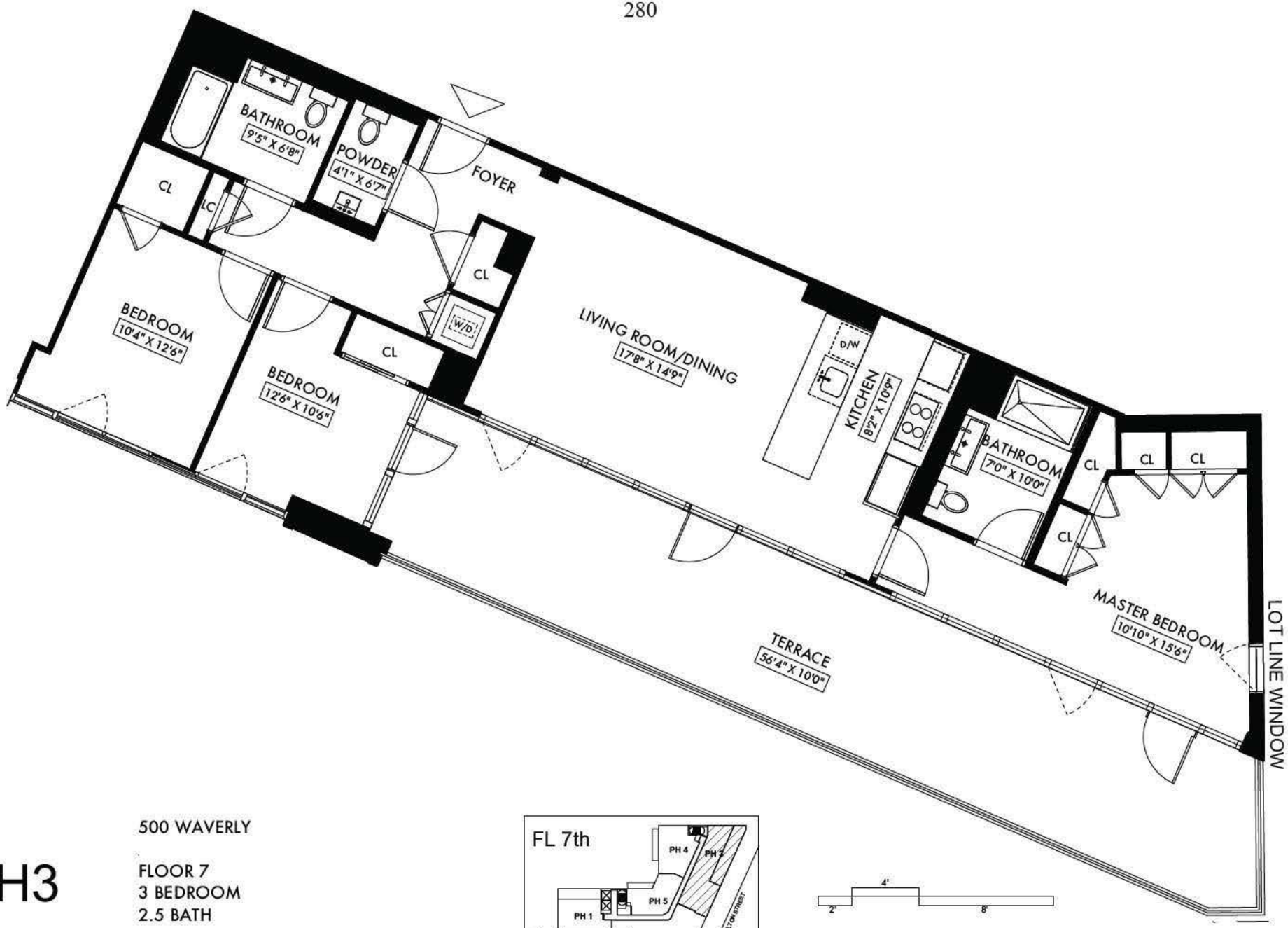




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC

03.29.16



UNIT

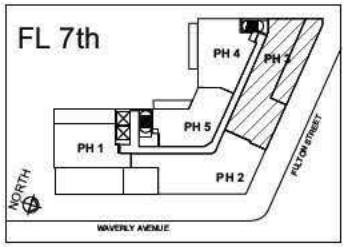
PH3

500 WAVERLY

FLOOR 7
3 BEDROOM
2.5 BATH

1365 SQ.FT. / 126.8 SQ.MT.

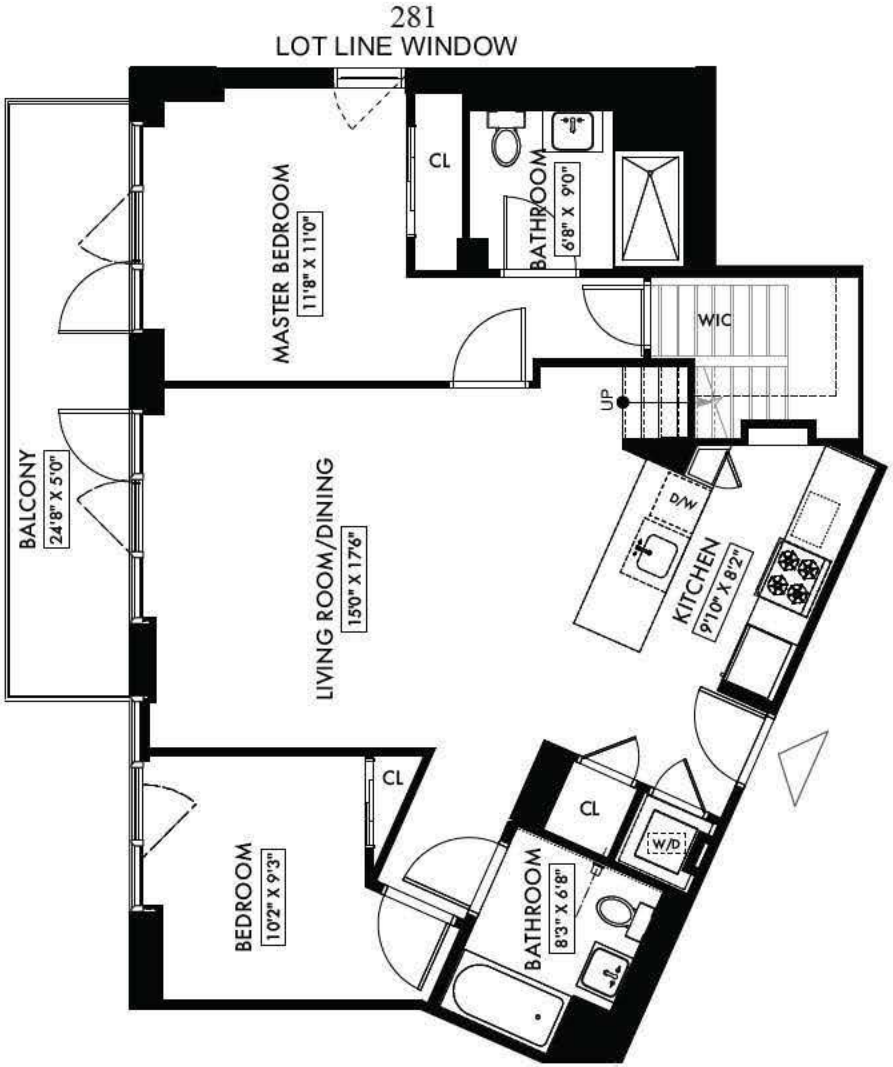
1 TERRACE
562 SQ.FT. / 52.2 SQ.MT.



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC

03.29.16



UNIT

PH4

LOWER LEVEL

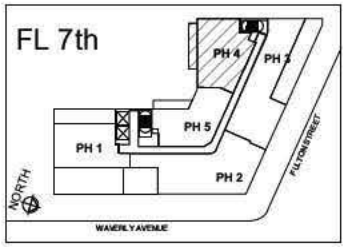
500 WAVERLY

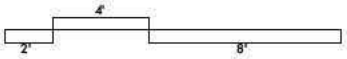
FLOOR 7
2 BEDROOM
2 BATH

1080 SQ.FT. / 100.3 SQ.MT.

1 BALCONY
1 TERRACE
791 SQ.FT. / 73.4 SQ.MT.

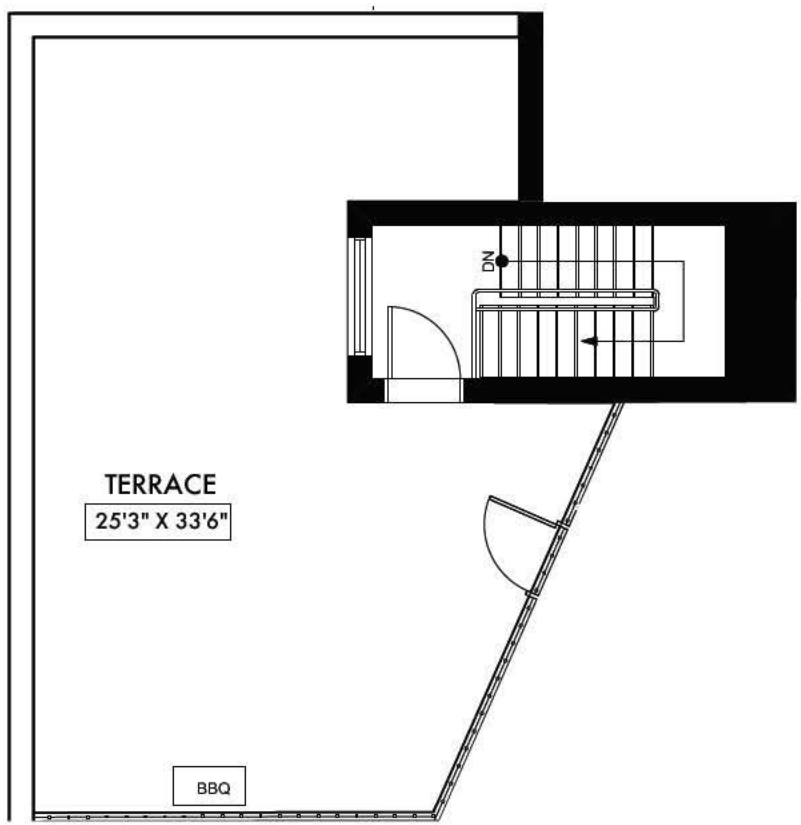
03.29.16





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC

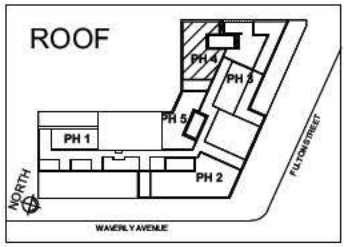


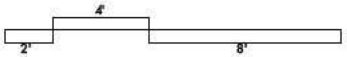
UNIT

PH4

UPPER LEVEL

TERRACE
668 SQ.FT. / 62 SQ.MT.

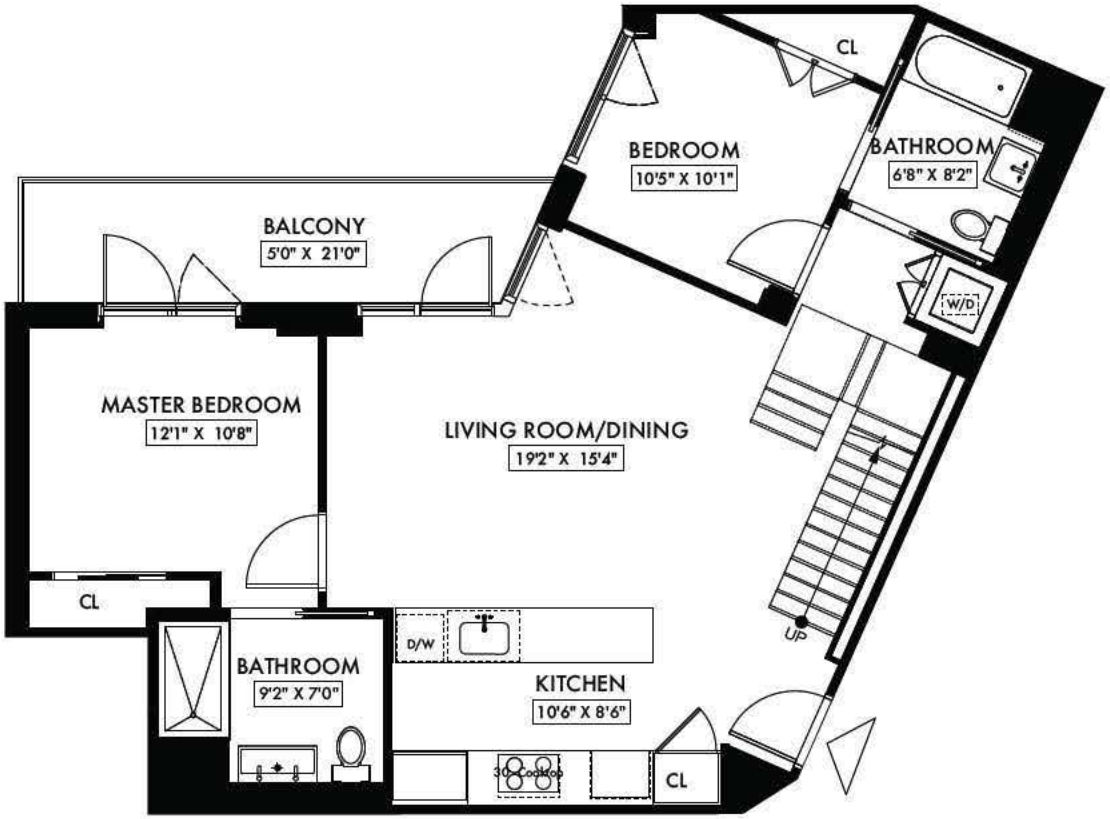




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

03.29.16

Gerner Kronick + Valcarcel, Architects, DPC



UNIT

PH5

LOWER LEVEL

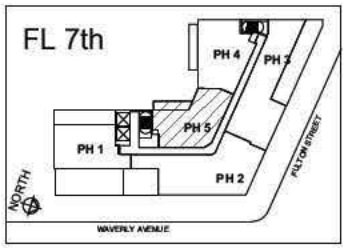
500 WAVERLY

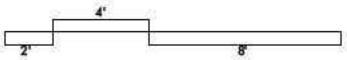
FLOOR 7
2 BEDROOM
2 BATH

989 SQ.FT. / 91.8 SQ.MT.

1 BALCONY
1 TERRACE
593 SQ.FT. / 55 SQ.MT.

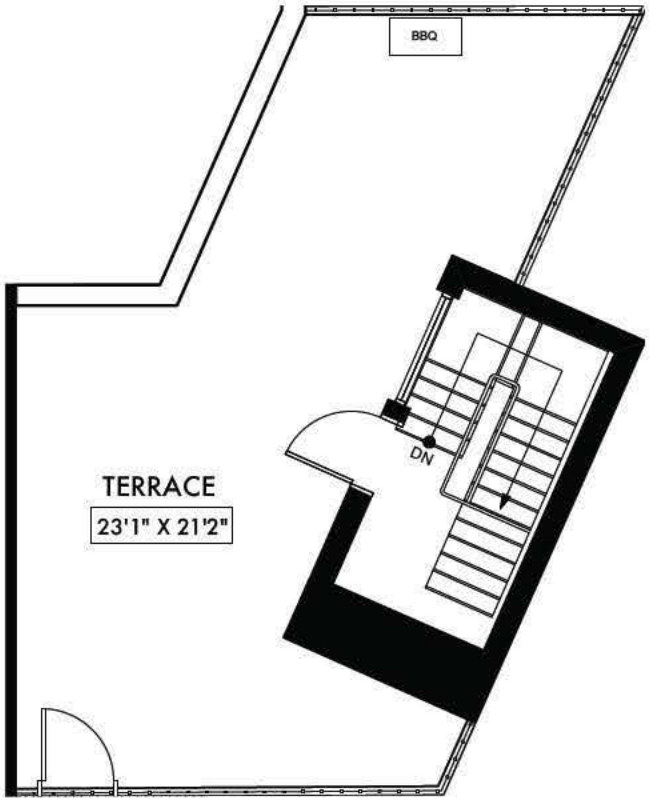
03.29.16





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC

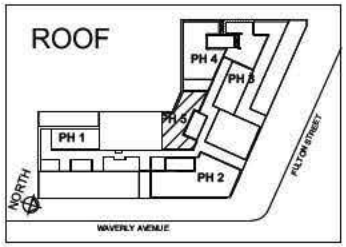


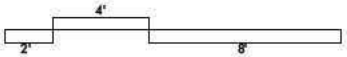
UNIT

PH5

UPPER LEVEL

TERRACE
489 SQ.FT. / 45.4 SQ.MT.





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

Gerner Kronick + Valcarcel, Architects, DPC

03.29.16

PURCHASE AGREEMENT

MARKET RATE UNIT

PURCHASE AGREEMENT

MARKET RATE UNIT

500 WAVERLY PROPERTY OWNER, L.L.C.

Sponsor

With

Purchaser

Unit Number_____

500 WAVERLY CONDOMINIUM
500 WAVERLY AVENUE
BROOKLYN, NEW YORK 11238

TABLE OF CONTENTS

Section		Page
1.	THE PLAN	1
2.	DEFINITIONS	1
3.	THE UNIT	2
4.	PURCHASE PRICE	2
5.	DEPOSIT TO BE HELD IN TRUST	2
6.	CLOSING DATE AND PLACE	3
7.	CLOSING DOCUMENTS	3
8.	STATUS OF TITLE	4
9.	CLOSING ADJUSTMENTS	4
10.	MORTGAGE TAX CREDIT	5
11.	CLOSING COSTS	5
12.	AGREEMENT NOT A LIEN OR ENCUMBRANCE	5
13.	DEFAULT BY PURCHASER	6
14.	AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE	7
15.	SPONSOR'S INABILITY TO CONVEY THE UNIT	7
16.	FIXTURES, APPLIANCES AND PERSONAL PROPERTY	8
17.	CONSTRUCTION	8
18.	INSPECTION OF THE UNIT	8
19.	DAMAGE TO THE UNIT	9
20.	NO REPRESENTATIONS	9
21.	PROHIBITION AGAINST ADVERTISING	10
22.	BROKER	10
23.	AGREEMENT MAY NOT BE ASSIGNED	10
24.	BINDING EFFECT	10
25.	NOTICES	11
26.	JOINT PURCHASERS	11
27.	LIABILITY OF SPONSOR	11
28.	FURTHER ASSURANCES	12
29.	AGREEMENT NOT CONTINGENT UPON FINANCING	12
30.	COSTS OF ENFORCING AND DEFENDING AGREEMENT	12
31.	SEVERABILITY	12
32.	STRICT COMPLIANCE	12
33.	GOVERNING LAW	12

34. WAIVER OF JURY 12
35. ENTIRE AGREEMENT 13
36. CERTAIN REFERENCES 13
37. CAPTIONS 13
38. SUCCESSORS AND ASSIGNS 13
39. CONFIDENTIALITY 13
40. NO ORAL CHANGES 13
41. PERFORMANCE 13
42. COUNTERPARTS 14
43. GOVERNING LAW/JURISDICTION AND VENUE/AGENT FOR SERVICES OF PROCESS 14
44. WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY. 14
45. PURCHASER'S REPRESENTATIONS 15
46. CERTIFICATION OF SPONSOR AND PRINCIPAL 15

SCHEDULE A – PERMITTED ENCUMBRANCES
SCHEDULE B – INSPECTION STATEMENT
SCHEDULE C – RIDER TO PURCHASE AGREEMENT RE: ESCROW PROVISIONS

PURCHASE AGREEMENT

MARKET RATE UNIT

RESIDENTIAL UNIT NUMBER

500 WAVERLY CONDOMINIUM
500 WAVERLY AVENUE
BROOKLYN, NEW YORK 11238

AGREEMENT, made as of _____, between Sponsor and Purchaser (defined below).

W I T N E S S E T H :

1. THE PLAN

Purchaser acknowledges having received and read a copy of the Offering Plan for the 500 Waverly Condominium and all amendments thereto, if any, filed prior to the date hereof with the Department of Law of the State of New York (hereinafter, collectively, referred to as the "Plan") at least 3 Business Days prior to Purchaser's signing this Agreement. If Purchaser has not received and read the Plan and all amendments thereto at least 3 Business Days prior to Purchaser's signing this Agreement, Purchaser shall have the right to rescind this Agreement, by sending written notice of such rescission to Sponsor by certified or registered mail, return receipt requested, or by personal delivery, in either case within 7 Business days from the date Purchaser delivers an executed Purchase Agreement together with the required Deposit to Selling Agent. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan will govern and be binding. Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the Declaration, By-laws and Residential Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor.

2. DEFINITIONS

Terms used herein which are also used in the Plan shall have the same meanings as they do in the Plan, unless the context requires otherwise.

2.1 "Sponsor" means 500 Waverly Property Owner, L.L.C., having an office at 350 Seventh Avenue, Suite 1604, New York, New York 10001. Sponsor's taxpayer identification number is 46-4219798.

2.2. "Purchaser" means ___ having an address at _____. Purchaser's social security number / EIN is: _____.

2.3 "Attorney for Sponsor" means Seiden & Schein, P.C. having an address at 570 Lexington Avenue, 14th Floor, New York, New York 10022; Attention: Jane Rosenberg, Esq. Telephone number: (212) 935-1400. E-mail address: jrosenberg@seidenschein.com.

2.4 "Attorney for Purchaser" means _____, having an address at _____, Attention: _____, Esq. Telephone number: (___) Fax number: (___) ___. E-mail address: _____.

2.5 "Selling Agent" means MNS, having an address at 102 North 6th Street, 2nd Floor, Brooklyn, NY 11249. Telephone number: (212) 475-9000.

2.6 "Co-Broker" means _____.

2.7 "Escrow Agent" means Attorney for Sponsor.

2.8 "Title Company" means First American Title Insurance Company, having an office at 666 Third Avenue, New York, New York 10017. Telephone: (212) 551-9402, Facsimile: (212) 331-1576.

3. THE UNIT

Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the Unit designated as Unit ___ in the Declaration, ("Unit"), together with its undivided __% interest in the Common Elements appurtenant to such Unit.

4. PURCHASE PRICE

4.1 The Purchase Price of the Residential Unit ("Purchase Price") is $___.

The Purchase Price is payable as follows:

(a) $___ ("Deposit"), due upon Purchaser's signing and delivering this Agreement, by check (subject to collection), receipt of which is hereby acknowledged; and

(b) $___ ("Balance of Purchase Price"), by good certified check of Purchaser or official bank check, payable on the delivery of the deed as hereinafter provided.

4.2 All checks shall represent United States currency, be drawn on or issued by a United States Bank or trust company which is a member of the New York Clearing House Association and shall be unendorsed. The Deposit shall be made payable to the direct order of "Seiden & Schein, P.C. as Escrow Agent." The Balance shall be made payable to the direct order of "500 Waverly Property Owner, L.L.C." (or such other party as Sponsor directs to Purchaser, in writing, at least 1 Business Day prior to the date of Closing of Title). If any check is returned for insufficient funds or any other reason, such return shall be deemed to be a default by Purchaser under this Agreement and shall entitle Sponsor to exercise any of the remedies set forth in Article 13 hereof. Notwithstanding the foregoing, if the check representing the Deposit is returned for insufficient funds or any other reason, such return shall be deemed to be a non-curable default by Purchaser and this Agreement shall automatically be deemed cancelled. Upon the cancellation of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale.

5. DEPOSIT TO BE HELD IN TRUST

All Deposits made pursuant to this Agreement are subject to the requirements of Sections 352-e (2) (b) and 352-h of the New York General Business Law and the Attorney General's regulations promulgated pursuant thereto. All monies received from Purchaser towards the Deposit shall be delivered to Escrow Agent and shall be held in accordance with the Section of the Plan entitled "Escrow and Trust Fund Requirements" a copy of which is annexed hereto as Schedule C and made a part hereof. By signing this Agreement, Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Deposit to Sponsor in the event Sponsor and Purchaser close title under this Agreement. In the event Sponsor cannot convey title to the Unit to Purchaser by reason other than Purchaser's default, the Deposit shall be returned to Purchaser, within 30 Business Days of Sponsor's notification to Purchaser that it cannot convey title.

6. CLOSING DATE AND PLACE

6.1 The Closing of Title shall be held at the offices of Seiden & Schein, P.C. 570 Lexington Avenue, 14th Floor, New York, New York 10022 (or such other place in the City and State of New York as Sponsor may designate to Purchaser) and on such date and hour as Sponsor may designate to Purchaser on not less than 30 days' prior notice ("Initial Closing Notice"). After the Initial Closing Notice, Sponsor may, from time to time, adjourn and reschedule the date and hour for Closing at any time on notice to Purchaser, which new Closing notice shall fix a new date, hour and place for the Closing. The rescheduled Closing shall not be earlier than: (a) the date set forth in the Initial Closing Notice or, (b) 5 days from the date of Sponsor's Closing adjournment notice. These notice provisions may be modified or waived by an agreement signed by Sponsor and Purchaser. If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Attorney for Sponsor at Closing an extra fee as set forth in the Plan.

6.2 The term "Closing Date" "Closing" "Closing of Title" or words of similar import, whenever used herein, shall mean the conveyance of title to the Unit from Sponsor to Purchaser.

6.3 The Closing of Title shall only occur with or after compliance with the prerequisites to Closing and the Section of the Plan entitled "Terms of Sale."

7. CLOSING DOCUMENTS

7.1 At the Closing of Title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying fee simple title to the Unit to Purchaser, subject only to the liens, encumbrances, and title conditions set forth on Schedule A annexed hereto and made a part hereof. The deed shall be prepared by Sponsor substantially in the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes, and Sponsor and Purchaser shall duly complete and execute before a notary public the New York City and New York State Transfer Tax Return Forms and any other forms then required by Law, all of which shall be prepared by Sponsor.

7.2 At the Closing of Title, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board prepared by Sponsor substantially in the form set forth in Part II of the Plan.

7.3 At the Closing of Title, Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in compliance with IRS Section 6045(e) as amended, or any successor provision or regulation promulgated thereunder.

7.4 At the Closing of Title, Sponsor and Purchaser shall execute and acknowledge in form for recording such other documents that are reasonably necessary or customary in connection with the conveyance of a condominium unit, including, but not limited to, title affidavits, transfer tax forms, reporting information in respect of real estate transactions, smoke detector affidavit and window guard notices.

7.5 The executed deed, transfer tax forms and power of attorney shall be delivered at the Closing to the representative of the Title Company insuring Purchaser's title (or, if no such representative is present, then to the Attorney for Sponsor) for recording in the Office of the City Register, which recording shall be at Purchaser's expense. After being recorded the deed shall be returned to Purchaser and the power of attorney shall be returned to the Condominium Board.

7.6 Purchaser's payment of the Balance of the Purchase Price and acceptance of a deed to the Unit shall constitute Purchaser's recognition that Sponsor has satisfactorily performed those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to closing. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the Closing, and nothing herein shall be in derogation of the rights of

purchasers under Article 23-A of the General Business Law, the Plan, and Part 20 of the Regulations issued by the Department of Law.

8. STATUS OF TITLE

8.1 At the Closing of Title, Sponsor shall convey to Purchaser and Purchaser shall accept such fee simple title to the Unit as the Title Company will approve and insure without additional premium to Purchaser, provided that the only liens and encumbrances affecting title shall be those set forth in Schedule A annexed hereto and made a part hereof and those expressly agreed to by Purchaser. Any lien and encumbrance or condition which is not set forth in Schedule A annexed hereto shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to Closing to the Title Company, together with the attendant recording or filing fee, if any, or (b) the Title Company (or such other title insurance company Purchaser may utilize), is or would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that it 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. Sponsor shall not be obligated to cause Purchaser's title company to omit any exceptions if the Title Company is willing to insure, without additional premium, Purchaser's title with such exception.

8.2 Sponsor shall be entitled to adjourn the Closing to remove or correct any defect in title which is not set forth in Schedule A. However, if such defect existed at least 10 calendar days prior to the Closing and Purchaser, or Purchaser's attorney, failed to send Sponsor's attorney written notice of such defect in title at least 10 calendar days prior to the Closing of Title, then, for purposes of Article 13 below, Purchaser shall be deemed at fault for not having sent timely notice, and the Closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser.

8.3 If, subsequent to the Closing of Title, Purchaser claims that Sponsor did not convey fee simple title to the Unit in accordance with the Plan, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor. Sponsor and Purchaser agree that Sponsor's liability will be limited to any loss or damage not covered by Purchaser's title insurance company. If Purchaser did not obtain title insurance at the Closing, for purposes of this subparagraph, the amount and coverage which Purchaser could have obtained from Purchaser's title insurance company shall be deducted from the loss or damage collectable against Sponsor. Nothing contained in this subparagraph shall be construed to waive any of Purchaser's rights or abrogate any of Sponsor's obligations under the Plan or Article 23-A of the General Business Law. This provision shall survive Closing.

9. CLOSING ADJUSTMENTS

9.1 The following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit:

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

(b) Common Charges (if Common Charges have been assessed by the Condominium Board) and assessments for the month in which title closes; and

9.2 If the Unit has been separately assessed for real estate taxes but the Closing of Title occurs before the tax rate is fixed, adjustment of real estate taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for real estate tax assessments due after the Closing, if any, shall be paid by Purchaser and shall not be considered a defect in title. If the Unit has not been separately assessed for real estate taxes as of the Closing Date for the then current tax period, the adjustment under subsection 9.1(a) hereof shall be based upon the assessment for the Property and the percentage interest in the Common Elements appurtenant to the Unit. In addition, Purchaser shall pay the Unit's proportionate

share of real estate taxes for the next ensuing tax period and Sponsor or the Condominium will pay such real estate taxes directly to the City of New York. Sponsor shall not be obligated to reimburse Purchaser after the Closing on account of any difference between the amount of real estate taxes for the then current tax period paid by Purchaser at Closing calculated according to the above formula and the amount of real estate taxes subsequently billed by the City of New York to such Purchaser (as Unit Owner).

9.3 Purchaser agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such real estate taxes to be paid) on Purchaser's Unit, Purchaser and Sponsor will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the Closing of Title.

9.4 Provided Sponsor is ready, willing and able to close title in accordance with this Agreement, if Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date subject to Sponsor's rights under Section 13.2 of this Agreement, (a) the Closing apportionments described in Section 9.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing of Title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's increased carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

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

9.6 Any errors or omissions calculating apportionments at Closing shall be corrected and, any payment shall be made to the proper party promptly after discovery. This provision shall survive the Closing of Title.

10. MORTGAGE TAX CREDIT

In the event a mortgage recording tax credit becomes available pursuant to Section 339- ee(2) of the New York Condominium Act, it is specifically understood that such credit shall enure to the benefit of Sponsor. Accordingly, at Closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. At the Closing of Title, Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

11. CLOSING COSTS

In addition to those costs and adjustments described in Articles 9 and 10 herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in the Section of the Plan entitled "Closing Costs and Adjustments." All such Closing Costs shall be paid by Purchaser, at Closing, by Purchaser's unendorsed personal certified check or by official bank check, in either event drawn upon a bank that is a member of the New York Clearing House Association.

12. AGREEMENT NOT A LIEN OR ENCUMBRANCE

No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder, except as hereinafter set forth. In furtherance and not in limitation of the

provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage heretofore or hereafter made, including, but not limited to, any construction or Building loan mortgage, and any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

13. DEFAULT BY PURCHASER

13.1 The following shall constitute "Events of Default" hereunder:

(i) Purchaser's failure to close title to the Unit on the scheduled Closing Date; or

(ii) Purchaser's failure to pay the Balance of the Purchase Price, any closing adjustment, closing cost or fee, including, without limitation, attorneys' fees required to be paid by Purchaser as set forth in the Plan or in this Agreement, or the dishonor of any check given by Purchaser to Sponsor; or

(iii) Purchaser's failure to pay, perform or observe any of Purchaser's other obligations under this Agreement or the Plan; or

(iv) if Purchaser is permitted to become the tenant or occupant of the Unit, Purchaser's failure to pay rent or to otherwise comply with some other lease or occupancy obligation; or

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

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

(vii) if a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the judgment or lien; or

(viii) Purchaser's assignment or transfer of this Agreement without the prior written consent of Sponsor; or

(ix) Purchaser's listing the Unit for sale or rental with any broker or placing or authorizing any listing in any broker's listing system or any other listing service or advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or rental without Sponsor's prior written consent; or

(x) an Event of Default by Purchaser beyond any applicable grace period under a Purchase Agreement between Purchaser and Sponsor for another Unit at the Property.

13.2 **TIME IS OF THE ESSENCE** with respect to Purchaser's obligations to pay the Balance of the Purchase Price and to pay, perform or comply with Purchaser's other obligations under this Agreement. Upon the occurrence of an Event of Default, Sponsor, in its sole discretion, may elect by notice to Purchaser to either: (i) cancel this Agreement or (ii) seek specific performance. If Sponsor elects to cancel, Purchaser shall have 30 days from the giving of notice of cancellation to cure the specified default. If the default is not cured within such 30 days, TIME BEING OF THE ESSENCE, then this Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages, (a) the entire Deposit and any interest earned on the Deposit and (b) Unit Upgrade Funds, if any. Upon the cancellation of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale. If Sponsor elects to seek specific performance, then Purchaser shall have 30 days from the giving of notice of Sponsor's election to close title to the Unit in accordance with this Agreement, without prejudice to Sponsor's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled under the Purchase Agreement (including, but not limited to, attorneys' fees, disbursements and costs of collection).

14. AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE

The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and the Deposit, together with interest earned thereon, shall be returned to Purchaser within 30 days from the filing date of the amendment abandoning the Plan. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

15. SPONSOR'S INABILITY TO CONVEY THE UNIT

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

16. FIXTURES, APPLIANCES AND PERSONAL PROPERTY

Only those fixtures, appliances and items of personal property which are described in the Plan as being included in the Unit are included in this sale. No portion of the Purchase Price shall be attributable to such items.

17. CONSTRUCTION

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

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

17.3 The closing of title shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Terms of Sale" in Part I of the Plan. As a result, if all such prerequisites are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without provision for escrow), notwithstanding any construction items noted on Purchaser's Inspection Statement (as herein defined) remaining for Sponsor to complete and/or correct in accordance with its obligation under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building or the Unit.

17.4 The actual date for the First Closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites recited in the Section of the Plan entitled "Closing of Title to Residential Units." Purchaser acknowledges that construction may be delayed by late delivery of material or equipment, labor difficulties, unavailability of Building trades, casualty, inclement weather and other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the Units in the Building will be completed at varying times over a period that could extend well beyond the First Closing. The order in which these Units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for damages or losses, in the event that the First Closing occurs substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor.

18. INSPECTION OF THE UNIT

18.1 Upon receipt of the Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the interior of the Unit within the 7 days prior to the Closing Date fixed by the Closing Notice. Purchaser or Purchaser's duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement (in the form set forth as Schedule B to this Agreement) and deliver same to Sponsor's representative at the conclusion of the inspection. Failure of Purchaser either to

arrange such appointment or to inspect the interior of the Unit within 7 days prior to the Closing Date fixed by the Closing Notice or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from appearing at the Closing, paying the Balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of the Unit as is. However, nothing herein shall relieve Sponsor of its obligations as set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

18.2 Any work set forth on the Inspection Statement shall be completed by Sponsor as agreed in writing and the non-completion of any such work prior to closing shall not be grounds for delaying the Closing. Purchaser will be obligated to provide Sponsor and its contractors, subcontractors, agents and employees, unfettered access to the Unit and any Residential Limited Common Elements appurtenant thereto after Closing in order to complete the work on the Inspection Statement, failing which Sponsor shall be relieved of its obligations to complete the work set forth on the Inspection Statement. Sponsor has no obligation under the Plan to deposit any monies in escrow at Closing as a result of any work set forth on the Inspection Statement.

19. DAMAGE TO THE UNIT

If between the date of this Agreement and the Closing of Title the Unit is damaged by fire or other casualty, the following shall apply:

19.1 The risk of loss to the Unit by fire or other casualty until the earlier of Closing of Title or possession of the Unit by Purchaser is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. If Sponsor elects to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Sponsor and, if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the Closing of Title.

19.2 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), or, if the Declaration has been recorded prior thereto, the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-laws, this Agreement shall be deemed cancelled and of no further force and effect and Sponsor shall return to Purchaser all Deposits and other sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and neither party hereto shall have any further rights, obligations or liability to or against the other hereunder or under the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain all Deposits and other such sums deposited by Purchaser hereunder, together with any interest earned thereon, as and for liquidated damages.

20. NO REPRESENTATIONS

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the purchase of the Unit, or any other data, except as herein or in the Plan specifically represented. Purchaser has relied solely on Purchaser's

own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan. Except as otherwise set forth in the Plan, Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans is accurate or correct, and (b) that Purchaser shall not be relieved of any Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error. The provisions of this Article shall survive the Closing of Title.

21. PROHIBITION AGAINST ADVERTISING

Prior to the Closing of Title, Purchaser agrees not to list the Unit for sale or rental with any broker or place or authorize any listing in any broker's listing system or other listing service or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or rental, without Sponsor's prior written consent, which consent may be unreasonably withheld or delayed in Sponsor's sole and absolute discretion. Any such action by Purchaser prior to Closing of title shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

22. BROKER

Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction other than the Selling Agent and the Co-Broker, if any, named in this Agreement, whose commissions shall be paid by Sponsor. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than the Selling Agent and the Co-Broker. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker, other than the Selling Agent or the Co-Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including legal fees. The provisions of this Article shall survive the Closing of Title.

23. AGREEMENT MAY NOT BE ASSIGNED

Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor, which consent may be unreasonably withheld or delayed. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Agreement, or for the addition, deletion or substitution of names on this Agreement, then Purchaser shall have such right, provided that (i) Purchaser designates such assignee at least 10 Business Days prior to the Closing Date; (ii) Purchaser delivers to Attorney for Sponsor the fee set forth in the Plan for its services required in connection with the preparation of the assignment and assumption agreement; (iii) the Closing is not delayed as a result of such assignment, (iv) the assignee of this Agreement assumes in writing, by an instrument prepared by Attorney for Sponsor, the obligations of Purchaser under this Agreement and (v) the assignment is made without consideration. Any purported assignment by Purchaser in violation of this Agreement shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement, and shall be voidable at the option of Sponsor.

24. BINDING EFFECT

The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Sponsor until a fully executed counterpart hereof has been delivered to Purchaser or the Attorney for Purchaser. If this Agreement is not accepted within 30 days from

the delivery to Sponsor of this Agreement executed by Purchaser together with the Deposit by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed to have been rejected and cancelled and the Deposit shall be returned to Purchaser within 30 days thereafter. Upon such refund being made, neither party shall have any further rights, obligations liability to or against the other hereunder or under the Plan. Prior to Sponsor's countersigning and returning this Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law.

25. NOTICES

25.1 Any notice, election, demand, request, letter, consent or other communication hereunder or under the Plan shall be in writing and either delivered in person, via electronic transmission (e-mail) or sent, postage prepaid, by registered or certified mail return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed to the Attorney for Purchaser at the address given at the beginning of this Agreement with a copy by regular mail delivered to Purchaser at the address given at the beginning of this Agreement and to the Attorney for Sponsor at the address given at the beginning of this Agreement, with a copy by regular mail delivered to Sponsor at the address given at the beginning of this Agreement. Either party may hereafter designate to the other in writing a change in the address to which notices are to be sent. Except as otherwise expressly provided herein, a notice shall be deemed given on the date when personally delivered, when sent via electronic transmission (e-mail), when delivered to the overnight courier, or in the case of mailing, on the date mailed in a prepaid sealed wrapper, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself.

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

25.3 Purchaser hereby designates and empowers the Attorney for Purchaser, as Purchaser's agent to give any notice to Sponsor under this Agreement in Purchaser's name, which notice so given shall have the same force and effect as if given by Purchaser.

26. 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.

27. LIABILITY OF SPONSOR

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

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

28. FURTHER ASSURANCES

Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

29. AGREEMENT NOT CONTINGENT UPON FINANCING

The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof), and Purchaser understands and agrees that Purchaser's failure to obtain such financing will not relieve Purchaser of Purchaser's obligations hereunder. Purchaser further understands and agrees that if Purchaser chooses to finance the purchase of the Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment, nor any change in Purchaser's financial status or condition shall release or relieve Purchaser of Purchaser's obligations pursuant to this Agreement and Sponsor shall have no liability as a result of any scheduling or adjournment of the Closing beyond the expiration of the loan commitment.

30. COSTS OF ENFORCING AND DEFENDING AGREEMENT

Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder.

31. 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.

32. STRICT COMPLIANCE

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

33. GOVERNING LAW

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

34. 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 hereby or

in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

35. ENTIRE AGREEMENT

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

36. 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 terms "herein," "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Agreement.

37. CAPTIONS

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

38. SUCCESSORS AND ASSIGNS

The provisions of this Agreement shall bind and enure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and enure to the benefit of Sponsor and its successors and assigns.

39. CONFIDENTIALITY

Sponsor and Purchaser hereby acknowledge and agree to keep all of the terms and conditions of this Agreement confidential, except that Sponsor shall be permitted to disclose that a Purchase Agreement has been executed for the Unit and the purchase price thereunder, but not the identity of Purchaser or its principals. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties' respective lawyers, brokers, architects/engineers, accountants, Escrow Bank and individuals who "need to know" or governmental agencies shall not be deemed to be a breach by Sponsor or Purchaser of the parties undertaking of confidentiality contained in this Agreement. Any failure by Purchaser to keep the terms and conditions of this Agreement confidential shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

40. NO ORAL CHANGES

This Agreement cannot be changed or terminated orally. Any changes or additional provisions must be set forth in a rider attached hereto or in a separate written agreement signed by the parties hereto or by an amendment to the plan.

41. PERFORMANCE

Where this Agreement by its terms requires the payment of money or the performance of a condition on a Saturday, Sunday or public holiday, such payment may be made or condition performed on the next Business Day succeeding such Saturday, Sunday or such public holiday, with the same force and effect as if made or performed in accordance with the terms of this Agreement.

42. COUNTERPARTS

This Agreement may be executed in any number of original, email, pdf or facsimile counterparts. Each such counterpart shall for all purposes be deemed an original. All such counterparts shall together constitute but one and the same Agreement.

43. GOVERNING LAW/JURISDICTION AND VENUE/AGENT FOR SERVICES OF PROCESS

43.1 This Agreement was negotiated in the State of New York and the Unit to be conveyed pursuant hereto is located in the State of New York, which State the parties agree has a substantial relationship to the parties and to the underlying transaction embodied hereby, and in all respects, including matters of construction, validity and performance, this Agreement and the obligations arising hereunder shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and performed in such State and any applicable law of the United States of America. Purchaser hereby unconditionally and irrevocably waives any claim to assert that the law of any other jurisdiction governs this Agreement and this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

43.2 Any legal suit, action or proceeding against Sponsor or Purchaser arising out of or relating to this Agreement shall be instituted in any federal or state court in New York County, New York and Purchaser waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, and Purchaser hereby irrevocably submits to the jurisdiction of any such court in any suit, action or proceeding. Purchaser does hereby designate and appoint Attorney for Purchaser as its authorized agent to accept and acknowledge on its behalf service of any and all process which may be served in any such suit, action or proceeding in any federal or state court in New York, New York, and agrees that service of process upon said agent at said address and written notice of said service of Purchaser mailed or delivered to Purchaser in the manner provided herein shall be deemed in every respect effective service of process upon Purchaser (unless local law requires another method of service), in any such suit, action or proceeding in the State of New York. Purchaser (i) shall give prompt notice to Seller of any changed address of its authorized agent hereunder, (ii) may at any time and from time to time designate a substitute authorized agent with an office in New York, New York (which office shall be designated as the address for service of process), and (iii) shall promptly designate such a substitute if its authorized agent ceases to have an office in New York, New York or is dissolved without leaving a successor.

44. WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY.

44.1 The provisions of this Article shall survive the Closing of Title or the termination of this Agreement for the purpose of any suit, action, or proceeding arising directly or indirectly, out of or relating to this Agreement or the Condominium Documents.

44.2 If Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to diplomatic or sovereign immunity, Purchaser expressly and voluntarily waives such immunity and consents to any suit, action or proceeding arising out of or relating to this Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement or the Condominium Documents, and hereby designates and authorizes a lawful agent to receive process for and on behalf of Purchaser in any state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement or the Condominium Documents.

44.3 If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. Section 4305, Purchaser shall notify the United States Department of State prior to purchasing a Unit

and provide a copy of such notice to Sponsor. Sponsor shall not be bound under this Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State.

45. PURCHASER'S REPRESENTATIONS

45.1 Purchaser is not now, nor shall be at any time prior to or at the Closing, a Person with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders or lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC). Neither Purchaser nor any Person who owns an interest in Purchaser is now nor shall be at any time prior to or at the Closing, a Person with whom a U.S. Person, including "financial institution" as defined in 31 U.S.C. 5312 (a) (z), as periodically amended, is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by OFAC or otherwise.

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

45.3 The provisions of this Section shall survive the Closing of Title to the Unit or the earlier termination of this Agreement.

46. CERTIFICATION OF SPONSOR AND PRINCIPAL

Consistent with a recent First Department decision, the principal of Sponsor expressly disclaims the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from their execution of the Certification of Sponsor and Principals, absent liability under another statute or under an alter-ego or other veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC, et al. 106 A.D. 3d 542 (1st Dept. 2013).

* * * * *

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

500 WAVERLY PROPERTY OWNER, L.L.C.

By: 500 Waverly, L.L.C.,
its managing member

By: Orange Waverly, LLC,
its operating member

By: _____
Name: Andrew Bradfield
Title: Sole Member

SCHEDULE A

PERMITTED ENCUMBRANCES

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.

2. Any state of facts which an accurate survey or personal inspection of the Property would show, provided such state of facts would not render title uninsurable without additional premium to Purchaser and would not prevent the use of the Unit for dwelling purposes.

3. The terms, burdens, covenants, restrictions, conditions, easements and Residential Rules and Regulations, all as set forth in the Declaration, the By-laws (and the Residential Rules and Regulations made thereunder), the Power of Attorney from the Purchaser to the Condominium Board, and the Floor Plans as all of the same may be amended from time to time.

4. 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 Property may abut.

5. 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 Property.

6. Revocability of licenses for vault space, if any, under the sidewalks and streets.

7. Any easement or right of use required by Sponsor or its designee to obtain a temporary, permanent or amended Certificate of Occupancy for the Building or any part of same.

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

9. Leases and service, maintenance, employment, concessionaire and Storage Locker Licenses, if any, of other Units or portions of the Common Elements.

10. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, or vault charge, provided the same are adjusted at the Closing of Title.

11. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and the Purchaser shall pay all assessments due from and after the Closing Date.

12. Any 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.

13. Any encumbrance as to which the Title Company (or such other New York Board of Title Underwriters member title insurance 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.

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

15. Any lease covering the Unit(s) made from Sponsor to the Purchaser.

16. Any violation against the Property (other than the Unit) which is the obligation of the Condominium Board, or another Unit Owner to correct.

17. Standard printed exceptions contained in the form of fee title insurance policy then issued by the Title Company.

18. Any TCO or PCO for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

19. Regulatory Agreement dated May 19, 2015 and recorded in the Register's Office on May 27, 2015 under CRFN No. 2015000176820, as amended by Amendment to Regulatory Agreement dated as of September 8, 2015 and intended to be recorded in the Register's Office, between Sponsor and The City of New York, acting by and through the Department of Housing Preservation and Development.

20. Any encumbrance, covenant, easement, agreement, or restriction against the Property set forth in the form of Unit Owner's Specimen Title Policy prepared by the Title Company set forth in Part II of the Plan, as the same may be updated from time to time prior to the Closing.

SCHEDULE B

INSPECTION STATEMENT

Date: _____

500 Waverly Property Owner, L.L.C.
350 Seventh Avenue, Suite 1604
New York, New York 10001

Re: Residential Unit No: ___ ("Unit")
500 Waverly Condominium
500 Waverly Avenue
Brooklyn, New York 11238 ("Condominium")___

Ladies and Gentlemen:

1. On the date hereof, the undersigned purchaser(s) ("Purchaser") inspected the Unit which Purchaser is acquiring from Sponsor and have found the Unit to be in good condition, except as otherwise noted below:

_____

_____

_____

2. Purchaser acknowledges that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs and mechanical chimes will be installed just prior to the date Purchaser moves into the Building. Purchaser agrees to sign-off each item requiring adjustment, or repairs, if any, as they are completed.

3. In the event Purchaser performs work in the Unit of any kind affecting any of the areas or items listed above after the Closing, Sponsor will be relieved of any and all obligations related to the items listed herein.

PURCHASER(S):

_____
(signature)

_____
(signature)

_____
Sponsor's Representative

SCHEDULE C

RIDER TO PURCHASE AGREEMENT RE: ESCROW PROVISIONS

This Rider is made as of _____, between Sponsor, Purchaser and Escrow Agent.

Re: Residential Unit No: ___ ("Unit")
500 Waverly Condominium
500 Waverly Avenue
Brooklyn, New York 11238 ("Condominium")

1. ESCROW AND TRUST FUND REQUIREMENTS

All deposits, down payments, advances and payments made by Purchasers prior to the Closing ("Deposits") will be held in escrow in conformity with the disclosure contained in this Section of the Plan and in accordance with the escrow provisions contained in the Purchase Agreement.

Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e (2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto. The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of Escrow Agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in the escrow agreement or Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds. However, notwithstanding anything to the contrary set forth herein or anywhere else in the Plan, in the Event of Default by Purchaser, as that term is defined the Purchase Agreement, Purchaser shall be obligated to reimburse Sponsor for any legal fees, expenses and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement or otherwise enforcing Purchaser's obligations thereunder.

All Deposits made by Purchasers prior to the Closing of each individual transaction will be placed in a segregated special escrow account of Seiden & Schein, P.C. , the escrow agent ("Escrow Agent"), whose address is 570 Lexington Avenue, 14th Floor, New York, New York 10022 and whose telephone number is (212) 935-1400. As of the date of this Rider, the attorneys who are signatories on these accounts authorized to withdraw funds, acting singly, are Jay G. Seiden, Esq., Alvin Schein, Esq. and Adam A. Levenson, Esq. ("Authorized Signatories"). All Authorized Signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any Authorized Signatory is the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

Escrow Agent has established a master escrow account entitled "Seiden & Schein, P.C., Attorney Escrow Account" ("Master Escrow Account") at Citibank, N.A. located at 399 Park Avenue, New York, New York 10022 ("Escrow Bank"). Escrow Bank is authorized to do business in the State of New York. Deposits properly made payable to "Seiden & Schein, P.C. , as Escrow Agent" will be placed in the Master Escrow Account within 5 Business Days after tender by Purchaser to Sponsor or Selling Agent. Any

subsequent Deposit tendered by Purchaser after the Deposit will be placed in the Master Escrow Account within 10 Business Days after tender by Purchaser to Sponsor or Selling Agent.

All Deposits will be placed initially in the non-interest bearing portion of the Master Escrow Account (including Unit Upgrade Funds). Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8 (Certificate of Foreign Status) in the forms set forth in Part II to the Plan, to Sponsor or Selling Agent at the time Purchaser tenders the Deposit and the Purchase Agreement. If a Deposit is accompanied by a completed and signed Form W-9 or Form W-8, the Deposit will thereafter be promptly transferred to an individual interest bearing sub-escrow account in the name of Purchaser (except for Deposits for Unit Upgrade Funds). If a Purchaser does not deliver the Form W-9 or Form W-8, the Deposit will remain in the non-interest bearing portion of the Master Escrow Account. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow account to the non-interest bearing portion of the Master Escrow Account so that checks may be drawn thereon. The Master Escrow Account is not an IOLA account.

All Deposits, except for Unit Upgrade Funds, are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, until such time as Sponsor is entitled to the Deposit as per GBL § 352-h. Unit Upgrade Funds will initially be placed in the Master Escrow Account. However, Purchasers should note that such funds may be released from the Master Escrow Account by Escrow Agent to Sponsor to pay, or reimburse Sponsor, for such upgrades or extras. As a result, in the event Sponsor cancels the Purchase Agreement or Purchaser is entitled to rescind the Purchase Agreement in accordance with the Plan, Purchaser will not receive a refund of any of the Unit Upgrade Funds. Escrow Agent shall be under no duty to verify that Sponsor used or committed such funds for upgrades or extras.

The sub-escrow account number and the initial interest rate, if any, will be disclosed to each Purchaser, as appropriate, in a letter from Escrow Agent to each Purchaser sent within 10 Business Days after the tender of the Deposit. If Purchaser does not receive notice that the Deposit has been placed in the Master Escrow Account within 15 Business Days after tender of the Deposit, Purchaser may cancel the Purchase and rescind the Purchase Agreement so long as the right to rescind is exercised within 90 days after tender or crediting of the Deposit by notice delivered to Sponsor and to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations. Escrow Agent will not be required to send the letter referred to above to each Purchaser in connection with any additional Deposits tendered by Purchaser after the Deposit (or in connection with any changes in the interest rate.

Escrow Agent shall maintain the Master Escrow Account under its direct supervision and control. A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and as set forth in the Escrow Agreement Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h).

Under current Law, the sub-accounts at the Escrow Bank are insured by the Federal Deposit Insurance Corporation ("FDIC") to a maximum of $250,000 per individual Deposit. The following are SPECIAL RISKS of this offer: (i) if a Purchaser makes a Deposit in excess of $250,000 such Deposit will not be FDIC insured in excess of $250,000; and (ii) while the Deposit is in the non-interest bearing portion of the Master Escrow Account, the Deposit may not be fully FDIC insured even if the Deposit does not exceed $250,000. If a Purchaser maintains accounts at the Escrow Bank, the funds in such accounts, together with the Deposit, may be aggregated by the Escrow Bank for purposes of determining the $250,000 federally

insured limit. No representation is made with respect to any further changes in Law which may increase or decrease such limit.

The Deposit may be tendered by Purchaser to Sponsor or Selling Agent by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested, overnight courier or express mail service. The Deposit shall be deemed tendered by Purchaser on the date it is actually received by Sponsor or Selling Agent.

Acceptance of the Deposit by Sponsor or Selling Agent and the Deposit thereof by Escrow Agent into escrow shall not be deemed a binding agreement by Sponsor to sell to Purchaser unless and until Purchaser executes a Purchase Agreement and Sponsor or Selling Agent executes a duplicate thereof and delivers the Purchase Agreement to Purchaser in accordance with the terms of the Plan. All Deposits made by check are subject to collection.

If a Purchaser tenders a Deposit without an executed Purchase Agreement, Sponsor shall have the right to reject the Deposit and return it to Purchaser: (i) within 5 Business Days after tender, if the Deposit has not been deposited into escrow, and (ii) within 10 Business Days, if the Deposit has been deposited into escrow and the Purchase Agreement has not yet been delivered by Purchaser. In the event a Deposit or portion thereof is delivered by wire transfer to Escrow Agent, any wiring fees charged by the initiating and/or receiving banks will be Purchaser's obligation.

The checking account portion of the Master Escrow Account will not be interest-bearing. The sub-escrow account portion of the Master Escrow Account will be interest-bearing. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to Sponsor only in the event there is a Consummation of the Plan (as such term is defined in the Attorney General's regulations) and Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts. As of June 23, 2015, the interest rate for the Escrow Bank is 0.05%. The interest rate is subject to change by the Escrow Bank. Sponsor makes no guarantee of, and shall have no liability to Purchaser for changes to, the interest rate. Interest will begin to accrue within: (x) 3 Business Days, if the Deposit is cash or cash equivalent, or (y) 5 Business Days, if the Deposit is other than cash or cash equivalent, of the transfer of the Deposit from the checking account portion of the Master Escrow Account into the sub-escrow account portion of the Master Escrow Account, as determined by whether and when the Deposit clears.

All instruments shall be made payable directly to the order of "Seiden & Schein, P.C. as escrow Agent." Endorsed instruments will not be accepted.

If a check delivered by a Purchaser fails for collection, the Purchase Agreement will be deemed void ab initio (as if the Purchase Agreement had never been executed).

Sponsor or its agents, including any selling agents, shall deliver to Escrow Agent all Deposits within two (2) Business Days of tender of the Deposit by a Purchaser, using such transmittal forms as required by Escrow Agent from time to time. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary and statutory obligations set forth in GBL §§ 352(e) (2-b) and 352(h) and the Department of Law's regulations promulgated thereto.

Under no circumstances shall Sponsor seek the release of the Deposits of a defaulting Purchaser until after Consummation of the Plan (as such term is defined in the Attorney General's regulations). Consummation of the Plan does not relieve Sponsor of its obligations pursuant to General Business Law Section 352-h.

Escrow Agent shall release the Deposits if so directed:

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

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

(iii) By a final, non-appealable order or judgment of a court.

If the Deposits are not released pursuant to this paragraph and Escrow Agent receives a request by Sponsor or Purchaser to release the Deposits, Escrow Agent shall give both parties prior written notice of not fewer than 30 days before releasing the Deposits. If Escrow Agent has not received notice of objection to the release of the Deposits at the expiration of the 30 day period, the Deposits shall be released and Escrow Agent shall provide further written notice to both parties informing them of the release of the Deposits. If Escrow Agent receives a written notice from either party objecting to the release of the Deposits within the 30 day period set forth in the notice, Escrow Agent shall continue to hold the Deposits until otherwise directed pursuant to subsections (i) through (iii) of this paragraph. However, Escrow Agent shall also have the right at any time to deposit the Deposits with the clerk of a court in the county in which the Unit is located and shall give written notice to both parties of such deposit.

Sponsor will not object to the release of the Deposits to:

(i) A Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan,

(ii) All Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

The Purchase Agreement provides that Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Deposit to Sponsor in the event Sponsor and Purchaser close title under the Purchase Agreement.

If Sponsor elects to change the Escrow Bank and/or Escrow Agent, such change will be disclosed in a duly filed amendment to the Plan prior to transferring any Deposits.

Set forth in Part II of the Plan is a copy of the form of escrow agreement between Sponsor and Escrow Agent which incorporates the terms of the Attorney General's regulations. Purchaser's execution of the Purchase Agreement shall be deemed to constitute Purchaser's acceptance of the terms of the escrow provisions set forth herein and the escrow agreement set forth in the Plan. Escrow Agent shall be a signatory to the Purchase Agreement solely with respect to Escrow Agent's obligations as set forth herein and the escrow agreement set forth in the Plan.

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

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

Sponsor has agreed to indemnify Escrow Agent from all claims, losses, judgments, costs, expenses and damages, including those brought by third-parties, including purchasers, incurred in connection with or arising out of the escrow agreement or the performance or non-performance of Escrow Agent's duties under the Escrow Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad

faith or in willful disregard of the Escrow Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, professional fees, including attorneys' fees, court costs and disbursements, either paid to retain attorneys or representing the value of all legal services rendered by Escrow Agent to itself and any and all attorneys' and professional fees, court costs, expenses and disbursements incurred by Escrow Agent in connection with a bankruptcy case filed by Sponsor for protection under the United States Bankruptcy Code, the enforcement of any rights, or defense of any claims against Escrow Agent in any bankruptcy proceeding, or any other matter arising in or in connection with Sponsor's bankruptcy case.

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

Escrow Agent and all Authorized Signatories submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of their obligations with respect to this Section or otherwise concerning the maintenance of or release of the Deposits from escrow.

Escrow Agent will maintain all records concerning the Master Escrow Account for 7 years after the release of Deposits.

2. DEFINITIONS

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the Purchase Agreement to which this Rider is annexed or in the Plan.

3. CONFLICTS

In the event of any inconsistency between the provisions of this Rider and those contained in the Purchase Agreement to which this Rider is annexed, the provisions of this Rider shall govern and be binding.

4. FULL FORCE AND EFFECT

Except as set forth in this Rider, all of the terms and conditions of the Purchase Agreement remain unchanged and in full force and effect.

5. COUNTERPARTS

This Rider may be executed in any number of original, e-mail, pdf or facsimile counterparts. Each such counterpart shall for all purposes be deemed an original. All such counterparts shall together constitute but one and the same Rider.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

500 WAVERLY PROPERTY OWNER, L.L.C.

By: 500 Waverly, L.L.C.,
its managing member

By: Orange Waverly, LLC,
its operating member

By: _____
Name: Andrew Bradfield
Title: Sole Member

ESCROW AGENT:

Executed solely in connection with the provisions set forth in this Escrow Rider.

SEIDEN & SCHEIN, P.C.

By: _____
Name:
Title:

RIDER TO PURCHASE AGREEMENT

RE: STORAGE LOCKER

This Rider is made as of _____, between Sponsor and Purchaser.

Re: Residential Unit No: ___ ("Unit")
500 Waverly Condominium
500 Waverly Avenue
Brooklyn, New York 11238 ("Condominium")___

1. STORAGE LOCKER LICENSE

1.1 Sponsor agrees to sell and Purchaser agrees to purchase Storage Locker #____ for a Purchase Price of $___. At Closing, Purchaser shall enter into a Storage Locker License to use the specific Storage Locker designated by Sponsor, the form of which is set forth in Part II of the Plan.

1.2 The Purchase Price is payable as follows:

(a) $___ ("Deposit"), due upon Purchaser's signing and delivering this Agreement, by check (subject to collection), receipt of which is hereby acknowledged; and

(c) $___ ("Balance of the Purchase Price"), by good certified check of Purchaser or official bank check, payable on the delivery of the deed as hereinafter provided.

2. RE-DESIGNATION OF STORAGE LOCKER

Sponsor reserves the right at or prior to Closing to designate a different Storage Locker in lieu of the Storage Locker set forth above, provided the new Storage Locker is equal to or greater in size and has the same Purchase Price.

3. TEMPORARY CERTIFICATE OF OCCUPANCY

Purchaser will be required to consummate the purchase of the Unit and the Storage Locker simultaneously at Closing, even though a Temporary Certificate of Occupancy has not been issued, and access may not be available, for the Storage Locker Area of the Building. In such event, the proceeds from the sale of the Storage Locker License will be held in escrow ("Storage Locker Escrow") by Escrow Agent until such time as a Temporary Certificate of Occupancy has been issued for the Storage Locker Area in which the Storage Locker is located. The Storage Locker Escrow will not be held in an interest bearing escrow account, and, therefore, Purchaser will earn no interest on the Storage Locker Escrow.

4. DAMAGE TO THE STORAGE LOCKER AREA

If there is a fire or other casualty to the Storage Locker Area and Sponsor does not elect to repair or restore such area following such fire or casualty, then the Purchase Agreement shall be deemed modified to provide for the Closing of Title with respect to the Unit only. In such event, the Balance of the Purchase Price of the Unit shall be reduced by the amount of the Deposit paid pursuant to the terms of this Rider.

5. WITHDRAWAL OF STORAGE LOCKER

As set forth in the Plan, Sponsor reserves the right to withdraw the offering of the Storage Locker. The withdrawal of the offering of the Storage Locker will be disclosed by Sponsor in an amendment to the Plan and Purchaser shall only be relieved of Purchaser's obligation to purchase the Storage Locker, but shall remain obligated to purchase the Unit. At Closing, Purchaser will receive a credit against the Balance of the Purchase Price equal to the amount allocated to the withdrawn Storage Locker, to the extent any such money has been delivered to Sponsor.

6. DEFINITIONS

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the Purchase Agreement to which this Rider is annexed or in the Plan.

7. CONFLICTS

In the event of any inconsistency between the provisions of this Rider and those contained in the Purchase Agreement to which this Rider is annexed, the provisions of this Rider shall govern and be binding.

8. FULL FORCE AND EFFECT

Except as set forth in this Rider, all of the terms and conditions of the Purchase Agreement remain unchanged and in full force and effect.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

500 WAVERLY PROPERTY OWNER, L.L.C.

By: 500 Waverly, L.L.C.,
its managing member

By: Orange Waverly, LLC,
its operating member

By: _____
Name: Andrew Bradfield
Title: Sole Member

PURCHASE AGREEMENT

INCLUSIONARY UNIT

PURCHASE AGREEMENT

INCLUSIONARY UNIT

500 WAVERLY PROPERTY OWNER, L.L.C.

Sponsor

With

Purchaser

_____Unit Number

500 WAVERLY CONDOMINIUM
500 WAVERLY AVENUE
BROOKLYN, NEW YORK 11238

TABLE OF CONTENTS

Section		Page
1.	THE PLAN	1
2.	DEFINITIONS	1
3.	THE UNIT	2
4.	PURCHASE PRICE	2
5.	DEPOSIT TO BE HELD IN TRUST	2
6.	CLOSING DATE AND PLACE	2
7.	CLOSING DOCUMENTS	3
8.	STATUS OF TITLE	4
9.	CLOSING ADJUSTMENTS	4
10.	MORTGAGE TAX CREDIT	5
11.	CLOSING COSTS	5
12.	AGREEMENT NOT A LIEN OR ENCUMBRANCE	5
13.	DEFAULT BY PURCHASER	6
14.	AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE	7
15.	SPONSOR'S INABILITY TO CONVEY THE UNIT	7
16.	FIXTURES, APPLIANCES AND PERSONAL PROPERTY	7
17.	CONSTRUCTION	7
18.	INSPECTION OF THE UNIT	8
19.	DAMAGE TO THE UNIT	8
20.	NO REPRESENTATIONS	9
21.	PROHIBITION AGAINST ADVERTISING	9
22.	BROKER	10
23.	AGREEMENT MAY NOT BE ASSIGNED	10
24.	BINDING EFFECT	10
25.	NOTICES	10
26.	JOINT PURCHASERS	11
27.	LIABILITY OF SPONSOR	11
28.	FURTHER ASSURANCES	11
29.	FINANCING CONTINGENCY	11
30.	COSTS OF ENFORCING AND DEFENDING AGREEMENT	12
31.	SEVERABILITY	12
32.	STRICT COMPLIANCE	12
33.	GOVERNING LAW	12

34. WAIVER OF JURY 12
35. ENTIRE AGREEMENT 13
36. CERTAIN REFERENCES 13
37. CAPTIONS 13
38. SUCCESSORS AND ASSIGNS 13
39. NO ORAL CHANGES 13
40. PERFORMANCE 13
41. COUNTERPARTS 13
42. GOVERNING LAW/JURISDICTION AND VENUE/AGENT FOR SERVICES OF PROCESS 13
43. PURCHASER'S REPRESENTATIONS 14
44. CERTIFICATION OF SPONSOR AND PRINCIPAL 14
45. INCLUSIONARY UNITS. 15

SCHEDULE A – PERMITTED ENCUMBRANCES
SCHEDULE B – INSPECTION STATEMENT
SCHEDULE C – RIDER TO PURCHASE AGREEMENT RE: ESCROW PROVISIONS

PURCHASE AGREEMENT

INCLUSIONARY UNIT

RESIDENTIAL UNIT NUMBER_____

500 WAVERLY CONDOMINIUM
500 WAVERLY AVENUE
BROOKLYN, NEW YORK 11238

AGREEMENT, made as of _____, between Sponsor and Purchaser (defined below).

W I T N E S S E T H :

1. THE PLAN

Purchaser acknowledges having received and read a copy of the Offering Plan for the 500 Waverly Condominium and all amendments thereto, if any, filed prior to the date hereof with the Department of Law of the State of New York (hereinafter, collectively, referred to as the "Plan") at least 3 Business Days prior to Purchaser's signing this Agreement. If Purchaser has not received and read the Plan and all amendments thereto at least 3 Business Days prior to Purchaser's signing this Agreement, Purchaser shall have the right to rescind this Agreement, by sending written notice of such rescission to Sponsor by certified or registered mail, return receipt requested, or by personal delivery, in either case within 7 Business Days from the date Purchaser delivers an executed Purchase Agreement together with the required Deposit to Selling Agent. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan will govern and be binding. Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the Declaration, By-laws and Residential Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor.

2. DEFINITIONS

Terms used herein which are also used in the Plan shall have the same meanings as they do in the Plan, unless the context requires otherwise.

2.1 "Sponsor" means 500 Waverly Property Owner, L.L.C., having an office at 350 Seventh Avenue, Suite 1604, New York, New York 10001. Sponsor's taxpayer identification number is 46-4219798.

2.2. "Purchaser" means _____ having an address at_____. Purchaser's social security number is_____.

2.3 "Attorney for Sponsor" means Seiden & Schein, P.C., having an address at 570 Lexington Avenue, 14th Floor, New York, New York 1022. Attention: Jane Rosenberg, Esq. Telephone number: (212)935-1400. E-mail address: jrosenberg@seidenschein.com.

2.4 "Attorney for Purchaser" means _____, having an address at_____, Attention:_____, Esq. Telephone number: (___) Fax number: (___)_____. E-mail address: _____.

2.5 "Escrow Agent" means Attorney for Sponsor.

2.6 "Title Company" means First American Title Insurance Company, having an office at 666 Third Avenue, New York, New York 10017. Telephone: (212) 551-9402, Facsimile: (212) 331-1576.

3. THE UNIT

Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the Unit designated as Unit ___ in the Declaration, ("Unit"), together with its undivided __% interest in the Common Elements appurtenant to such Unit.

4. PURCHASE PRICE

4.1 The Purchase Price of the Residential Unit ("Purchase Price") is $_____.

The Purchase Price is payable as follows:

(a) $_____ ("Deposit"), due upon Purchaser's signing and delivering this Agreement, by check (subject to collection), receipt of which is hereby acknowledged; and

(b) $_____ ("Balance of Purchase Price"), by good certified check of Purchaser or official bank check, payable on the delivery of the deed as hereinafter provided.

4.2 All checks shall represent United States currency, be drawn on or issued by a United States Bank or trust company which is a member of the New York Clearing House Association and shall be unendorsed. The Deposit shall be made payable to the direct order of "Seiden & Schein, P.C. as Escrow Agent." The Balance shall be made payable to the direct order of "500 Waverly Property Owner, L.L.C."(or such other party as Sponsor directs to Purchaser, in writing, at least 1 Business Day prior to the date of Closing of Title). If any check is returned for insufficient funds or any other reason, such return shall be deemed to be a default by Purchaser under this Agreement and shall entitle Sponsor to exercise any of the remedies set forth in Article 13 hereof. Notwithstanding the foregoing, if the check representing the Deposit is returned for insufficient funds or any other reason, such return shall be deemed to be a non-curable default by Purchaser and this Agreement shall automatically be deemed cancelled. Upon the cancellation of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale.

5. DEPOSIT TO BE HELD IN TRUST

All Deposits made pursuant to this Agreement are subject to the requirements of Sections 352-e (2) (b) and 352-h of the New York General Business Law and the Attorney General's regulations promulgated pursuant thereto. All monies received from Purchaser towards the Deposit shall be delivered to Escrow Agent and shall be held in accordance with the Section of the Plan entitled "Escrow and Trust Fund Requirements" a copy of which is annexed hereto as Schedule C and made a part hereof. By signing this Agreement, Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Deposit to Sponsor in the event Sponsor and Purchaser close title under this Agreement. In the event Sponsor cannot convey title to the Unit to Purchaser by reason other than Purchaser's default, the Deposit shall be returned to Purchaser, within 30 Business Days of Sponsor's notification to Purchaser that it cannot convey title.

6. CLOSING DATE AND PLACE

6.1 The Closing of Title shall be held at the offices of Seiden & Schein, P.C., 570 Lexington Avenue, 14th Floor, New York, New York 10022 (or such other place in the City and State of New York

as Sponsor may designate to Purchaser) and on such date and hour as Sponsor may designate to Purchaser on not less than 30 days' prior notice ("Initial Closing Notice"). After the Initial Closing Notice, Sponsor may, from time to time, adjourn and reschedule the date and hour for Closing at any time on notice to Purchaser, which new Closing notice shall fix a new date, hour and place for the Closing. The rescheduled Closing shall not be earlier than: (a) the date set forth in the Initial Closing Notice or, (b) 5 days from the date of Sponsor's Closing adjournment notice. These notice provisions may be modified or waived by an agreement signed by Sponsor and Purchaser.

6.2 The term "Closing Date" "Closing" "Closing of Title" or words of similar import, whenever used herein, shall mean the conveyance of title to the Unit from Sponsor to Purchaser.

6.3 The Closing of Title shall only occur with or after compliance with the prerequisites to Closing and the Section of the Plan entitled "Terms of Sale."

7. CLOSING DOCUMENTS

7.1 At the Closing of Title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying fee simple title to the Unit to Purchaser, subject only to the liens, encumbrances, and title conditions set forth on Schedule A annexed hereto and made a part hereof. The deed shall be prepared by Sponsor substantially in the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Sponsor shall pay all New York State and New York City real property transfer taxes, and Sponsor and Purchaser shall duly complete and execute before a notary public the New York City and New York State Transfer Tax Return Forms and any other forms then required by Law, all of which shall be prepared by Sponsor.

7.2 At the Closing of Title, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board prepared by Sponsor substantially in the form set forth in Part II of the Plan.

7.3 At the Closing of Title, Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in compliance with IRS Section 6045(e) as amended, or any successor provision or regulation promulgated thereunder.

7.4 At the Closing of Title, Sponsor and Purchaser shall execute and acknowledge in form for recording such other documents that are reasonably necessary or customary in connection with the conveyance of a condominium unit, including, but not limited to, title affidavits, transfer tax forms, reporting information in respect of real estate transactions, smoke detector affidavit and window guard notices.

7.5 The executed deed, transfer tax forms and power of attorney shall be delivered at the Closing to the representative of the Title Company insuring Purchaser's title (or, if no such representative is present, then to the Attorney for Sponsor) for recording in the Office of the City Register, which recording shall be at Purchaser's expense. After being recorded the deed shall be returned to Purchaser and the power of attorney shall be returned to the Condominium Board.

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

8. STATUS OF TITLE

8.1 At the Closing of Title, Sponsor shall convey to Purchaser and Purchaser shall accept such fee simple title to the Unit as the Title Company will approve and insure without additional premium to Purchaser, provided that the only liens and encumbrances affecting title shall be those set forth in Schedule A annexed hereto and made a part hereof and those expressly agreed to by Purchaser. Any lien and encumbrance or condition which is not set forth in Schedule A annexed hereto shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to Closing to the Title Company, together with the attendant recording or filing fee, if any, or (b) the Title Company (or such other title insurance company Purchaser may utilize), is or would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that it 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. Sponsor shall not be obligated to cause Purchaser's title company to omit any exceptions if the Title Company is willing to insure, without additional premium, Purchaser's title with such exception.

8.2 Sponsor shall be entitled to adjourn the Closing to remove or correct any defect in title which is not set forth in Schedule A. However, if such defect existed at least 10 days prior to the Closing and Purchaser, or Purchaser's attorney, failed to send Sponsor's attorney written notice of such defect in title at least 10 days prior to the Closing of Title, then, for purposes of Article 13 below, Purchaser shall be deemed at fault for not having sent timely notice, and the Closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser.

8.3 If, subsequent to the Closing of Title, Purchaser claims that Sponsor did not convey fee simple title to the Unit in accordance with the Plan, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor. Sponsor and Purchaser agree that Sponsor's liability will be limited to any loss or damage not covered by Purchaser's title insurance company. If Purchaser did not obtain title insurance at the Closing, for purposes of this subparagraph, the amount and coverage which Purchaser could have obtained from Purchaser's title insurance company shall be deducted from the loss or damage collectable against Sponsor. Nothing contained in this subparagraph shall be construed to waive any of Purchaser's rights or abrogate any of Sponsor's obligations under the Plan or Article 23-A of the General Business Law. This provision shall survive Closing.

9. CLOSING ADJUSTMENTS

9.1 The following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit:

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

(b) Common Charges (if Common Charges have been assessed by the Condominium Board) and assessments for the month in which title closes; and

9.2 If the Unit has been separately assessed for real estate taxes but the Closing of Title occurs before the tax rate is fixed, adjustment of real estate taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for real estate tax assessments due after the Closing, if any, shall be paid by Purchaser and shall not be considered a defect in title. If the Unit has not been separately assessed for real estate taxes as of the Closing Date for the then current tax period, the adjustment under subsection 9.1(a) hereof shall be based upon the assessment for the Property and the percentage interest in the Common Elements appurtenant to the Unit. In addition, Purchaser shall pay the Unit's proportionate share of real estate taxes for the next ensuing tax period and Sponsor or the Condominium will pay such real estate taxes directly to the City of New York. Sponsor shall not be obligated to reimburse Purchaser after the Closing on account of any difference between the amount of real estate taxes for the then current tax period

paid by Purchaser at Closing calculated according to the above formula and the amount of real estate taxes subsequently billed by the City of New York to such Purchaser (as Unit Owner).

9.3 Purchaser agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such real estate taxes to be paid) on Purchaser's Unit, Purchaser and Sponsor will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the Closing of Title.

9.4 Provided Sponsor is ready, willing and able to close title in accordance with this Agreement, if Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date subject to Sponsor's rights under Section 13.2 of this Agreement, the Closing apportionments described in Section 9.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing of Title occurs. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

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

9.6 Any errors or omissions calculating apportionments at Closing shall be corrected and, any payment shall be made to the proper party promptly after discovery. This provision shall survive the Closing of Title.

10. MORTGAGE TAX CREDIT

In the event a mortgage recording tax credit becomes available pursuant to Section 339- ee(2) of the New York Condominium Act, it is specifically understood that such credit shall enure to the benefit of Sponsor. Accordingly, at Closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. At the Closing of Title, Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

11. CLOSING COSTS

In addition to those costs and adjustments described in Articles 9 and 10 herein, Purchaser shall be required to pay the other closing costs which are an Inclusionary Purchaser's responsibility as more particularly described in the Section of the Plan entitled "Closing Costs and Adjustments." All such Closing Costs shall be paid by Purchaser, at Closing, by Purchaser's unendorsed personal certified check or by official bank check, in either event drawn upon a bank that is a member of the New York Clearing House Association. In no event shall Purchaser be obligated to pay any transfer taxes due with respect to the Closing of the Unit.

12. AGREEMENT NOT A LIEN OR ENCUMBRANCE

No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder, except as hereinafter set forth. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage heretofore or hereafter made, including, but not limited to, any construction or Building loan mortgage, and any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the

execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

13. DEFAULT BY PURCHASER

13.1 The following shall constitute "Events of Default" hereunder:

(xi) Purchaser's failure to close title to the Unit on the scheduled Closing Date; or

(xii) Purchaser's failure to pay when due the Balance of the Purchase Price, any closing adjustment, closing cost or fee, including, without limitation, attorneys' fees required to be paid by Purchaser as set forth in the Plan or in this Agreement, or the dishonor of any check given by Purchaser to Sponsor; or

(xiii) Purchaser's failure to pay, perform or observe any of Purchaser's other obligations under this Agreement or the Plan; or

(xiv) if Purchaser is permitted to become the tenant or occupant of the Unit, Purchaser's failure to pay rent or to otherwise comply with some other lease or occupancy obligation; or

(xv) if Purchaser is not an Eligible Purchaser of the Unit at the time of Closing, as determined by HPD or the Administering Agent; or

(xvi) Purchaser's assignment or transfer of this Agreement without the prior written consent of Sponsor and HPD, as set forth in Paragraph 23 hereof; or

(xvii) Purchaser's listing the Unit for sale or rental with any broker or placing or authorizing any listing in any broker's listing system or any other listing service or advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or rental without Sponsor's and HPD's prior written consent.

13.2 **TIME IS OF THE ESSENCE** with respect to Purchaser's obligations to pay the Balance of the Purchase Price and to pay, perform or comply with Purchaser's other obligations under this Agreement. Upon the occurrence of an Event of Default, Sponsor, in its sole discretion, may elect by notice to Purchaser to cancel this Agreement. If Sponsor elects to cancel, Purchaser shall have 30 days from the giving of notice of cancellation to cure the specified default. If the default is not cured within such 30 days, TIME BEING OF THE ESSENCE, then this Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages, the entire Deposit and any interest earned on the Deposit. Upon the cancellation of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale.

14. AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE

The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and the Deposit, together with interest earned thereon, shall be returned to Purchaser within 30 days from the filing date of the amendment abandoning the Plan. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

15. SPONSOR'S INABILITY TO CONVEY THE UNIT

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

16. FIXTURES, APPLIANCES AND PERSONAL PROPERTY

Only those fixtures, appliances and items of personal property which are described in the Plan as being included in the Unit are included in this sale. No portion of the Purchase Price shall be attributable to such items.

17. CONSTRUCTION

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

17.2 The construction of the Building and the Unit and the correction of any defects in the construction thereof to the extent required under the Plan are the sole responsibility of Sponsor. Purchaser

acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and Plans and Specifications as indicated in the Section of the Plan entitled "Rights and Obligations of Sponsor" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in such Section.

17.3 The closing of title shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Terms of Sale" in Part I of the Plan. As a result, if all such prerequisites are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without provision for escrow), notwithstanding any construction items noted on Purchaser's Inspection Statement (as herein defined) remaining for Sponsor to complete and/or correct in accordance with its obligation under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building or the Unit.

17.4 The actual date for the First Closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites recited in the Section of the Plan entitled "Closing of Title to Residential Units." Purchaser acknowledges that construction may be delayed by late delivery of material or equipment, labor difficulties, unavailability of Building trades, casualty, inclement weather and other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the Units in the Building will be completed at varying times over a period that could extend well beyond the First Closing. The order in which these Units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for damages or losses, in the event that the First Closing occurs substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor.

18. INSPECTION OF THE UNIT

18.1 Upon receipt of the Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor and the Administering Agent to inspect the interior of the Unit within the 7 days prior to the Closing Date fixed by the Closing Notice. Purchaser or Purchaser's duly authorized agent and a representative of HPD shall attend such inspection and shall complete, date and sign the Inspection Statement (in the form set forth as Schedule B to this Agreement) and deliver same to Sponsor's representative at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the interior of the Unit within 7 days prior to the Closing Date fixed by the Closing Notice or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from appearing at the Closing, paying the Balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of the Unit as is. However, nothing herein shall relieve Sponsor of its obligations as set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

18.2 Any work set forth on the Inspection Statement shall be completed by Sponsor as agreed in writing and the non-completion of any such work shall not be grounds for delaying the Closing. Purchaser will be obligated to provide Sponsor and its contractors, subcontractors, agents and employees, unfettered access to the Unit and any Residential Limited Common Elements appurtenant thereto after Closing in order to complete the work on the Inspection Statement, failing which Sponsor shall be relieved of its obligations to complete the work set forth on the Inspection Statement. Sponsor has no obligation under the Plan to deposit any monies in escrow at Closing as a result of any work set forth on the Inspection Statement.

19. DAMAGE TO THE UNIT

If between the date of this Agreement and the Closing of Title the Unit is damaged by fire or other casualty, the following shall apply:

19.1 The risk of loss to the Unit by fire or other casualty until the earlier of Closing of Title or possession of the Unit by Purchaser is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. If Sponsor elects to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Sponsor and, if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the Closing of Title.

19.2 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), or, if the Declaration has been recorded prior thereto, the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-laws, this Agreement shall be deemed cancelled and of no further force and effect and Sponsor shall return to Purchaser all Deposits and other sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and neither party hereto shall have any further rights, obligations or liability to or against the other hereunder or under the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain all Deposits and other such sums deposited by Purchaser hereunder, together with any interest earned thereon, as and for liquidated damages.

20. NO REPRESENTATIONS

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the purchase of the Unit, or any other data, except as herein or in the Plan specifically represented. Purchaser has relied solely on Purchaser's own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan. Except as otherwise set forth in the Plan, Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans is accurate or correct, and (b) that Purchaser shall not be relieved of any Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error. The provisions of this Article shall survive the Closing of Title.

21. PROHIBITION AGAINST ADVERTISING

Prior to the Closing of Title, Purchaser agrees not to list the Unit for sale or rental with any broker or place or authorize any listing in any broker's listing system or other listing service or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or rental. Any such action by Purchaser prior to Closing of title shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

22. BROKER

Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction.

23. AGREEMENT MAY NOT BE ASSIGNED

Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor and HPD, which consent may be unreasonably withheld or delayed. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of Sponsor. Sponsor's or HPD's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. Any purported assignment by Purchaser in violation of this Agreement shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement, and shall be voidable at the option of Sponsor.

24. BINDING EFFECT

The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Sponsor until a fully executed counterpart hereof has been delivered to Purchaser or the Attorney for Purchaser. If this Agreement is not accepted within 30 days from the delivery to Sponsor of this Agreement executed by Purchaser together with the Deposit by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed to have been rejected and cancelled and the Deposit shall be returned to Purchaser within 30 days thereafter. Upon such refund being made, neither party shall have any further rights, obligations liability to or against the other hereunder or under the Plan. This Agreement may not be rejected due to Purchaser's race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law. Notwithstanding the foregoing, if Sponsor's application for 421-a Benefits is not approved by HPD, or Sponsor withdraws its application for 421-a Benefits, Sponsor will notify Purchaser and upon the sending of such notice, this Agreement will be deemed cancelled and of no further force and effect and Sponsor shall promptly return to Purchaser the Deposit paid by Purchaser, together with any interest thereof, if any.

25. NOTICES

25.1 Any notice, election, demand, request, letter, consent or other communication hereunder or under the Plan shall be in writing and either delivered in person, via electronic transmission (e-mail) or sent, postage prepaid, by registered or certified mail return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed to the Attorney for Purchaser at the address given at the beginning of this Agreement with a copy by regular mail delivered to Purchaser at the address given at the beginning of this Agreement and to the Attorney for Sponsor at the address given at the beginning of this Agreement, with a copy by regular mail delivered to Sponsor at the address given at the beginning of this Agreement. Either party may hereafter designate to the other in writing a change in the address to which notices are to be sent. Except as otherwise expressly provided herein, a notice shall be deemed given on the date when personally delivered, when sent via electronic transmission (e-mail), when delivered to the overnight courier, or in the case of mailing, on the date mailed in a prepaid sealed wrapper, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself.

25.2 Sponsor hereby designates and empowers Attorney for Sponsor, as Sponsor's agents to give any notice to Purchaser under this Agreement (including, without limitation, a notice of default) in Sponsor's name, which notice so given shall have the same force and effect as if given by Sponsor itself.

25.3 Purchaser hereby designates and empowers the Attorney for Purchaser, as Purchaser's agent to give any notice to Sponsor under this Agreement in Purchaser's name, which notice so given shall have the same force and effect as if given by Purchaser.

26. 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.

27. LIABILITY OF SPONSOR

Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, weather, fire, flood, explosion, war, riot, sabotage, epidemics, quarantine, acts of terrorism, freight embargos, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, governmental restrictions, preemptions or approvals, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the control of Sponsor. Sponsor's time to perform such obligations or undertaking shall be tolled for the length of the period during which such performance was excused.

28. FURTHER ASSURANCES

Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

29. FINANCING CONTINGENCY

29.1 Purchaser is not required to obtain financing for the purchase of the Unit pursuant to this Agreement. However, if Purchaser chooses to obtain financing, this Agreement is conditioned upon Purchaser obtaining a written mortgage loan commitment for a mortgage loan from an "Institutional Lender" (as defined herein) in an amount which shall not exceed 90% percent of the Purchase Price for a term of not more than 30 years at the then prevailing fixed or variable rate of interest (the "Commitment"). Purchaser shall in good faith submit an application for a Commitment (the "Loan Application") to an Institutional Lender within 10 Business Days after the date on which a fully-executed copy of this Agreement is delivered to Purchaser's attorney (the "Agreement Date") and Purchaser shall promptly submit to the Institutional Lender, or as the Institutional Lender may direct, all required fees, information and supporting documents necessary for processing the Loan Application. Purchaser shall deliver to Sponsor evidence, in writing, of Purchaser's submission of the Loan Application to the Institutional Lender no later than 10 Business Days after the Purchase Agreement Date (the "Loan Application Notice"). In the event that Purchaser does not deliver the Loan Application Notice to Sponsor by such date, time being of the essence, Sponsor shall have the right, but not the obligation, to terminate this Agreement by written notice to Purchaser and to cause Escrow Agent to return Purchaser's Deposit and any interest accrued thereon within 10 Business Days thereafter. Upon such return, the parties shall have no further rights or obligations to one another with respect to this Agreement.

No other financing contingency is permitted by this Agreement. Notwithstanding anything to the contrary contained herein, Sponsor shall have no obligation to secure a Commitment for Purchaser. Additionally, failure of Purchaser to comply with the terms and conditions of the Commitment which are unrelated to Sponsor's responsibility to perform under the terms of the Plan does not relieve Purchaser of its obligation to Close Title to the Unit.

29.2 Purchaser is obligated to maintain Purchaser's Commitment in effect until the Closing, including applying for an extension of such Commitment to the same Institutional Lender, as the case may be.

29.3 SPONSOR'S EXECUTION OF THIS AGREEMENT SHALL BE CONDITIONED ON PURCHASER'S DELIVERY TO SPONSOR OF A LETTER FROM AN INSTITUTIONAL LENDER WHICH STATES THAT PURCHASER HAS PRE-QUALIFIED FOR A MORTGAGE LOAN.

29.4 For the purposes of this Agreement, the term "Institutional Lender" means any of the following that is authorized under Federal or New York State law to issue a mortgage loan secured by the Unit and is currently extending similarly secured loan commitments in the county in which the Unit is located: a local, state, or federal agency, savings bank, commercial bank, life insurance company, public real estate investment company, pension fund, or other lender approved by HPD.

30. COSTS OF ENFORCING AND DEFENDING AGREEMENT

Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder. Purchaser shall not be obligated to reimburse Sponsor for such legal fees and disbursements in the event Purchaser prevails in any dispute with respect to any default under this Agreement.

31. 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.

32. STRICT COMPLIANCE

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

33. GOVERNING LAW

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

34. 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 hereby or in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

35. ENTIRE AGREEMENT

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

36. 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 terms "herein," "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Agreement.

37. CAPTIONS

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

38. SUCCESSORS AND ASSIGNS

The provisions of this Agreement shall bind and enure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns (to the extent permitted by the Regulatory Agreement and the Inclusionary Housing Program) and shall bind and enure to the benefit of Sponsor and its successors and assigns.

39. NO ORAL CHANGES

This Agreement cannot be changed or terminated orally. Any changes or additional provisions must be set forth in a rider attached hereto or in a separate written agreement signed by the parties hereto or by an amendment to the plan.

40. PERFORMANCE

Where this Agreement by its terms requires the payment of money or the performance of a condition on a Saturday, Sunday or public holiday, such payment may be made or condition performed on the next Business Day succeeding such Saturday, Sunday or such public holiday, with the same force and effect as if made or performed in accordance with the terms of this Agreement.

41. COUNTERPARTS

This Agreement may be executed in any number of original, email, pdf or facsimile counterparts. Each such counterpart shall for all purposes be deemed an original. All such counterparts shall together constitute but one and the same Agreement.

42. GOVERNING LAW/JURISDICTION AND VENUE/AGENT FOR SERVICES OF PROCESS

42.1 This Agreement was negotiated in the State of New York and the Unit to be conveyed pursuant hereto is located in the State of New York, which State the parties agree has a substantial relationship to the parties and to the underlying transaction embodied hereby, and in all respects, including matters of construction, validity and performance, this Agreement and the obligations arising hereunder shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and performed in such State and any applicable law of the United States of

America. Purchaser hereby unconditionally and irrevocably waives any claim to assert that the law of any other jurisdiction governs this Agreement and this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

42.2 Any legal suit, action or proceeding against Sponsor or Purchaser arising out of or relating to this Agreement shall be instituted in any federal or state court in New York County, New York and Purchaser waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, and Purchaser hereby irrevocably submits to the jurisdiction of any such court in any suit, action or proceeding. Purchaser does hereby designate and appoint Attorney for Purchaser as its authorized agent to accept and acknowledge on its behalf service of any and all process which may be served in any such suit, action or proceeding in any federal or state court in New York, New York, and agrees that service of process upon said agent at said address and written notice of said service of Purchaser mailed or delivered to Purchaser in the manner provided herein shall be deemed in every respect effective service of process upon Purchaser (unless local law requires another method of service), in any such suit, action or proceeding in the State of New York. Purchaser (i) shall give prompt notice to Seller of any changed address of its authorized agent hereunder, (ii) may at any time and from time to time designate a substitute authorized agent with an office in New York, New York (which office shall be designated as the address for service of process), and (iii) shall promptly designate such a substitute if its authorized agent ceases to have an office in New York, New York or is dissolved without leaving a successor.

43. PURCHASER'S REPRESENTATIONS

43.1 Purchaser is not now, nor shall be at any time prior to or at the Closing, a Person with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders or lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC). Neither Purchaser nor any Person who owns an interest in Purchaser is now nor shall be at any time prior to or at the Closing, a Person with whom a U.S. Person, including "financial institution" as defined in 31 U.S.C. 5312 (a) (z), as periodically amended, is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by OFAC or otherwise.

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

43.3 The provisions of this Section shall survive the Closing of Title to the Unit or the earlier termination of this Agreement.

44. CERTIFICATION OF SPONSOR AND PRINCIPAL

Consistent with a recent First Department decision, the principal of Sponsor expressly disclaims the existence of any private right of action for contract claims by individual unit owners (or a board on

their behalf) in connection with or arising solely from their execution of the Certification of Sponsor and Principals, absent liability under another statute or under an alter-ego or other veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC, et al. 106 A.D. 3d 542 (1st Dept. 2013).

45. INCLUSIONARY UNITS

45.1 Purchaser acknowledges that the Unit is part of a project which has received a zoning bonus pursuant to the Inclusionary Housing Program. As provided in Schedule A of the Plan, the Purchase Price for the Unit is based on the inclusionary housing provisions of the New York City Zoning Resolution Section 23-90 et seq. and Title 28, Chapter 41 of the Rules of the City of New York (collectively, "Inclusionary Housing Program"), as well as the Regulatory Agreement, and, as such, Purchaser (and any successor Unit Owner) shall be bound by the Inclusionary Housing Program and the Regulatory Agreement for so long as Purchaser (or such successor Unit Owner) owns the Unit. Purchaser further acknowledges that it is a condition to receiving the benefit of the below-market Purchase Price that Purchaser continuously occupy the Unit as Purchaser's Primary Residence (as such term is defined in the Plan and the Inclusionary Housing Program) from the Closing Date of the Unit to Purchaser until such time as Purchaser no longer owns the Unit. Purchaser hereby represents that Purchaser intends to occupy the Unit as Purchaser's Primary Residence. A copy of the Regulatory Agreement is set forth in Part II of the Plan.

45.2 Notwithstanding any provisions herein to the contrary, this Agreement may be rescinded by Sponsor if Purchaser is found to have falsely or fraudulently certified income or household composition or other eligibility criteria to the Administering Agent. In the event that Sponsor rescinds this Agreement, Sponsor shall cause Escrow Agent to return Purchaser's Deposit and any interest accrued thereon within 10 Business Days thereafter. Upon such return, the parties shall have no further rights or obligations to one another with respect to this Agreement.

45.3 Except as provided in this Section 46, any conflict between the Plan and this Agreement will be resolved in favor of the Plan. Any conflict between the Plan, this Agreement, and the Inclusionary Housing Program (including, without limitation, the Regulatory Agreement) shall be resolved in favor of the Inclusionary Housing Program.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

500 WAVERLY PROPERTY OWNER, L.L.C.

By: 500 Waverly, L.L.C.,
its managing member

By: Orange Waverly, LLC,
its operating member

By: _____
Name: Andrew Bradfield
Title: Sole Member

SCHEDULE A

PERMITTED ENCUMBRANCES

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.

2. Any state of facts which an accurate survey or personal inspection of the Property would show, provided such state of facts would not render title uninsurable without additional premium to Purchaser and would not prevent the use of the Unit for dwelling purposes.

3. The terms, burdens, covenants, restrictions, conditions, easements and Residential Rules and Regulations, all as set forth in the Declaration, the By-laws (and the Residential Rules and Regulations made thereunder), the Power of Attorney from the Purchaser to the Condominium Board, and the Floor Plans as all of the same may be amended from time to time.

4. 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 Property may abut.

5. 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 Property.

6. Revocability of licenses for vault space, if any, under the sidewalks and streets.

7. Any easement or right of use required by Sponsor or its designee to obtain a temporary, permanent or amended Certificate of Occupancy for the Building or any part of same.

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

9. Leases and service, maintenance, employment, concessionaire and Storage Locker Licenses, if any, of other Units or portions of the Common Elements.

10. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, or vault charge, provided the same are adjusted at the Closing of Title.

11. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and the Purchaser shall pay all assessments due from and after the Closing Date.

12. Any 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.

13. Any encumbrance as to which the Title Company (or such other New York Board of Title Underwriters member title insurance 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.

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

15. Any lease covering the Unit(s) made from Sponsor to the Purchaser.

16. Any violation against the Property (other than the Unit) which is the obligation of the Condominium Board, or another Unit Owner to correct.

17. Standard printed exceptions contained in the form of fee title insurance policy then issued by the Title Company.

18. Any TCO or PCO for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

19. Regulatory Agreement dated May 19, 2015 and recorded in the Register's Office on May 27, 2015 under CRFN No. 2015000176820, as amended by Amendment to Regulatory Agreement dated as of September 8, 2015 and recorded in the Register's Office on September 17, 2015 under CFRN No. 2015000329135 between Sponsor and The City of New York, acting by and through the Department of Housing Preservation and Development.

20. Any encumbrance, covenant, easement, agreement, or restriction against the Property set forth in the form of Unit Owner's Specimen Title Policy prepared by the Title Company set forth in Part II of the Plan, as the same may be updated from time to time prior to the Closing

SCHEDULE B

INSPECTION STATEMENT

Date: _____

500 Waverly Property Owner, L.L.C.
350 Seventh Avenue, Suite 1604
New York, New York 10001

Re: Residential Unit No: ___ ("Unit")
500 Waverly Condominium
500 Waverly Avenue
Brooklyn, New York 11238 ("Condominium")___

Ladies and Gentlemen:

1. On the date hereof, the undersigned purchaser(s) ("Purchaser") inspected the Unit which Purchaser is acquiring from Sponsor and have found the Unit to be in good condition, except as otherwise noted below:

_____

_____

_____

2. Purchaser acknowledges that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs and mechanical chimes will be installed just prior to the date Purchaser moves into the Building. Purchaser agrees to sign-off each item requiring adjustment, or repairs, if any, as they are completed.

3. In the event Purchaser performs work in the Unit of any kind affecting any of the areas or items listed above after the Closing, Sponsor will be relieved of any and all obligations related to the items listed herein.

PURCHASER(S):

_____
(signature)

_____
(signature)

_____
Sponsor's Representative

SCHEDULE C

RIDER TO PURCHASE AGREEMENT RE: ESCROW PROVISIONS

This Rider is made as of _____, between Sponsor, Purchaser and Escrow Agent.

Re: Residential Unit No: ___ ("Unit")
500 Waverly Condominium
500 Waverly Avenue
Brooklyn, New York 11238 ("Condominium")

1. ESCROW AND TRUST FUND REQUIREMENTS

All deposits, down payments, advances and payments made by Purchasers prior to the Closing ("Deposits") will be held in escrow in conformity with the disclosure contained in this Section of the Plan and in accordance with the escrow provisions contained in the Purchase Agreement.

Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e (2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto. The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of Escrow Agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in the escrow agreement or Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds. However, notwithstanding anything to the contrary set forth herein or anywhere else in the Plan, in the Event of Default by Purchaser, as that term is defined the Purchase Agreement, Purchaser shall be obligated to reimburse Sponsor for any legal fees, expenses and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement or otherwise enforcing Purchaser's obligations thereunder.

All Deposits made by Purchasers prior to the Closing of each individual transaction will be placed in a segregated special escrow account of Seiden & Schein, P.C., the escrow agent ("Escrow Agent"), whose address is 570 Lexington Avenue, 14th Floor, New York, New York 10022 and whose telephone number is (212) 935-1400. As of the date of this Rider, the attorneys who are signatories on these accounts authorized to withdraw funds, acting singly, are Jay G. Seiden, Esq., Alvin Schein, Esq. and Adam A. Levenson, Esq. Authorized Signatories"). All Authorized Signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any Authorized Signatory is the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

Escrow Agent has established a master escrow account entitled "Seiden & Schein P.C., Attorney Escrow Account" ("Master Escrow Account") at Citibank, N.A. located at 399 Park Avenue, New York, New York 10022 ("Escrow Bank"). Escrow Bank is authorized to do business in the State of New York. Deposits properly made payable to "Seiden & Schein P.C., as Escrow Agent" will be placed in the Master Escrow Account within 5 Business Days after tender by Purchaser to Sponsor. Any subsequent Deposit

tendered by Purchaser after the Deposit will be placed in the Master Escrow Account within 10 Business Days after tender by Purchaser to Sponsor.

All Deposits will be placed initially in the non-interest bearing portion of the Master Escrow Account. .Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8 (Certificate of Foreign Status) in the forms set forth in Part II to the Plan, to Sponsor at the time Purchaser tenders the Deposit and the Purchase Agreement. If a Deposit is accompanied by a completed and signed Form W-9 or Form W-8, the Deposit will thereafter be promptly transferred to an individual interest bearing sub-escrow account in the name of Purchaser. If a Purchaser does not deliver the Form W-9 or Form W-8, the Deposit will remain in the non-interest bearing portion of the Master Escrow Account. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow account to the non-interest bearing portion of the Master Escrow Account so that checks may be drawn thereon. The Master Escrow Account is not an IOLA account.

All Deposits, are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, until such time as Sponsor is entitled to the Deposit as per GBL § 352-h.

The sub-escrow account number and the initial interest rate, if any, will be disclosed to each Purchaser, as appropriate, in a letter from Escrow Agent to each Purchaser sent within 10 Business Days after the tender of the Deposit. If Purchaser does not receive notice that the Deposit has been placed in the Master Escrow Account within 15 Business Days after tender of the Deposit, Purchaser may cancel the Purchase and rescind the Purchase Agreement so long as the right to rescind is exercised within 90 days after tender or crediting of the Deposit by notice delivered to Sponsor and to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations. Escrow Agent will not be required to send the letter referred to above to each Purchaser in connection with any additional Deposits tendered by Purchaser after the Deposit (or in connection with any changes in the interest rate).

Escrow Agent shall maintain the Master Escrow Account under its direct supervision and control. A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and as set forth in the Escrow Agreement Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h).

Under current Law, the sub-accounts at the Escrow Bank are insured by the Federal Deposit Insurance Corporation ("FDIC") to a maximum of $250,000 per individual Deposit. The following are SPECIAL RISKS of this offer: (i) if a Purchaser makes a Deposit in excess of $250,000 such Deposit will not be FDIC insured in excess of $250,000; and (ii) while the Deposit is in the non-interest bearing portion of the Master Escrow Account, the Deposit may not be fully FDIC insured even if the Deposit does not exceed $250,000. If a Purchaser maintains accounts at the Escrow Bank, the funds in such accounts, together with the Deposit, may be aggregated by the Escrow Bank for purposes of determining the $250,000 federally insured limit. No representation is made with respect to any further changes in Law which may increase or decrease such limit.

The Deposit may be tendered by Purchaser to Sponsor by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested, overnight courier or express mail service. The Deposit shall be deemed tendered by Purchaser on the date it is actually received by Sponsor.

Acceptance of the Deposit by Sponsor and the Deposit thereof by Escrow Agent into escrow shall not be deemed a binding agreement by Sponsor to sell to Purchaser unless and until Purchaser executes a Purchase Agreement and Sponsor executes a duplicate thereof and delivers the Purchase Agreement to Purchaser in accordance with the terms of the Plan. All Deposits made by check are subject to collection.

If a Purchaser tenders a Deposit without an executed Purchase Agreement, Sponsor shall have the right to reject the Deposit and return it to Purchaser: (i) within 5 Business Days after tender, if the Deposit has not been deposited into escrow, and (ii) within 10 Business Days, if the Deposit has been deposited into escrow and the Purchase Agreement has not yet been delivered by Purchaser. In the event a Deposit or portion thereof is delivered by wire transfer to Escrow Agent, any wiring fees charged by the initiating and/or receiving banks will be Purchaser's obligation.

The checking account portion of the Master Escrow Account will not be interest-bearing. The sub-escrow account portion of the Master Escrow Account will be interest-bearing. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to Sponsor only in the event there is a Consummation of the Plan (as such term is defined in the Attorney General's regulations) and Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts. As of June 23, 2015, the interest rate for the Escrow Bank is 0.05%. The interest rate is subject to change by the Escrow Bank. Sponsor makes no guarantee of, and shall have no liability to Purchaser for changes to, the interest rate. Interest will begin to accrue within: (x) 3 Business Days, if the Deposit is cash or cash equivalent, or (y) 5 Business Days, if the Deposit is other than cash or cash equivalent, of the transfer of the Deposit from the checking account portion of the Master Escrow Account into the sub-escrow account portion of the Master Escrow Account, as determined by whether and when the Deposit clears.

All instruments shall be made payable directly to the order of "Seiden & Schein P.C., as Escrow Agent." Endorsed instruments will not be accepted.

If a check delivered by a Purchaser fails for collection, the Purchase Agreement will be deemed void ab initio (as if the Purchase Agreement had never been executed).

Sponsor or its agents, shall deliver to Escrow Agent all Deposits within two (2) Business Days of tender of the Deposit by a Purchaser, using such transmittal forms as required by Escrow Agent from time to time. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary and statutory obligations set forth in GBL §§ 352(e) (2-b) and 352(h) and the Department of Law's regulations promulgated thereto.

Under no circumstances shall Sponsor seek the release of the Deposits of a defaulting Purchaser until after Consummation of the Plan (as such term is defined in the Attorney General's regulations). Consummation of the Plan does not relieve Sponsor of its obligations pursuant to General Business Law Section 352-h.

Escrow Agent shall release the Deposits if so directed:

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

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

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

If the Deposits are not released pursuant to this paragraph and Escrow Agent receives a request by Sponsor or Purchaser to release the Deposits, Escrow Agent shall give both parties prior written notice of not fewer than 30 days before releasing the Deposits. If Escrow Agent has not received notice of

objection to the release of the Deposits at the expiration of the 30 day period, the Deposits shall be released and Escrow Agent shall provide further written notice to both parties informing them of the release of the Deposits. If Escrow Agent receives a written notice from either party objecting to the release of the Deposits within the 30 day period set forth in the notice, Escrow Agent shall continue to hold the Deposits until otherwise directed pursuant to subsections (i) through (iii) of this paragraph. However, Escrow Agent shall also have the right at any time to deposit the Deposits with the clerk of a court in the county in which the Unit is located and shall give written notice to both parties of such deposit.

Sponsor will not object to the release of the Deposits to:

(i) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan,

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

The Purchase Agreement provides that Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Deposit to Sponsor in the event Sponsor and Purchaser close title under the Purchase Agreement.

If Sponsor elects to change the Escrow Bank and/or Escrow Agent, such change will be disclosed in a duly filed amendment to the Plan prior to transferring any Deposits.

Set forth in Part II of the Plan is a copy of the form of escrow agreement between Sponsor and Escrow Agent which incorporates the terms of the Attorney General's regulations. Purchaser's execution of the Purchase Agreement shall be deemed to constitute Purchaser's acceptance of the terms of the escrow provisions set forth herein and the escrow agreement set forth in the Plan. Escrow Agent shall be a signatory to the Purchase Agreement solely with respect to Escrow Agent's obligations as set forth herein and the escrow agreement set forth in the Plan.

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

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

Sponsor has agreed to indemnify Escrow Agent from all claims, losses, judgments, costs, expenses and damages, including those brought by third-parties, including purchasers, incurred in connection with or arising out of the escrow agreement or the performance or non-performance of Escrow Agent's duties under the Escrow Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the Escrow Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, professional fees, including attorneys' fees, court costs and disbursements, either paid to retain attorneys or representing the value of all legal services rendered by Escrow Agent to itself and any and all attorneys' and professional fees, court costs, expenses and disbursements incurred by Escrow Agent in connection with a bankruptcy case filed by Sponsor for protection under the United States Bankruptcy Code, the enforcement of any rights, or defense of any claims against Escrow Agent in any bankruptcy proceeding, or any other matter arising in or in connection with Sponsor's bankruptcy case.

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

Escrow Agent and all Authorized Signatories submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of their obligations with respect to this Section or otherwise concerning the maintenance of or release of the Deposits from escrow.

Escrow Agent will maintain all records concerning the Master Escrow Account for 7 years after the release of Deposits.

2. DEFINITIONS

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the Purchase Agreement to which this Rider is annexed or in the Plan.

3. CONFLICTS

In the event of any inconsistency between the provisions of this Rider and those contained in the Purchase Agreement to which this Rider is annexed, the provisions of this Rider shall govern and be binding.

4. FULL FORCE AND EFFECT

Except as set forth in this Rider, all of the terms and conditions of the Purchase Agreement remain unchanged and in full force and effect.

5. COUNTERPARTS

This Rider may be executed in any number of original, e-mail, pdf or facsimile counterparts. Each such counterpart shall for all purposes be deemed an original. All such counterparts shall together constitute but one and the same Rider.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

500 WAVERLY PROPERTY OWNER, L.L.C.

By: 500 Waverly, L.L.C.,
its managing member

By: Orange Waverly, LLC,
its operating member

By: _____
Name: Andrew Bradfield
Title: Sole Member

ESCROW AGENT:

Executed solely in connection with the provisions set forth in this Escrow Rider.

SEIDEN & SCHEIN, P.C.

By: _____
Name:
Title:

RIDER TO PURCHASE AGREEMENT
RE: STORAGE LOCKER

This Rider is made as of _____, between Sponsor and Purchaser.

Re: Residential Unit No: ___ ("Unit")
500 Waverly Condominium
500 Waverly Avenue
Brooklyn, New York 11238 ("Condominium")___

1. STORAGE LOCKER LICENSE

1.1 Sponsor agrees to sell and Purchaser agrees to purchase Storage Locker #____ for a Purchase Price of $___. At Closing, Purchaser shall enter into a Storage Locker License to use the specific Storage Locker designated by Sponsor, the form of which is set forth in Part II of the Plan.

1.2 The Purchase Price is payable as follows:

(a) $___ ("Deposit"), due upon Purchaser's signing and delivering this Agreement, by check (subject to collection), receipt of which is hereby acknowledged; and

(c) $___ ("Balance of the Purchase Price"), by good certified check of Purchaser or official bank check, payable on the delivery of the deed as hereinafter provided.

2. RE-DESIGNATION OF STORAGE LOCKER

Sponsor reserves the right at or prior to Closing to designate a different Storage Locker in lieu of the Storage Locker set forth above, provided the new Storage Locker is equal to or greater in size and has the same Purchase Price.

3. TEMPORARY CERTIFICATE OF OCCUPANCY

Purchaser will be required to consummate the purchase of the Unit and the Storage Locker simultaneously at Closing, even though a Temporary Certificate of Occupancy has not been issued, and access may not be available, for the Storage Locker Area of the Building. In such event, the proceeds from the sale of the Storage Locker License will be held in escrow ("Storage Locker Escrow") by Escrow Agent until such time as a Temporary Certificate of Occupancy has been issued for the Storage Locker Area in which the Storage Locker is located. The Storage Locker Escrow will not be held in an interest bearing escrow account, and, therefore, Purchaser will earn no interest on the Storage Locker Escrow.

4. DAMAGE TO THE STORAGE LOCKER AREA

If there is a fire or other casualty to the Storage Locker Area and Sponsor does not elect to repair or restore such area following such fire or casualty, then the Purchase Agreement shall be deemed modified to provide for the Closing of Title with respect to the Unit only. In such event, the Balance of the Purchase Price of the Unit shall be reduced by the amount of the Deposit paid pursuant to the terms of this Rider.

5. WITHDRAWAL OF STORAGE LOCKER

As set forth in the Plan, Sponsor reserves the right to withdraw the offering of the Storage Locker. The withdrawal of the offering of the Storage Locker will be disclosed by Sponsor in an amendment to the Plan and Purchaser shall only be relieved of Purchaser's obligation to purchase the Storage Locker, but shall remain obligated to purchase the Unit. At Closing, Purchaser will receive a credit against the Balance of the Purchase Price equal to the amount allocated to the withdrawn Storage Locker, to the extent any such money has been delivered to Sponsor.

6. DEFINITIONS

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the Purchase Agreement to which this Rider is annexed or in the Plan.

7. CONFLICTS

In the event of any inconsistency between the provisions of this Rider and those contained in the Purchase Agreement to which this Rider is annexed, the provisions of this Rider shall govern and be binding.

8. FULL FORCE AND EFFECT

Except as set forth in this Rider, all of the terms and conditions of the Purchase Agreement remain unchanged and in full force and effect.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

500 WAVERLY PROPERTY OWNER, L.L.C.

By: 500 Waverly, L.L.C.,
its managing member

By: Orange Waverly, LLC,
its operating member

By: _____
Name: Andrew Bradfield
Title: Sole Member

UNIT DEED

MARKET RATE UNIT

UNIT DEED

MARKET RATE UNIT

THIS INDENTURE, made the ____ day of _____, _____, between 500 Waverly Property Owner, L.L.C., having an office at 350 Seventh Avenue, Suite 1604, New York, New York 10001 ("Grantor") and _____ having an address at _____ ("Grantee").

W I T N E S S E T H :

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 Condominium Unit ("Unit") known as Residential Unit No. ____ in the building ("Building") known as the 500 Waverly Condominium ("Condominium") and by the street number 500 Waverly Avenue, Borough of Brooklyn, County of Kings, City and State of New York, said Unit being designated and described by the above Unit number in a certain declaration dated _____, made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York ("Condominium Act") establishing a plan for condominium ownership of the Building and the land ("Land") upon which the Building is situate (which Land is more particularly described in Exhibit A annexed hereto and by this reference made a part hereof), which declaration was recorded in the Office of the Register of The City of New York of the County of Kings ("Register's Office") on _____, as CRFN# _____ ("Declaration"). The Unit is also designated as Tax Lot ____ in Block 2011 of the Borough of Brooklyn on the Tax Map of the City of New York Department of Finance and on the Floor Plans of the Building, certified by Gerner Kronick + Valcarcel on _-_____, and filed with the City of New York Department of Finance, Division of Land Records on _____, as Condominium Plan No. _____ and recorded in the Register's Office on _____ as CRFN #_____.

TOGETHER with an undivided _____% interest in the Common Elements (as such term is defined in the Declaration);

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 of the Condominium ("By Laws"), as the same may be amended from time to time, all of which 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, consents and other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are collectively referred to as the "Property").

SUBJECT also to that certain Regulatory Agreement dated as of May 19, 2015 between the City of New York, acting by and through the Department of Housing Preservation and Development and 500 Waverly Property Owner, L.L.C., recorded in the Register's Office on May 27, 2015 as CRFN #2015000176820, as amended by Amendment to Regulatory Agreement dated as of September 8, 2015, to be recorded in the Register's Office.

TO HAVE AND TO HOLD the same unto the Grantee and the heirs or successors and assigns of the Grantee forever.

If any provision of the Declaration or the By-laws is invalid under, or would cause the Declaration or the By-laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision which is necessary to cause the Declaration and the By-laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-laws, or if the Declaration and the By-laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium Board or provided in the Declaration or the By-laws, the Unit is intended for residential use only.

Grantor represents that the Grantor is the same party as the Grantee of the Property under deed dated December 20, 2013 and recorded in the Register's office on December 30, 2013 as CRFN 2013000530533.

Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and the By-laws (and any Residential Rules and Regulations adopted under the By-laws).

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.

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

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

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

All capitalized terms used herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or the By-laws of the Condominium.

* * * * *

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

GRANTOR:

500 WAVERLY PROPERTY OWNER, L.L.C.

By: 500 Waverly, L.L.C.,
its managing member

By: Orange Waverly, LLC,
its operating member

By: _____
Name: Andrew Bradfield
Title: Sole Member

GRANTEE:

_____
(signature)

_____
(signature)

(ACKNOWLEDGEMENTS)

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 whom the individual(s) acted, executed the instrument.

_____
Notary

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 whom the individual(s) acted, executed the instrument.

_____
Notary

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 whom the individual(s) acted, executed the instrument.

_____
Notary

EXHIBIT A
TO RESIDENTIAL UNIT DEED

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the westerly side of Waverly Avenue with the southwesterly side of Fulton Street;

RUNNING THENCE northwesterly along the southwesterly side of Fulton Street, 105 feet 9 inches (105 feet 10 inches tax map);

THENCE westerly 3 feet 4 inches;

THENCE southerly and parallel with Waverly Avenue 100 feet;

THENCE easterly 20 feet;

THENCE southerly and again parallel with Waverly Avenue 80 feet;

THENCE northerly along the westerly side of Waverly Avenue 107 feet 1 ½ inches to the point or place of BEGINNING.

UNIT DEED

INCLUSIONARY UNIT

UNIT DEED

INCLUSIONARY UNIT

THIS INDENTURE, made the ____ day of _____, _____, between 500 Waverly Property Owner, L.L.C., having an office at 350 Seventh Avenue, Suite 1604, New York, New York 10001 ("Grantor") and _____ having an address at _____ ("Grantee").

W I T N E S S E T H :

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 Condominium Unit ("Unit") known as Residential Unit No. ____ in the building ("Building") known as the 500 Waverly Condominium ("Condominium") and by the street number 500 Waverly Avenue, Borough of Brooklyn, County of Kings, City and State of New York, said Unit being designated and described by the above Unit number in a certain declaration dated _____, made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York ("Condominium Act") establishing a plan for condominium ownership of the Building and the land ("Land") upon which the Building is situate (which Land is more particularly described in Exhibit A annexed hereto and by this reference made a part hereof), which declaration was recorded in the Office of the Register of The City of New York of the County of Kings ("Register's Office") on _____, as CRFN# _____ ("Declaration"). The Unit is also designated as Tax Lot _____in Block 2011 of the Borough of Brooklyn on the Tax Map of the City of New York Department of Finance and on the Floor Plans of the Building, certified by Gerner Kronick + Valcarcel on _____, and filed with the City of New York Department of Finance, Division of Land Records, on _____, as Condominium Plan No. _____ and recorded in the Register's Office on _____as CRFN#_____.

TOGETHER with an undivided _____% interest in the Common Elements (as such term is defined in the Declaration);

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 of the Condominium ("By Laws"), as the same may be amended from time to time, all of which 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, consents and other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are collectively referred to as the "Property").

SUBJECT also to that certain Regulatory Agreement dated as of May 19, 2015 between the City of New York, acting by and through the Department of Housing Preservation and Development and 500 Waverly Property Owner, L.L.C., recorded in the Register's Office on May 27, 2015 as CRFN #2015000176820, as amended by Amendment to Regulatory Agreement dated as of September 8, 2015, to be recorded in the Register's Office.

TO HAVE AND TO HOLD the same unto the Grantee and the heirs or successors and assigns of the Grantee forever.

If any provision of the Declaration or the By-laws is invalid under, or would cause the Declaration or the By-laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision which is necessary to cause the Declaration and the By-laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-laws, or if the Declaration and the By-laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium Board or provided in the Declaration or the By-laws, the Unit is intended for residential use only.

Grantor represents that the Grantor is the same party as the Grantee of the Property under deed dated December 20, 2013 and recorded in the Register's office on December 30, 2013 as CRFN 2013000530533.

Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and the By-laws (and any Residential Rules and Regulations adopted under the By-laws).

Grantee covenants that Grantee and any lessees shall assume the duties and obligations in the Regulatory Agreement and as provided in New York City Zoning Resolution Section 23-90 inclusive and the Rules of the City of New York Chapter 41 Title 28 inclusive, all as same may be amended.

Grantee shall include the covenant in the immediately preceding paragraph in any lease, agreement, conveyance or other instrument with respect to lease, sale, or occupancy of the Property or any improvements erected or to be erected thereon, or any part thereof.

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.

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

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

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

All capitalized terms used herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or the By-laws of the Condominium.

* * * * *

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

GRANTOR:

500 WAVERLY PROPERTY OWNER, L.L.C.

By: 500 Waverly, L.L.C.,
its managing member

By: Orange Waverly, LLC,
its operating member

By: _____
Name: Andrew Bradfield
Title: Sole Member

GRANTEE:

_____
(signature)

_____
(signature)

(ACKNOWLEDGEMENTS)

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 whom the individual(s) acted, executed the instrument.

_____
Notary

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 whom the individual(s) acted, executed the instrument.

_____
Notary

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 whom the individual(s) acted, executed the instrument.

_____
Notary

EXHIBIT A
TO RESIDENTIAL UNIT DEED

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the westerly side of Waverly Avenue with the southwesterly side of Fulton Street;

RUNNING THENCE northwesterly along the southwesterly side of Fulton Street, 105 feet 9 inches (105 feet 10 inches tax map);

THENCE westerly 3 feet 4 inches;

THENCE southerly and parallel with Waverly Avenue 100 feet;

THENCE easterly 20 feet;

THENCE southerly and again parallel with Waverly Avenue 80 feet;

THENCE northerly along the westerly side of Waverly Avenue 107 feet 1 ½ inches to the point or place of BEGINNING.

STORAGE LOCKER LICENSE

STORAGE LOCKER LICENSE

AGREEMENT made this _____ day of _____, _____ ("Agreement") by and between 500 Waverly Property Owner, L.L.C., having an office at 350 Seventh Avenue, Suite 1604, New York, New York 10001 ("Sponsor"), and the Condominium Board of the 500 Waverly Condominium on behalf of all Unit Owners, having an address at 500 Waverly Avenue, Brooklyn, New York 11238 ("Condominium Board") (Sponsor and the Condominium Board are sometimes collectively referred to as "Licensor") and _____ having an address at _____ ("Licensee");

W I T N E S S E T H :

WHEREAS, the 500 Waverly Condominium ("Condominium") is governed by a certain Declaration of Condominium recorded in the Office of the Register of the City of New York, County of Kings as the same has been or may be amended from time to time ("Declaration"), the by-laws of the Condominium, as the same has been or may be amended from time to time ("By-Laws") and the Rules and Regulations of the Condominium, as the same has been or may be amended from time to time ("Rules and Regulations") ("Declaration," the "By-Laws" and the "Rules and Regulations" are collectively, referred to as the "Condominium Documents"); and

WHEREAS, the Condominium is located at 500 Waverly Avenue, Brooklyn, New York 11238 ("Property"); and

WHEREAS, storage lockers have been installed in a portion of the Property ("Storage Locker Area"); and

WHEREAS, Licensee, owns or simultaneously herewith is acquiring Residential Unit No. _____ in the Condominium; and

WHEREAS, the Condominium Board granted Sponsor the exclusive right to sell, without charge to the Condominium Board, the Storage Locker pursuant to a Storage Locker license and the Condominium will not be entitled to any of the proceeds from such sale; and

WHEREAS, Licensee desires the right to the exclusive use of a Storage Locker ("Storage Locker") for so long as Licensee owns a Residential Unit in the Condominium;

NOW THEREFORE, in consideration of the sum of $10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Licensor hereby grants to Licensee, its successors and assigns, a license for the exclusive use of Storage Locker #____ ("Storage Locker License") and Licensee hereby accepts such Storage Locker License from Licensor for a term commencing on the date hereof.

2. Licensee shall pay a monthly license fee to Licensor in the amount of $_____. Any license fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future, shall constitute "additional Common Charges" under the terms of the Condominium Documents. Licensee's failure to pay the license fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future shall constitute a material default under the terms of the Condominium Documents.

3. The Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner and in no event shall any food or perishable items or any flammable or explosive item or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance be stored in the Storage Locker.

4. Except for Sponsor and the Condominium Board, a Residential Unit Owner may not own the Storage Locker without also owning a Residential Unit.

5. Licensee shall not (a) store any property outside of the Storage Locker; or (b) allow any other Person to use the Storage Locker except in accordance with the terms hereof.

6. This Storage Locker License may be assigned by Licensee at any time provided the assignee (i) is a Residential Unit Owner at the Condominium, (ii) assumes the obligations hereunder, (iii) notification of the assignment is delivered in writing to the Condominium Board in compliance with its requirements as the same may be modified from time to time, and (iv) no outstanding monies are owed to the Condominium by Licensee and/or assignee. This Storage Locker License shall automatically terminate and revert back to Sponsor at such time as Licensee no longer owns a Residential Unit in the Condominium unless this Storage Locker License is assigned to and assumed by another Residential Unit Owner.

7. Licensee represents that Licensee has made a thorough inspection of the Storage Locker and the Storage Locker Area and agrees to take same in its "as is" condition as of the date of this Storage Locker License. Storage Locker Licensee shall throughout the term of this Storage Locker License, take good care of and maintain the Storage Locker. All repairs and replacements to the Storage Locker as well as the Storage Locker Area shall be performed by the Condominium Board and the cost thereof shall be a Residential Common Expense, unless such repair or replacement is necessitated by the negligence, misuse, or abuse of a particular licensee, then the entire cost and expense of such repair or replacement shall be borne by such licensee.

8. Neither Licensor nor Licensor's agents or employees shall be liable for any theft or damage to any property stored in the Storage Locker or the Storage Locker Area. Licensee shall be required to provide their own lock(s) for the Storage Locker.

9. The terms of this Storage Locker License are subject to the terms of the Condominium Documents. Nothing contained herein shall be construed as limiting the rights and obligations of the parties under the Condominium Documents. Any conflict between the provisions of this Storage Locker License and the Condominium Documents shall be resolved in favor of the Condominium Documents.

10. Licensee acknowledges that the Condominium Board shall have the right to impose a monthly license fee payable to the Condominium. The monthly license fee, if imposed, shall constitute "additional Common Charges" under the terms of the Condominium Documents. Licensee's failure to pay the monthly license fee, if imposed, shall constitute a default under the terms of the Condominium Documents.

11. If Licensee defaults in its obligations hereunder or under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the Storage Locker until Licensee cures such default or (ii) terminate this Storage Locker License upon written notice to Licensee.

12. The Condominium Board or its agents shall have the right, but not the obligation, to open the Storage Locker in an emergency at any time, and, at other reasonable times upon prior notice to Licensee, to inspect and examine the Storage Locker Area and to make such repairs, replacements and improvements as the Condominium Board shall deem necessary.

13. This Storage Locker License shall constitute a license only and shall not be construed under any circumstances to be a sale of the Storage Locker or conveyance of title thereto. In no event shall a landlord/tenant relationship exist between Licensor and Licensee with respect to this Storage Locker License.

14. Licensee shall indemnify and hold Licensor and their respective officers, directors, shareholders, unit owners, members, agents and employees, harmless from and against any and all liabilities, claims, penalties and judgments, together with any related costs and expenses, including legal fees and expenses, asserted against or sustained by any of them in connection with any act, omission, or negligence of Licensee or Licensee's Family Members, servants, employees, agents, guests and invitees in connection with this Storage Locker License.

15. Licensee shall be obligated at its sole cost and expense to obtain and maintain insurance covering the Storage Locker in amounts sufficient to cover the property located therein.

16. Licensee shall be obligated to reimburse Licensor for any legal fees and disbursements incurred by Licensor in defending the rights of Licensor under this Storage Locker License or, in the event Licensee defaults under this Storage Locker License beyond any applicable grace period, enforcing Licensee's obligations hereunder.

17. Neither this Storage Locker License nor any provision hereof may be waived, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, amendment, discharge or termination is sought and then only to the extent set forth in such instrument.

18. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Storage Locker License, which alone fully and completely express their agreement and that this Storage Locker License supersedes any and all such understandings and agreements with respect to the subject matter hereof.

19. If any provision of this Storage Locker License is invalid or unenforceable as against any party or under certain circumstances, the remainder of this Storage Locker License and the applicability of such provision to other parties or circumstances shall not be affected thereby. Each provision of this Storage Locker License, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

20. 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 Storage Locker License 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.

21. Any failure by Licensor to insist upon strict performance by Licensee of any of the provisions of this Storage Locker License shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Licensor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Licensee of any and all of the provisions of this Storage Locker License to be performed by Licensee.

IN WITNESS WHEREOF, the undersigned have executed this Storage Locker License as of the day and year first above written.

Agreed to and Acknowledged by:

LICENSOR:

500 Waverly Condominium

By: _____
Name:
Title:

LICENSEE:

_____

_____

SPONSOR:

500 WAVERLY PROPERTY OWNER, L.L.C.

By: 500 Waverly, L.L.C.,
its managing member

By: Orange Waverly, LLC,
its operating member

By: _____
Name: Andrew Bradfield
Title: Sole Member

DECLARATION OF CONDOMINIUM

DECLARATION

Establishing a Plan for Condominium Ownership of the Premises Known as

500 WAVERLY CONDOMINIUM

and having a street address of

500 WAVERLY AVENUE
BROOKLYN, NEW YORK 11238

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

Name:	**500 Waverly Condominium**
Sponsor:	**500 Waverly Property Owner, L.L.C.** **350 Seventh Avenue, Suite 1604** **New York, New York 10001**
Date of Declaration:	

_____, _____

Prepared by:

SEIDEN & SCHEIN, P.C.
Attorneys At Law
570 Lexington Avenue, 14th Floor
New York, New York 10022
(212) 935-1400

The land affected by the within instrument lies in Block 2011 F/K/A Lot 30, N/K/A Lots _____ - _____ on the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York

INDEX TO DECLARATION

Article	Subject	Page
ARTICLE 1	DEFINITIONS	1
ARTICLE 2	SUBMISSION OF THE PROPERTY	1
ARTICLE 3	NAME OF THE CONDOMINIUM	1
ARTICLE 4	THE LAND	1
ARTICLE 5	THE PROPERTY AND THE BUILDING	2
ARTICLE 6	THE UNITS	2
ARTICLE 7	THE COMMON ELEMENTS	3
ARTICLE 8	DETERMINATION OF COMMON INTEREST AND RESIDENTIAL COMMON INTEREST	5
ARTICLE 9	USE OF UNITS AND STORAGE LOCKERS	6
ARTICLE 10	EASEMENTS FOR THE ENJOYMENT OF THE COMMON ELEMENTS	7
ARTICLE 11	OTHER EASEMENTS	9
ARTICLE 12	ALTERATIONS, ADDITIONS, IMPROVEMENTS AND CHANGES TO UNSOLD RESIDENTIAL UNITS AND NON-RESIDENTIAL UNITS	11
ARTICLE 13	ACQUISITION OF UNIT BY THE CONDOMINIUM BOARD	13
ARTICLE 14	POWER OF ATTORNEY TO SPONSOR AND THE CONDOMINIUM BOARD	14
ARTICLE 15	TERMINATION OF CONDOMINIUM	15
ARTICLE 16	COVENANT OF FURTHER ASSURANCES	15
ARTICLE 17	COVENANTS RUNNING WITH THE LAND	16
ARTICLE 18	EXCESS DEVELOPMENT RIGHTS	17
ARTICLE 19	AMENDMENTS TO THIS DECLARATION	18
ARTICLE 20	CONSENTS BY SPONSOR	20
ARTICLE 21	PERSON TO RECEIVE SERVICE	21
ARTICLE 22	INCORPORATION BY REFERENCE	21
ARTICLE 23	WAIVER	21
ARTICLE 24	SEVERABILITY	21
ARTICLE 25	SUCCESSORS AND ASSIGNS	21
ARTICLE 26	CAPTIONS	22
ARTICLE 27	CERTAIN REFERENCES	22
ARTICLE 28	GENERAL	22

Exhibits

A – DESCRIPTION OF THE LAND

B – DESCRIPTION OF THE UNITS

C – DEFINITIONS

D – BY-LAWS OF THE CONDOMINIUM

E – UNIT POWER OF ATTORNEY

F – COMMON EXPENSE ALLOCATIONS

DECLARATION
OF
500 WAVERLY CONDOMINIUM

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

500 Waverly Property Owner, L.L.C., a limited liability company organized under the laws of the State of Delaware, having an office at 350 Seventh Avenue, Suite 1604, New York, New York 10001 ("Sponsor"), does hereby declare as follows:

ARTICLE 1
DEFINITIONS

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the context in which they are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

ARTICLE 2
SUBMISSION OF THE PROPERTY

2.1 Sponsor hereby submits the Property to the provisions of the Condominium Act and pursuant thereto, does hereby establish a regime for the condominium ownership of the Property as more particularly set forth herein and in the By-Laws.

2.2 Excluded from the Property are any Excess Development Rights, which shall be retained by Sponsor, who shall have the exclusive right to utilize, sell or otherwise transfer any Excess Development Rights. Excess Development Rights shall inure solely to the benefit of Sponsor or other Development Rights Owner.

ARTICLE 3
NAME OF THE CONDOMINIUM

The Condominium shall be known as the 500 Waverly Condominium.

ARTICLE 4
THE LAND

Included in the Property is the Land which is more particularly described in Exhibit A annexed hereto.

ARTICLE 5

THE PROPERTY AND THE BUILDING

5.1 Included in the Property are: 48 Residential Units (consisting of 37 Market Rate Units and 11 Inclusionary Units), 31 Storage Lockers, 1 Retail Unit and 1 Garage Unit contained in a 7-story structure above grade (including roof level) with 1 cellar.

5.1.1 The Residential Units will be located on portions of Floors 2 through roof level.

5.1.2 The Storage Lockers will be located in a portion of the cellar.

5.1.3 The Retail Unit will be located in a portion of Floor 1 and the cellar.

5.1.4 The Garage Unit will be located in portions of the cellar and Floor 1.

5.2 The Building is classified as being of fire proof construction. The Building structural system consists of reinforced cast in place concrete founded on spread footings and mini-caissons with a lateral system of ordinary concrete shear walls. The roof consists of an inverted membrane roof assembly utilizing concrete pavers as ballast over rigid insulation for walking surfaces, and gravel ballast over rigid insulation in mechanical areas.

ARTICLE 6

THE UNITS

6.1 Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; approximate location in the Building; approximate square footage; number of rooms; the portions of the Common Elements to which such Unit has immediate access; and the Common Interest appurtenant to such Unit. The precise location of each Unit is shown on the Floor Plans.

6.2 Each Unit is measured horizontally from the exterior face of the concrete wall or exterior face of glass surfaces to the outside face of the walls separating the Unit from a Common Element. Where there is demising wall between two Units the measurement is to the centerline of the demising wall. Columns, shafts, etc. are included in the Unit measurement.

6.3 Each Unit includes, and each Unit Owner shall be responsible for, the front entrance door and any other entrance doors to the Unit including Terrace doors (including, without limitation, all locks, peepholes, doorknobs and hardware), hallway exclusively serving such Unit, the interior walls, partitions, floors and floor coverings and ceilings affixed, attached or appurtenant to the Unit, smoke/carbon monoxide detectors, window panes, all mechanical systems located in the Unit, heating and cooling systems (including HVAC filters and parts), all plumbing, gas and heating fixtures and equipment, including but not limited to, refrigerators, dishwashers, washers and dryers, heating, ventilating and air conditioning units (including the fans inside the units), heating equipment, ranges and other appliances, sinks, bathtubs, waterclosets and all other Facilities as may be affixed, attached or appurtenant to the Unit and serving the Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, water spigots located on Terraces, and any special pipes or equipment which a Unit Owner may install within the walls, ceilings, or floors, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors, unless such installations were made by the Unit Owner after the Unit Owner acquired title to the Unit, in which event Unit Owner shall be responsible for such installations. Each Unit shall also include all lighting and

electrical fixtures and appliances within the Unit, including those located on Terraces and any special equipment, fixtures or Facilities affixed, attached or appurtenant to the Unit, to the extent located within a Residential Unit from the electrical panel (including electrical branch wiring but excluding electrical service riders) and serving or benefiting only that Unit.

6.4 Each Non-Residential Unit also includes, in addition to the items listed in Section 6.3 above, to the extent located in such Non-Residential Unit, and each Non-Residential Unit Owner shall be responsible for, any elevator, escalator, staircase, freight or service entrance, driveway, ramp, canopy and all related Facilities servicing such Non-Residential Unit exclusively including outdoor signage for such Non-Residential Unit, and the exterior side of all windows in or opening from such Non-Residential Unit.

6.5 Any Common Elements located within a Unit shall not be considered a part of such Unit.

6.6 Notwithstanding anything contained in this Article to the contrary, each Unit Owner will have the right, subject to the provisions of the By-laws, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and (with respect to Residential Units) 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 consistent exterior appearance, the structural integrity, sound integrity and mechanical and electrical systems of such Unit or of the Building or violate Law.

6.7 As of the date of the filing of this Declaration with the Register's Office, fee simple absolute title shall automatically vest in Sponsor in all Units and Sponsor shall be deemed a licensee with respect to all Storage Lockers, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

ARTICLE 7

THE COMMON ELEMENTS

7.1 The Common Elements consist of the entire Property, including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements are comprised of the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements. The Common Elements do not include the Developmental Rights which shall be initially retained by Sponsor.

7.2 The General Common Elements consist of the Land and those rooms, areas, corridors and other portions of the Building (other than the Units), as well as those Facilities therein, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. Without intending to limit the generality of the foregoing in any respect, the General Common Elements include:

(i) the Land (including the landscaping appurtenant thereto) and any improvements thereon, together with all easements, rights and privileges appurtenant thereto, except for the Development Rights.

(ii) all foundations, columns, beams, joists, supports, piles, footings, pillars, girders, exterior walls, interior walls, partitions, floor slabs and ceilings, window casements and frames, roofs and ceilings in, on, or under the Building, separating a Unit from a General Common Element, and that portion of all such interior walls, partitions, floors and ceilings separating a General Common Element or the Non-Residential Unit(s) from a Residential Unit and/or Residential Common Element and/or a Limited Residential Common Element, from the midpoint of any such wall, partition, floor

or ceiling to the boundary line of such General Common Element or the Non-Residential Unit, as the case may be, to the extent that the same are not expressly included as part of the Residential Common Elements pursuant to the terms of Paragraph 7.3 below or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

(iii) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems, which service both the Residential Units and the Non-Residential Unit(s) and/or both the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements, to the extent that the same are not expressly included as a part of the Residential Common Elements pursuant to the terms of Paragraph 7.3 below or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

(iv) the janitor room, refuse room, bathrooms, fire pump room, domestic water room, telecom room, gas meter room, electrical room and facilities (storage) room, each of which are located in the cellar of the Building.

(v) the mechanical rooms, hot water service area and electrical service area located on the roof of the Building.

(vi) all other parts of the Property, and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property.

7.3 The Residential Common Elements consist of those portions of the Building, as well as those Facilities therein, either currently or hereafter existing for the exclusive common use of the Residential Units or of the Residential Unit Owners only. Without intending to limit the generality of the foregoing in any respect, the Residential Common Elements include:

(i) all residential stairways, passenger elevators and their respective bulkheads, shafts, pits and equipment rooms and the residential hallways;

(ii) trash chutes and compactor rooms located on Floors 2-7 and their respective shafts and equipment;

(iii) laundry room and Storage Locker Room, each of which are located in the cellar;

(iv) residential lobby, concierge station, package room, mail room and elevator control room, each of which are located on Floor 1;

(v) common residential recreation Terraces on the second floor and on the roof (i.e., all of the decking, pavers, furnishings and decorative elements contained therein, but excluding structural elements, roofing membranes and flashing) and the residential recreational indoor space, located on Floor 2;

(vi) fitness center and all of the furnishings and equipment contained therein, located in the cellar;

(vii) all masonry walls, partitions, floors and ceilings in, on or under the Building, separating a Residential Unit from another Residential Unit or a Residential Common Element

and that portion of all such masonry walls, partitions, floors and ceilings separating a Residential Common Element from a General Common Element or a Non-Residential Unit, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Residential Common Element.

(viii) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems which serve the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements only.

(ix) all interior portions of the Building and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Residential Units or the Residential Unit Owners or necessary for, or convenient to the existence, maintenance or safety of the Property, to the extent that the same are not expressly included as part of the General Common Elements pursuant to the terms of Paragraph 7.2 above or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

7.4 The Residential Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of one or more specified Residential Units to the exclusion of all other Units. Without intending to limit the generality of the foregoing in any respect, the Residential Limited Common Elements include: the Terraces adjoining certain Residential Units more particularly set forth on Exhibit "B" to this Declaration entitled "Description of Units".

7.5 The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 15 hereof and Section 5.5 of the By-laws.

7.6 Sponsor and each of the Non-Residential Unit Owners have the right to create additional categories of Common Elements from space located within their respective Units and to re-designate areas within their respective Common Elements as portions of Units or as portions of Limited Common Elements.

ARTICLE 8

DETERMINATION OF COMMON INTEREST AND RESIDENTIAL COMMON INTEREST

8.1 The undivided percentage interest of each Unit in the Common Elements is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with Real Property Law 339-i (l)(iv).

8.2 Except as otherwise set forth herein, the percentage interest of all Residential Units in the Residential Common Elements is apportioned in the same proportion that the Residential Unit at the date of this Declaration bears to the then aggregate Common Interests of all of the Residential Units in the Condominium.

8.3 The Inclusionary Units shall be subject in all respects to the terms, conditions and restrictions provided in the Regulatory Agreement. The Regulatory Agreement is incorporated herein by reference.

ARTICLE 9

USE OF UNITS AND STORAGE LOCKERS

9.1 As more particularly set forth in, and subject to the provisions of, the By-laws, the Residential Units shall be used for residential purposes only (excluding "dormitory," "bed and breakfast," home exchange or any transient hotel-type use). A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary or any other entity including, but not limited to, the federal or state government and any instrumentality thereof and foreign governments and any embassy, consulate, or other instrumentality thereof, may only be occupied (unless the Condominium Board otherwise consents in writing) by such individual, or by an individual officer, director, stockholder or employee of such corporation, or by an individual partner or employee of such partnership, or by such individual fiduciary (including directors, officers, stockholders or employees of corporate fiduciaries and partners or employees of partnership fiduciaries) or by an individual beneficiary of said fiduciary, or an individual principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing; however, the foregoing restrictions shall not apply to Unsold Market Rate Residential Units. The use of the Residential Units is subject to all Laws, the Regulatory Agreement and the Inclusionary Housing Program. Nothing herein shall be deemed to authorize any change in the use of the Inclusionary Units without the consent of HPD.

Upon the prior written consent of Sponsor (1) (with respect to Unsold Market Rate Residential Units) or the Condominium Board (with respect to sold Market Rate Residential Units), any Residential Unit may be used for any other lawful purposes, subject, however, to (2) the terms and conditions of the then existing TCO or PCO for the Building and the By-laws, and (3) applicable Law.

9.2 The Non-Residential Units may be used for any purpose permitted by Law. The Retail Unit may be used for any lawful purpose except for the following ("Prohibited Uses"): (1) an establishment which displays, sells, rents or offers for sale or rent any pornographic material; adult bookstore or facility selling or displaying pornographic books, literature, or videos (materials shall be considered "adult" or "pornographic" for such purpose if the same are not available for the sale or rental to children under 18 years old because they explicitly deal with or depict human sexuality), excluding any establishment for which the sale or rent of such products constitutes a de minimis space in such establishment (2) so-called head shop or other similar establishment which stocks, displays, sells, rents or offers for sale or rent any drug-related paraphernalia or merchandise or material commonly used or intended for use with or in consumption of any narcotic, dangerous drug or other controlled substance, including, without limitation, any hashish pipe, water pipe, bong, cilium, pipe screens, rolling papers, rolling devices, coke spoons or roach clips, (3) automotive parts, lube and oil or repair shop, (4) Bingo or similar games of chance, (5) check cashing store (except as is typical in connection with the operation of a financial services institution), (6) church, mosque, temple or other place of religious worship or meeting hall, (7) dumping, disposing, incinerating or reducing of garbage (exclusive of dumpsters for temporary storage of garbage and any garbage compactors, in each case which are routinely emptied so as to minimize offensive odors), (8) manufacturing, assembling, displaying or selling fireworks, ammunition or explosives, (9) funeral home or mortuary, (10) dormitory use, (11) so-called gentleman's club featuring topless waitresses, nude dancing or private "one-on-one" booths or rooms, (12) illicit non-therapeutic massage parlor, (13) off-track betting parlor or other gambling facility, (14) circus, carnival or amusement park, or other similar entertainment facility, (15) pawn shop, (16) shooting gallery, (17) tattoo parlor, (18) office, store, reading room, headquarters, center or other facility principally devoted or opposed to the promotion, advancement, representation, purpose or benefit of: any religion, religious group or religious denomination, (19) an arcade, (20) dry cleaning plant, central laundry or laundromat (excluding a drop-off dry cleaning store and/or an "organic" (non-chemical) process dry cleaner) (21) psychic, hypnotist, tarot card or palm reading business or similar establishment, (22) business practicing satanic or cult

ritualistic activities including so-called "devil worship," black magic or rites of passage involving self-mutilation or degradation, (23) an international organization unless such international organization waives its sovereign or diplomatic immunity, (24) employment agency, except for executive placement firms, legal and other professional search firms, (25) a legal services office or legal clinic, (26) a nightclub, cabaret, discotheque or dance club (whether open to the general public or "members-only") which uses live or amplified music.

9.3 The Storage Lockers may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item, or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein. Sponsor shall have the right to use any unassigned Storage Locker for any purpose permitted by Law or to change the permitted use of any unassigned Storage Locker, subject, however, to the provisions of the By-laws. Except for Sponsor and the Condominium Board, a Storage Locker may not be licensed independently of a Residential Unit.

9.4 Notwithstanding the foregoing or anything contained in the By-laws or the Residential Rules and Regulations to the contrary, Sponsor may, without the permission of the Condominium Board, (1) use or grant permission for the use of any Unsold Market Rate Residential Unit as a professional office or for any other purpose, provided such use is permitted by Law, and does not violate the then existing certificate of occupancy for the Building or any other governmental regulations, (2) use any Unsold Market Rate Residential Units as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Residential Units or for any other purpose, subject only to compliance with Law, (3) use any Storage Locker for any purpose permitted by Law, and (4) lease any Unsold Market Rate Residential Unit to third parties for either long term or short term stays.

ARTICLE 10

EASEMENTS FOR THE ENJOYMENT OF THE COMMON ELEMENTS

10.1 Subject to the terms of this Declaration, the By-laws and the Residential Rules and Regulations, if applicable, Sponsor, the Unit Owners, Selling Agent, the Managing Agent, the Condominium Board and all Permitted Users of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the General Common Elements, and the General Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no Person shall use or enjoy the General Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other Persons to do so.

10.2 Subject to the terms of the By-laws and the Residential Rules and Regulations, if applicable, Sponsor, the Residential Unit Owners, Selling Agent, the Managing Agent, the Condominium Board and all Permitted Users of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Residential Common Elements, and the Residential Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no person shall use or enjoy the Residential Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other persons to do so.

10.3 (a) Each Non-Residential Unit Owner shall have the right and easement (i) for ingress and egress through all Common Elements (except for Residential Limited Common Elements appurtenant to a particular Residential Unit) for the purpose of accessing any portion of such Non-Residential Unit or any portions of the Building servicing such Non-Residential Unit; and (ii) to erect, maintain, replace and/or repair any sign and/or lighting of such size and content as the Non-Residential Unit Owner shall determine (without the consent of the Condominium Board), (a) in the storefronts (if any) and windows of such Non-Residential

Unit; (b) on the exterior façade of the Building on any non-operational area of the louver band, for the purposes of advertising the sale or lease of all or any portion of such Non-Residential Unit and/or operation of any business of a tenant or occupant of such Non-Residential Unit. Each Non-Residential Unit Owner shall be entitled to utilize such rights and easements for their own account or the account of their respective Permitted Users. Any signage proposed to be installed in any other location on the façade of the Building, other than on the non-operational area of the louver band, by a Non-Residential Unit Owner shall require the prior written consent of the Condominium Board. Notwithstanding the foregoing, no Signage may include (i) blinking, neon, or strobe-type lighting, (ii) loudspeakers or other devices by which music or announcements of any kind may emanate from the Signage or the Unit, or (iii) any lighting which will shine or reflect into the windows of any Residential Unit.

(b) Additionally, each Non-Residential Unit Owner and its Permitted Users shall have an easement to use the sidewalks (if any) adjacent to such Non-Residential Unit for any purposes permitted by Law, including without limitation, food and beverage services and the placement of outdoor seating, tables, lighting and signage on such sidewalks (if any) adjacent thereto provided the entrances to the Building are not impeded by such use. The daily cleaning and snow removal of the sidewalks (if any) adjacent to a Non-Residential Unit shall be the responsibility of such Non-Residential Unit Owner. The maintenance and repair of sidewalks shall be the responsibility of the Condominium Board as if such sidewalks were General Common Elements, provided that in the event a Non-Residential Unit Owner utilizes such sidewalks (if any), the cost of maintenance and repair of such sidewalks (if any) during the period of such use or resulting from such usage shall be borne solely by such Non-Residential Unit Owner. Each Non-Residential Unit Owner shall be entitled to utilize such rights and easements for their own account or the account of their respective Permitted Users.

(c) Subject to the prior written consent of the Condominium Board, Non-Residential Unit Owner shall have the right, but not the obligation, at such Unit Owner's sole cost and expense, to alter, modify, and/or restore the exterior façade of the Building appurtenant to such Non-Residential Unit (including storefronts (if any) and windows of such Non-Residential Unit) and to create additional means of egress and ingress, provided that such alterations, modifications and/or restorations are in compliance with Article 12.2 of this Declaration.

10.4 Each Residential Unit Owner who's Residential Unit has one or more appurtenant Residential Limited Common Elements shall have an exclusive easement for the use thereof. The Residential Units having the same are indicated on Exhibit B.

10.5 Sponsor and its Permitted Users shall have an easement in, over, under, through and upon the General Common Elements and Residential Common Elements (including but not limited to, residential lobbies, hallways and corridors), to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the sale or renting of Unsold Residential Units including, without limitation, the right to erect, maintain, replace and/or repair any sign and/or lighting permitted by Law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit or the operation of any business of a tenant or occupant of any Unit.

10.6 In addition to all other easements and rights granted herein, Sponsor, the Managing Agent, and the Condominium Board and each of their respective Permitted Users, shall have an easement in, through and upon all Penthouse Units and the Terraces appurtenant thereto, for the purpose of accessing, utilizing, maintaining and replacing the exhaust fans or other mechanical equipment located on the Terrace, if any.

ARTICLE 11

OTHER EASEMENTS

11.1 Subject to the terms of the By-laws and to the Residential Rules and Regulations, if applicable, 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 such Unit Owner's Unit, including an easement to connect to existing utilities, including without limitation, utilities for gas, electricity, steam, water, and ventilation. Each Unit (including any Common Elements located therein) 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. All easements and rights of access described in this Section shall be exercised by the Condominium Board on behalf of all Unit Owners. Without limitation of the foregoing, the Garage Unit will be subject to an easement in favor of Residential Unit Owners to enter and traverse the Garage Unit for storage of bicycles in the Bicycle Rack Area. The Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements contained therein and appurtenant thereto to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. Such easements and rights of access shall be exercised by the Condominium Board and/or Sponsor, and each of their Permitted Users, as the case may be, to the extent practicable, in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on reasonable prior notice based on the nature of the repair or replacement but in no event on less than two days' notice, except that no notice will be necessary in the case of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building). Plans and specifications with respect to any such proposed work shall be submitted by the Unit Owner who has requested that the Condominium Board exercise any such easement or right of access, to the Unit Owner whose Unit is to be accessed and all work is to be prosecuted diligently to completion. Notwithstanding any other provision of this Declaration, the By-laws or the Residential Rules and Regulations, if applicable, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected.

11.2 Sponsor for so long as it shall own any Unsold Residential Unit, any Non-Residential Unit Owner with respect to its Non-Residential Unit and the Condominium Board, on behalf of all Unit Owners, shall each have the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Sponsor, the Non-Residential Unit Owner or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the Unit Owners and their Permitted Users, provided that the granting of such additional utility easements or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business carried on within the Non-Residential Unit or with the use of the Residential Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. Any utility company and its employees and agents shall have the right of access to each Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the normal conduct of business or with the use of the Units for their permitted purposes. Notwithstanding any other provision of this Declaration, the By-laws or the Residential Rules and Regulations, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected.

11.3 Sponsor and its Permitted Users for so long as Sponsor shall own any Unsold Residential Unit, shall have an easement for ingress and egress through all of the Common Elements in order to make alterations, additions, or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Unsold Residential Units and the Common Elements.

11.4 Each Unit and the Common Elements shall have easements of subjacent support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

11.5 Sponsor, and its Permitted Users shall have an exclusive right and easement for so long as the Condominium shall remain in existence to erect, use, lease, maintain, repair, replace and operate (a) antennae, satellite dishes and other communications equipment, and (b) any pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust, or ventilation as required or, as permitted by Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements (excluding Terraces and Storage Lockers) and to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith. The exercise of the easement and these rights do not require the consent of the Condominium Board or the Unit Owners and shall be without charge to Sponsor. Any obligations of Sponsor under any lease, license or other right of use granted by Sponsor with respect to the roof and/or the façade of the Building shall be the obligation of Sponsor and not of the Condominium, and any rights of Sponsor, including, without limitation, the right to receive rent or other consideration for such lease, license or other right of use, shall be the right of Sponsor, and not of the Condominium or any other Unit Owner. In connection with such easement and related rights, Sponsor and its Permitted Users shall each have, to the extent necessary or advisable for such erection, use, lease, maintenance, repair, replacement and operation, an easement in common with all Unit Owners for ingress, egress and the use of any Common Elements. The Units shall each be subject to such easement.

11.6 Sponsor and any Development Rights Owner shall have an easement for ingress and egress through all of the Common Elements for any purpose in connection with Sponsor's or Development Rights Owner's utilization, sale or transfer of any Excess Development Rights, including without limitation (i) effecting a zoning lot merger or division; or (ii) creating a Combined Zoning Lot or any enlargement or subdivision thereof; or (iii) effecting a sale or transfer of Excess Development Rights in any manner permitted by Law.

11.7 Subject to the terms of the By-laws, each Non-Residential Unit Owner shall have an easement to install, operate, maintain, repair, alter, rebuild, restore and replace any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or facilities forming a part of or relating to the Non-Residential Unit in, over, under, through or upon the Common Elements or elsewhere on the Property; provided that access to the Common Elements or other portions of the Property in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use of the Common Elements and such other portions of the Property for their permitted purposes; and provided further that the prior approval of the Condominium Board will be required for any such work that interacts with or affects the operation of the "base Building" mechanical, electrical, plumbing or fire alarm systems.

11.8 The Condominium and Building shall be designated and known as the 500 Waverly Condominium. Sponsor shall own and control all rights and interest, appurtenant to the name of the Condominium and/or the Building and any intellectual property relating thereto, including without limitation, any logos, marks, websites, trademarks, copyrights or names relating to or referring to the name of the Condominium or the Building, unless otherwise prohibited by Law. Only Sponsor shall have the right to change or assign the name of the Condominium. In addition, Sponsor shall have the right to utilize other names for the Building or portions thereof for marketing and promotional purposes without the consent of the Condominium Board or the Unit Owners. Sponsor shall have an exclusive easement for so long as the Condominium shall remain in existence to erect, maintain, repair and replace, from time to time, a

plaque and/or sign ("Plaque"), without charge, on the exterior portion of the Building setting forth the name and address of Sponsor, or such other information as Sponsor desires in its sole discretion. Only Sponsor shall the right to remove the Plaque, unless mandated by Law.

11.9 If (a) any portion of the Common Elements encroaches upon any Unit or upon any other portion of the Common Elements, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements or (c) any such encroachment shall hereafter occur as a result of (i) the settling or shifting of the Building, (ii) any alteration, repair or restoration of the Common Elements made by or with the consent (when required by the By-laws) of the Condominium Board, or made by Sponsor in accordance with this Declaration or the By-laws or (iii) any alteration, repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements; then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

11.10 In addition to the specific easements set forth in this Article 11 and in Article 10 hereof, the Property and every portion thereof shall be subject to all easements made with the City of New York or with any utility companies or other Persons in effect prior to the recording of this Declaration.

ARTICLE 12

ALTERATIONS, ADDITIONS, IMPROVEMENTS AND CHANGES TO UNSOLD RESIDENTIAL UNITS AND NON-RESIDENTIAL UNITS

12.1 Except to the extent prohibited by Law and subject to the terms of the Regulatory Agreement, Sponsor shall have the right, without the vote or consent or approval of the Condominium Board, other Unit Owners, Selling Agent, the Managing Agent or the Mortgage Representatives, if any, to:

(a) make alterations, additions, improvements, or repairs, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Unsold Residential Units and their appurtenant Residential Limited Common Elements, if any;

(b) change the layout of, or number of rooms in, any Unsold Residential Units, subject to the Regulatory Agreement and the Inclusionary Housing Program;

(c) amend the Certificate of Occupancy for the Building as it relates to the Unsold Residential Units;

(d) change the size and/or number of Unsold Market Rate Residential Units, subject to the Regulatory Agreement and the Inclusionary Housing Program, by (w) subdividing one or more Unsold Residential Units into two or more separate Residential Units, (x) combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Residential Units, (y) altering the boundary walls between any Unsold Residential Units, or (z) otherwise, including incorporating Residential Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit without changing the percentage of Common Interest of such Unit; and

(e) if appropriate, reapportion among the Unsold Residential Units affected by such change in size or number pursuant to the preceding clauses their Residential Common Interests and Residential Common Interest;

provided, however, that, with respect to any such alteration, addition, improvement, or change in, to, of, or upon any Unsold Residential Unit:

(i) no physical modifications shall be made to any other Unit and the Common Interest and Residential Common Interest (other than Unsold Residential Units), as the case may be, or interior dimensions of any other Units (other than Unsold Residential Units) shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(ii) Sponsor shall comply with Law;

(iii) Sponsor shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom;

(iv) such alteration, addition, improvement, repair or change shall not jeopardize the soundness, mechanical systems or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property; and

(v) if such alteration, addition, improvement or change is in, to, of or upon an Inclusionary Unit, Sponsor shall comply with the provisions of the Inclusionary Housing Program, including, without limitation, obtaining the prior approval of HPD, if required.

Notwithstanding the foregoing, however, the aggregate amounts of both the Common Interests of all the Units and the Residential Common Interests of all Residential Units shall always remain at 100%, and no reapportionment of the Common Interest or Residential Common Interest appurtenant to any Unit, as the case may be, shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest and, if applicable, Residential Common Interest of the affected Unit has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered by Sponsor or any other Person reasonably acceptable to the Condominium Board. By written permission of the Condominium Board, which permission shall not be unreasonably withheld or delayed, any other Residential Unit Owner may be given with respect to such Residential Unit the same rights and be subject to the same limitations and conditions as are set forth in this Article with respect to Unsold Residential Units. Notwithstanding the other provisions of this Article, no reapportionment of the Common Interests appurtenant to any Residential Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest of the affected Residential Unit has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered by the Residential Unit Owner or any other Person reasonably acceptable to the Condominium Board. The provisions of this Article may not be added to, amended, modified, or deleted without the prior written consent of Sponsor.

12.2 Except to the extent prohibited by Law and as set forth in this Section 12.2, the Non-Residential Unit Owners shall have the right, without the consent or approval of the Condominium Board, the Unit Owners, Selling Agent, the Managing Agent, or the Mortgage Representatives, if any, to:

(a) make alterations, additions, improvements, or repairs, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Non-Residential Unit (including, without limitation, to the storefronts and windows in such Non-Residential Unit); provided however, that the prior written consent of the Condominium Board shall be required for any alterations, additions or improvements to the Non-Residential Units that affect the exterior façade of the Building.

(b) change the use or layout of, or number of rooms in the Non-Residential Unit;

(c) amend the Certificate of Occupancy for the Building as it relates to the Non-Residential Unit;

(d) change the size of the Non-Residential Unit by (w) subdividing the Non-Residential Unit into 2 or more separate Units, (x) combining 2 or more separate Units resulting from such subdivision into 1 or more Units, (y) altering the boundary walls of 2 or more separate Units resulting from such subdivision or combination, or (z) otherwise; and

(e) if appropriate, reapportion among the Units affected by such change in size or number pursuant to the preceding clauses their respective Common Interests.

provided, however, that, with respect to any such alteration, addition, improvement, or change in, to, of, or upon the Unit:

(i) no physical modification shall be made to any other Unit, and the Common Interest and Residential Common Interest, as the case may be, or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(ii) the Non-Residential Unit Owners shall comply with Law;

(iii) the Non-Residential Unit Owners shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

(iv) such alteration, addition, improvement, repair or change shall not jeopardize the soundness, mechanical systems or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

In the event of the subdivision of a Non-Residential Unit into separate Non-Residential Units, the owner of each such newly created Non-Residential Units shall have all the rights, privileges and benefits, and shall be subject to all the obligations of the original Non-Residential Unit Owner, as provided in this Declaration, the By-laws and the Residential Rules and Regulations; provided, however, that the owners of such newly created Non-Residential Units shall collectively continue to be entitled to designate 2 Members to the Condominium Board.

Notwithstanding the foregoing, however, the aggregate amounts of the Common Interest of all the Units and the Residential Common Interests of all Residential Units shall always remain at 100%, and no reapportionment of the Common Interest appurtenant to the Non-Residential Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered, at the Non-Residential Unit Owner's election, by the Non-Residential Unit Owner, Selling Agent, the Managing Agent, or any other Person reasonably acceptable to the Condominium Board. The provisions of this Article may not be added to, amended, modified, or deleted without the prior written consent of the Non-Residential Unit Owners.

ARTICLE 13

ACQUISITION OF UNIT BY THE CONDOMINIUM BOARD

If (a) any Residential Unit Owner surrenders the Residential Unit, together with its Appurtenant Interests to the Condominium Board pursuant to the terms of the By-laws or Section 339-x of the Condominium Act, or (b) the Condominium Board, pursuant to the By-laws or otherwise, either acquires or leases a Unit, together with its Appurtenant Interests, purchases a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title to any such Unit and such Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium

Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Inclusionary Units remain subject to the Regulatory Agreement.

ARTICLE 14

POWER OF ATTORNEY TO SPONSOR AND THE CONDOMINIUM BOARD

14.1 Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney in-fact, coupled with an interest and with power of substitution, Sponsor, to:

(a) amend the Condominium Documents pursuant to the terms thereof, and to effectuate the rights of Sponsor under the Condominium Documents; and

(b) effectuate Sponsor's or any Development Rights Owner's utilization, sale or transfer of all or any portion of the Excess Development Rights, as set forth in this Declaration.

14.2 Each Residential Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Residential Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney in-fact, coupled with an interest and with power of substitution, the Persons who shall from time to time constitute the Condominium Board, jointly, to:

(a) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and commencing, pursuing, appealing, settling and/or terminating administration and tax certiorari proceedings on behalf of the Residential Unit Owners for the reduction of the assessed valuation of their Residential Units, such Residential Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire, lease or license any Residential Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, sublease or surrender the same or acquire any Residential Unit, together with its Appurtenant Interests that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners;

(c) acquire, mortgage, lease, sublease, license, convey or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Residential Unit so acquired or to sublease any Residential Unit so leased; and

(d) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Property or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which the Condominium Board deems necessary or appropriate or (3) any protest and tax certiorari proceeding documentation affecting Residential Units.

14.3 In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Sponsor or the Condominium Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Power of Attorney, substantially in the form set forth as Exhibit E to this Declaration.

ARTICLE 15

TERMINATION OF CONDOMINIUM

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-laws) until such time as the Property is withdrawn from the provisions of the Condominium Act as authorized by a vote of the Non-Residential Unit Owners and 80% in number and in Residential Common Interest of all Residential Unit Owners. No such vote shall be effective, however, without the written consent (which consent shall not be unreasonably withheld or delayed) of HPD, for so long as the Regulatory Agreement is in force and effect, and the Permitted Mortgagees representing at least 51% percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any. In the event the withdrawal is authorized as aforesaid, but only in such event, 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 such Unit Owner's share of such net proceeds all liens on the Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 16

COVENANT OF FURTHER ASSURANCES

16.1 Any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a Member or officer of the Condominium Board or a Permitted User of either or otherwise, shall, upon prior reasonable written request at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person 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.

16.2 If any Unit Owner, the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which the Condominium Board, Unit Owner or other Person is required to execute, acknowledge and deliver or to take pursuant to this Declaration, or (ii) to deliver a written notice to the Person requesting such execution, acknowledgement or delivery, and to the Condominium Board stating the reasons why such Unit Owner, Condominium Board or other Person refuses to execute, acknowledge or deliver such instrument or take such action, then the Condominium Board or other Person is hereby authorized as attorney-in-fact for such Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner, Condominium Board or other Person and such document or action shall be binding on such Unit Owner, Condominium Board or other Person.

16.3 If any Unit Owner, the Condominium Board or other Person that is subject to the terms of this Declaration fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, to execute, acknowledge or deliver any instrument which such Unit Owner, Condominium Board or other Person is required to execute, acknowledge or deliver pursuant to this Declaration at the request of Sponsor or a Non-Residential Unit Owner, as the case may be, then Sponsor, or a Non-Residential Unit Owner as the case may be, is hereby authorized, as attorney-in-fact for the Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, in the name of the Unit Owner, Condominium Board or other Person, and such instrument shall be binding on the Unit Owner, Condominium Board or

other Person. The Condominium Board shall not unreasonably withhold or delay its consent or approval with respect to any matter contained in this Declaration which requires the consent or approval of the Condominium Board.

ARTICLE 17

COVENANTS RUNNING WITH THE LAND

17.1 All provisions of this Declaration, the By-laws and the Residential Rules and Regulations which are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and owner's heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public. All present and future owners, tenants, subtenants, licensees, and other occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-laws and the Residential Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-laws and the Residential 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 or use and occupancy agreement thereof.

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

17.3 Subject to Section 17.2, if this Declaration and the By-laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 18

EXCESS DEVELOPMENT RIGHTS

18.1 Any Excess Development Rights shall be retained by Sponsor, who shall have the exclusive right to utilize, sell or otherwise transfer any Excess Development Rights. Excess Development Rights shall inure solely to the benefit of Sponsor or other Development Rights Owner. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Excess Development Rights.

18.2 In connection with its utilization of Excess Development Rights, Sponsor or Development Rights Owner, among other rights, may cause the Property to be divided into two or more parcels which collectively are referred to as the "Combined Zoning Lot."

18.3 Each Unit Owner by accepting a deed or otherwise succeeding to title to a Unit, and the Condominium Board, shall be deemed to have consented to and agreed that, if Sponsor or a Development Rights Owner seeks to enlarge the Combined Zoning Lot by adding other parcels of real property ("Additional Parcels") so as to create an enlarged Combined Zoning Lot, or seeks to utilize or transfer Excess Development Rights for the purposes and in accordance with the provisions of the Zoning Resolution or other applicable Law, the Condominium Board and the Unit Owner have (i) waived the right to execute any declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air or other document or instrument and the right to appear in opposition before any community board or governmental or quasi-governmental authority to oppose in any manner the utilization, sale or transfer of Excess Development Rights or the establishment of the Combined Zoning Lot or any enlargement, division or proposed use thereof; and (ii) consented as a party in interest, to any declaration or other agreement utilizing the Excess Development Rights in any manner, including by effecting a transfer of Excess Development Rights or a merger or division of any of the parcels comprising the Combined Zoning Lot with any other tax lots in order to form a single zoning lot for the purpose of transferring all or any portion of the Excess Development Rights from Sponsor or a Development Rights Owner.

18.4 Notwithstanding the provisions of the immediately preceding paragraph, each Unit Owner by accepting a deed or otherwise succeeding to title to a Unit, and the Condominium Board, shall be deemed to have granted to Sponsor and any Development Rights Owner an irrevocable power of attorney coupled with an interest, to execute, acknowledge and deliver any such declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air, or other document or instrument necessary or expedient to carry out the exercise of any rights, reserved, retained or granted to Sponsor or Development Rights Owner. Alternatively, upon demand of Sponsor or a Development Rights Owner, each Unit Owner and the Condominium Board shall execute any declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air, or other document or instrument requested by Sponsor or Development Rights Owner in order that (i) Sponsor or Development Rights Owner may effectively utilize, sell or otherwise transfer Excess Development Rights to any Person designated by Sponsor or Development Rights Owner, and (ii) such Person may effectively utilize such Excess Development Rights.

18.5 Notwithstanding the foregoing, neither Sponsor nor any Development Rights Owner may utilize Excess Development Rights to increase the size, height, bulk or density of any portion of the Property.

18.6 All rights and obligations of Sponsor set forth in this Declaration with respect to the Excess Development Rights shall apply equally to any Development Rights Owner.

ARTICLE 19

AMENDMENTS TO THIS DECLARATION

19.1 Subject to the provisions contained herein or in the By-laws with respect to amendments, modifications, additions or deletions affecting Sponsor or the Non-Residential Unit Owners, any provision of this Declaration affecting the (i) General Common Elements or all Unit Owners may be added to, amended, modified or deleted by the affirmative vote of at least 66-2/3% in number and in Common Interest of all Unit Owners and (ii) Residential Common Elements or all Residential Unit Owners may be added to, amended, modified or deleted by affirmative vote of at least 66-2/3% in number and Residential Common Interest of all Residential Unit Owners, taken in accordance with the provisions of the By-laws; provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners directly affected. Subject to the provisions contained herein or in the By-laws with respect to amendments, modifications, additions or deletions affecting Sponsor or the Non-Residential Unit Owners, no amendment, modification, addition or deletion shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives (as defined in the By-laws), if any, and, if such amendment affects the Inclusionary Units or the interest thereof or Residential Limited Common Elements appurtenant thereto, such amendment will require the approval of HPD. No such amendment, modification, addition or deletion shall be effective until recorded in the Register's Office. Subject to the provisions contained herein or in the By-laws with respect to amendments, modifications, additions or deletions affecting Sponsor or the Non-Residential Unit Owners, any such amendment, modification, addition or deletion shall be executed by either the Condominium Board as attorney-in-fact for the Unit Owners, coupled with an interest, and the Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Subject to the rights of Sponsor set forth herein, this Section 19.1 of the Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, if any, as set forth above) 80% 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.

19.2 Sponsor and a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record (or, at Sponsor's sole option, to require the Condominium Board or any other Unit Owners to execute, acknowledge and record) in the Register's Office and elsewhere, if required by Law, one or more amendments to this Declaration, the By-Laws, the Residential Rules and Regulations and the Floor Plans of the Condominium as Sponsor deems appropriate to effectuate the same:

(i) to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interest of the affected Unsold Residential Units resulting therefrom made by Sponsor in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by Sponsor to make a loan secured by a mortgage on any Unsold Residential Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Sponsor to insure title to any Unsold Residential Unit; or

(iii) to correct any inconsistencies or scrivener's errors in the Declaration, the By-Laws and/or Floor Plans; or

(iv) with respect to Excess Development Rights, to effectuate Sponsor's or any Development Rights Owner's utilization, sale or transfer of any Excess Development Rights in any manner permitted by Law, provided that no such amendment shall enable Sponsor or Development

Rights Owner to utilize Excess Development Rights to increase the size, height, bulk, configuration and/or density of the Property; or

(v) to relinquish any rights granted to Sponsor hereunder.

Provided, however, that any amendment made pursuant to the terms of subparagraph (i) or (ii) of this Section shall not (1) change the Common Interest of any Unit other than a Unit owned by Sponsor, or (2) require a material, physical modification of any Unit other than a Unit owned by Sponsor, or (3) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event described in (1) or (2) of this Section) or the holder of such mortgage (in the event described in (3) of this Section) shall consent thereto by joining in the execution of such amendment.

19.3 The Non-Residential Unit Owners shall each have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record in the Register's Office or elsewhere, if required by Law, one or more amendments to this Declaration (including, without limitation, to Exhibit B hereto), together with such documents, plans and maps as such Non-Residential Unit Owner deems appropriate to effectuate the same:

(i) to reflect any changes in the Non-Residential Unit and/or the reapportionment of the Common Interest of the affected Non-Residential Unit resulting therefrom made by the Non-Residential Unit Owner in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by such Non-Residential Unit Owner to make a loan secured by a mortgage on the Non-Residential Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by such Non-Residential Unit Owner to insure title to any Non-Residential Unit, as such requirements relate solely to the Non-Residential Unit; or

(iii) to correct any inconsistencies or scrivener's errors in the Declaration, By-Laws and/or Floor Plans.

(iv) to reflect any changes that solely affect such Non-Residential Unit and do not materially and adversely affect the Residential Units and/or the Residential Unit Owners and/or any other Non-Residential Unit Owner; provided, however, that any such amendment shall not (1) change the Common Interest or Residential Common Interest of any other Unit, or (2) require a physical modification of any other Unit, or (3) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event described in subparagraph (1) or (2) of this Section) or the holder of such mortgage (in the event described in subparagraph (3) of this Section) shall consent thereto by joining in the execution of such amendment.

19.4 Any amendment to this Declaration may be executed: (i) if on behalf of Sponsor or a Development Rights Owner pursuant to the terms of Section 19.2 hereof, by Sponsor or a Development Rights Owner, (ii) if on behalf of a Non-Residential Unit Owner pursuant to the terms of Section 19.3 hereof, by such Non-Residential Unit Owner, or (iii) if on behalf of the Unit Owners or by the Condominium Board, by any officer of the Condominium. If the amendment requires the approval of a specific percentage of Unit Owners pursuant to the terms of this Declaration or the By-laws, then there shall be attached to such amendment an original executed Secretary's Certificate, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this Declaration or the By-laws) in writing without a meeting, in which Certificate shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

19.5 Notwithstanding anything contained in the Condominium Documents to the contrary, if any Residential Unit Owner, with the prior written approval of the Condominium Board changes the size and/or number of Residential Units owned by such Residential Unit Owner by either (i) subdividing a Residential Unit(s) into two or more separate Residential Units, (x) combining a Residential Unit into one or more Residential Units, (y) altering the boundary walls between any adjacent Residential Units owned by such Residential Unit Owner, or (z) otherwise, including incorporating Residential Common Elements (such as a portion of a hallway used exclusively by the owner of such Residential Unit) which exclusively benefit a Residential Unit into such Residential Unit, then the Condominium Board on behalf of such Residential Unit Owner and at the Residential Unit Owner's sole cost and expense, shall have the right to execute, and record in the City Register's Office and elsewhere, if required by Law, any amendment to this Declaration and other documents which are necessary or appropriate to reflect the changes made by the Residential Unit Owner, all without the approval of the other Unit Owners, provided, however, that any such amendment shall not (1) change the Common Interest or Residential Common Interest of any other Unit, or (2) require a physical modification of any other Unit, or (3) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender, unless the owner of such affected Unit (in the event described in (1) or (2)) or the holder of such mortgage (in the event described in (3)) shall consent thereto by joining in the execution of such amendment.

19.6 Notwithstanding anything contained in the Condominium Documents to the contrary, but subject to any limitation imposed by the Condominium Act, no amendment to the Condominium Documents shall be effective in any respect against Sponsor or the Non-Residential Unit Owners if the same would (i) unreasonably interfere with the sale, lease, or other disposition of any Unit owned by any of them, (ii) abridge, modify, suspend, eliminate, or otherwise affect any right, power, easement, privilege, or benefit granted to Sponsor or the Non-Residential Unit Owners unless Sponsor or the Non-Residential Unit Owners or the Development Rights Owner shall consent to such amendment in writing, or (iii) impose any discriminatory charge or fee against Sponsor or the Non-Residential Unit Owners, unless Sponsor or the Non-Residential Unit Owners or the Development Rights Owner shall consent to such amendment in writing.

19.7 The provisions of this Article may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor or the Non-Residential Unit Owners if the same relate to Sponsor or the Non-Residential Unit Owners.

19.8 No amendment to the Condominium Documents which would materially and adversely affect the holder of any Permitted Mortgage shall be effective without the prior written consent of 51% of the Permitted Mortgagees or a majority of the Mortgage Representatives, if any. If the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the proposed amendment, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

19.9 No amendment to the Condominium Documents which alters the rights and/or obligations of Inclusionary Unit Owners as set forth herein or in the Regulatory Agreement or the Inclusionary Housing Program shall be effective without the prior written consent of HPD. This provision may not be amended without the prior written consent of HPD.

ARTICLE 20

CONSENTS BY SPONSOR

When the consent, approval, satisfaction, or permission of Sponsor is required under this Declaration or the By-laws, such consent, approval, satisfaction, or permission shall not be required when (i) Sponsor no longer owns any Units; (ii) Sponsor has completed all of its obligations under the terms of the Offering Plan and (iii) a Permanent Certificate of Occupancy has been issued for the Property.

ARTICLE 21

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York, is hereby designated to receive service of process in any action which may be brought against the Condominium.

ARTICLE 22

INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-laws annexed hereto as Exhibit D; (v) the Unit Power of Attorney annexed hereto as Exhibit E; (vi) the Common Expense Allocations annexed hereto as Exhibit F; and (vii) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if set forth at length in the text hereof.

ARTICLE 23

WAIVER

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

ARTICLE 24

SEVERABILITY

Subject to the provisions of Section 17.2 and 17.3 of Article 17 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provisions of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

ARTICLE 25

SUCCESSORS AND ASSIGNS

The rights and/or obligations of Sponsor and each Non-Residential Unit Owner as set forth in this Declaration and the By-laws shall inure to the benefit of and be binding upon any successor or assignee or designee of Sponsor and each Non-Residential Unit Owner. Sponsor and each Non-Residential Unit Owner shall have the right, at any time, subject to applicable provisions of the By-Laws and to the requirements of the Regulatory Agreement, in their sole discretion, to assign or otherwise transfer their interest therein, whether by merger, consolidation, lease, assignment, or otherwise.

ARTICLE 26

CAPTIONS

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

ARTICLE 27

CERTAIN REFERENCES

27.1 A reference in this Declaration to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural and vice versa, unless the context otherwise requires.

27.2 The terms "herein," "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used, unless the context otherwise requires.

27.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 28

GENERAL

Except as required by Law, neither Sponsor nor any of its principals shall be subject to any of the restrictions and/or prohibitions with regard to the Units and/or Storage Lockers set forth in this Declaration or the By-laws annexed hereto.

ARTICLE 29

CONDOMINIUM 421-AN ELIGIBILITY

Notwithstanding anything contained herein or in the By-Laws to the contrary, for so long as all or any portion of the Condominium is eligible to receive real tax benefits, exemptions or abatements pursuant to New York Real Property Tax Law Section 421 or successor statute-a, all Unit Owners and the Condominium Board shall comply with the provisions of the 421-a Restrictive Declaration recorded against the Property. The provisions of this Article may not be amended for so long as all or any portion of the Condominium is eligible to receive real tax benefits, exemptions or abatements pursuant to New York Real Property Tax Law Section 421-a or successor statute.

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the ___ day of _____, _____.

* * * * *

SPONSOR:

500 WAVERLY PROPERTY OWNER, L.L.C.

By: 500 Waverly, L.L.C.,
its managing member

By: Orange Waverly, LLC,
its operating member

By: _____
Name: Andrew Bradfield
Title: Sole Member

(ACKNOWLEDGEMENT)

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 whom the individual(s) acted, executed the instrument.

_____
Notary

EXHIBIT A TO THE DECLARATION

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the westerly side of Waverly Avenue with the southwesterly side of Fulton Street;

RUNNING THENCE northwesterly along the southwesterly side of Fulton Street, 105 feet 9 inches (105 feet 10 inches tax map);

THENCE westerly 3 feet 4 inches;

THENCE southerly and parallel with Waverly Avenue 100 feet;

THENCE easterly 20 feet;

THENCE southerly and again parallel with Waverly Avenue 80 feet;

THENCE northerly along the westerly side of Waverly Avenue 107 feet 1 ½ inches to the point or place of BEGINNING.

EXHIBIT B TO THE DECLARATION

DESCRIPTION OF THE UNITS

500 Waverly Condominium
500 Waverly Avenue
Brooklyn, New York 11238

UNIT	NUMBER OF BEDROOMS /BATHS	APPROXIMATE TOTAL SQ. FT. UNIT	BALCONY/ TERRACE	BLOCK 2011 TAX LOT NO.	PERCENTAGE OF COMMON INTEREST	LOCATION IN PORTION OF BUILDING FACING DIRECTION SET FORTH BELOW	COMMON ELEMENTS TO WHICH UNIT HAS IMMEDIATE ACCESS

To be completed prior to Recording of the Declaration.

EXHIBIT C

DEFINITIONS

For convenience of presentation, general definitions of certain of the terms used in the Plan are set forth below, which definitions are subject in most cases to the more particular definitions of such terms set forth in the Declaration, the By-Laws and the Condominium Act. They include the following:

"Administering Agent" shall mean an agent of HPD and the Condominium Board that has been approved by HPD to ensure compliance with the Regulatory Agreement and the Inclusionary Housing Program. The Administering Agent shall be Housing Partnership Development Corp.

"Administering Agent Agreement" shall mean the agreement between the Administering Agent and HPD dated May 19, 2015.

"Adverse Effect," or "adverse effect" shall mean any action or proposed change with respect to any Unit Owner(s), that such action or change could, if realized, (i) increase the Common Charges payable over those set forth in the budget in effect at the time in question by 25% or more, (ii) materially and permanently interfere with such Unit Owner's access to the Unit, (iii) materially and permanently obstruct or degrade the view from the windows and/or Terraces of the Unit (excluding the lot line windows) or (iv) otherwise materially diminish the use and enjoyment of the Unit.

"Appurtenant Interest" shall mean, with respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or rental of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

"Area Median Income" or "AMI" shall mean the area median income for the New York metropolitan statistical area as determined by HUD from time to time.

"Building" shall mean the building located at 500 Waverly Avenue, Brooklyn, New York 11238.

"Buildings Department" or "DOB" shall mean the New York City Department of Buildings or any successor agency.

"Business Day" shall mean any day other than Saturday, Sunday or a legal holiday, on which national banks are open for business in the City or State of New York.

"By-Laws" shall mean the by-laws governing the operations of the Condominium, which are set forth as Exhibit D to the Declaration, as the same may be amended from time to time, which are set forth in Part II of the Plan.

"Closing" or "Closing of Title" shall mean the date, time, place and procedure by which, among other things, fee title to a Unit and its appurtenant Common Interest is conveyed pursuant to a fully-executed Purchase Agreement.

"Closing Date" shall mean the date on which a Closing occurs.

"Common Charges" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata, in accordance with their Schedule B allocations and as provided in the Declaration or in the By-Laws to meet the Common Expenses.

"Common Elements" shall mean the Property, other than the Units themselves, being comprised of the General Common Elements, Residential Common Elements and the Residential Limited Common Elements.

"Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve, or a reserve fund for working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); (iii) payments to cover an Operating Shortfall; and (iv) generally, the conduct of the affairs of the Condominium. Common Expenses shall be either General Common Expenses attributable to all Unit Owners or Residential Common Expenses attributable to Residential Unit Owners only.

"Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements appurtenant to each Unit, as determined in accordance with the Declaration. The total of all Common Interest percentages appurtenant to all Units equals 100%. The Common Interest attributable to each Unit is set forth on Exhibit B annexed to the Declaration.

"Condominium" shall mean the 500 Waverly Condominium which will be established pursuant to the terms of the Declaration and which is governed pursuant to the terms of the By-Laws.

"Condominium Act" shall mean the New York Condominium Act, as amended from time to time (New York Real Property Law, Article 9-B).

"Condominium Board" shall mean the board of managers of the Condominium who will manage the affairs of the Condominium.

"Condominium Documents" shall mean the Declaration, the By-Laws, the Residential Rules and Regulations and the Floor Plans.

"Declarant" shall mean 500 Waverly Property Owner, L.L.C. and its successors and assigns.

"Declaration" shall mean the instrument creating the Condominium, as the same may be amended from time to time, which is set forth in Part II of the Plan.

"Department of Law" shall mean the Real Estate Finance Bureau of the Department of Law of the State of New York.

"Deposit" shall mean all deposits, advances and payments made by Purchasers prior to the Closing of a Unit.

"Development Rights Owner" shall mean Sponsor or any Person which acquires all or any portion of the Excess Development Rights from Sponsor.

"Eligible Purchaser" shall mean a person satisfying the income limitations and other qualifications for the purchase of an Inclusionary Unit.

"Effective Date" shall mean the date upon which the Plan is declared effective.

"Excess Development Rights" shall mean certain rights, as determined by the Zoning Resolution that are available as of the date of the Declaration or may become available thereafter by any means, and are appurtenant to a zoning lot, whereby (a) contiguous tax lots may be merged into a single zoning lot ("Combined Zoning Lot") and the Combined Zoning Lot or a portion thereof may be developed by erecting thereon one or more structures with (i) "floor area" (as such term is defined in the Zoning

Resolution); (ii) any bulk and density development rights permitted under the Zoning Resolution, (iii) any so-called bonus redevelopment rights hereafter appurtenant to the Property; or (b) excess "floor area" not utilized by the Building as of the date of the Declaration may be utilized on the zoning lot or transferred to other zoning lots as permitted by the Zoning Resolution.

"Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of one or more of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the term "Facilities" shall include, if any, to the extent existing in the Building, all systems, equipment, apparatus, convectors, radiators, heaters, converters, heat exchangers, mechanisms, devices, machinery, induction units, fan coil units, motors, pumps, controls, tanks, tank assemblies, installations, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut off valves, other valves, gongs, panels, receptacles, outlets, relays, alarms, sprinkler heads, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, siamese connections, hoses, plumbing fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, intercom equipment, playground equipment, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drainage systems, sewers and/or storm pipes, drywalls, or detention tanks, drains, catch basins, leaders, filters, incinerators, canopies, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, sheetrock, interior walls, draperies, shades, window coverings, wallpaper, wallcoverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes, sockets, davits and rigs for window cleaning.

"Family Member" with respect to Market Rate Units, shall mean the spouse, domestic partner, their children, stepchildren, grandchildren, siblings, step siblings, aunts, uncles, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Market Rate Unit Owner who reside in such Unit Owner's Unit.

"Family Member" with respect to Inclusionary Unit Owners, shall mean any of those persons specified in the Rent Stabilization Code, currently set forth in 9 NYCRR 2520.6(o).

"Filing Date" shall mean the date a letter is issued by the Department of Law accepting the Plan or an amendment to the Plan, as the case may be, for filing.

"First Annual Meeting" shall mean the first annual meeting of the Residential Unit Owners.

"First Closing" shall mean the Closing of Title with respect to the first Residential Unit to be conveyed to a Purchaser pursuant to the terms of the Plan.

"First Year of Condominium Operation" shall mean the first 12 months of operation of the Condominium beginning on the date of First Closing, which may be a calendar or fiscal year.

"First Year's Budget" shall mean the Section of the Plan entitled "Schedule B - First Year's Budget." The First Year's Budget is sometimes referred to as "Schedule B."

"Floor Plans" shall mean the floor plans of the Units certified by a professional engineer or licensed architect, filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental or amended floor plans thereto.

"Force Majeure" shall mean unavoidable delays due to acts of God, weather, fire, flood, explosion, war, riot, sabotage, epidemics, quarantine, acts of terrorism, freight embargos, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of

transportation, governmental restrictions, preemptions or approvals, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the control of Sponsor, however for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause beyond control.

"Garage Unit" shall mean the Garage Unit referenced in Exhibit B to the Declaration together with its Common Interest.

"GBL" shall mean Section 352-e of the New York State General Business Law.

"General Common Elements" shall mean those certain portions of the Property (other than the Units), as well as those Facilities therein, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property, as more particularly described in the Declaration and the Floor Plans.

"General Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or By-Laws in connection with (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the General Common Elements; or (ii) the establishment and/or maintenance of a general operating reserve fund for working capital, for replacements with respect to the General Common Elements.

"HPD" shall mean the New York City Department of Housing Preservation and Development or any successor agency.

"HPD Reserve Accounts" shall mean the Operating Reserve Account, the Capital Reserve Account and the Administering Agent Reserve Account as defined in the Regulatory Agreement.

"HUD" shall mean the U.S. Department of Housing and Urban Development or any successor agency.

"Inclusionary Housing Program" shall mean the program established by the City of New York for the creation of affordable housing pursuant to Section 23-90 et. seq. of the Zoning Resolution and Title 28, Chapter 41 of the Rules of the City of New York, as each may be amended from time to time.

"Inclusionary Unit" shall mean any one of the 11 Residential Units referenced in Exhibit B to the Declaration, as an Inclusionary Unit, together with its Common Interest. All such Inclusionary Units are, collectively, referred to as the "Inclusionary Units."

"Inclusionary Unit Owner" shall mean any owner of an Inclusionary Unit. All such Inclusionary Unit Owners are, collectively, referred to as the "Inclusionary Unit Owners."

"Inclusionary Unit Purchaser" shall mean any Purchaser of an Inclusionary Unit. All such Inclusionary Unit Purchasers are, collectively, referred to as the "Inclusionary Unit Purchasers."

"Initial Sponsor Control Period" shall mean the period until at least 5 years after the First Closing, where Sponsor owns 10% or more of the common interests in unsold residential units.

"Institutional Lender" shall mean (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, mortgage trust or a group of lenders which shall include one of the foregoing, or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system, or (iii) Sponsor, or (iv) with respect to loans secured by any Non-Residential Unit only, (x) without in any way limiting the scope of the foregoing and for the sake of clarity, any real estate mortgage investment conduit within the meaning of Section 860D of the Internal Revenue Code, (y) any entity not included within any of the foregoing that is regularly engaged in the business of

making, owning or servicing mortgage loans, including, without limitation, a so-called "conduit lender," or (z) any group of lenders which shall include one or more of the foregoing.

"Institutional Mortgage" shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either Sponsor or an Institutional Lender.

"Insurance Trustee" shall mean a bank or trust company, in either event having both an office in the City of New York and a capital surplus and undivided profits of $500,000,000 or more, from time to time appointed to serve as such by the Condominium Board.

"Land" shall mean the land located in the Borough of Brooklyn on the Tax Map of the Department of Finance of the City of New York as Block 2011, Lot 30 and more particularly described in Exhibit A to the Declaration.

"Law" shall mean any of the following which are applicable at the time in question: laws, ordinances and codes of any or all of the Federal, New York State, New York City, County and Borough governments, including, without limitation, HUD, HPD, the Buildings Department, the Landmarks Preservation Commission, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public or quasi-public authorities having jurisdiction over the Property and/or the Condominium and/or the direction of any public officer pursuant to Law.

"Majority of Residential Unit Owners" shall mean Residential Unit Owners of more than 50% in aggregate Residential Common Interest appurtenant to all Residential Units or Residential Unit Owners of more than 50% in aggregate Residential Common Interests of only those Residential Unit Owners who are present, in person or by proxy, and voting at a duly constituted meeting of Residential Unit Owners at which a quorum is present.

"Majority of Unit Owners" shall mean shall mean Unit Owners of more than 50% in aggregate Common Interests appurtenant to all Units or Unit Owners of more than 50% in aggregate Common Interests of only those Unit Owners who are present, in person or by proxy, and voting at a duly constituted meeting of Unit Owners at which a quorum is present.

"Managing Agent" shall mean the management company or manager named in the Plan or any successor managing agent at the time in question.

"Marketing Guidelines" shall mean the guidelines promulgated by HPD and the New York City Housing Development Corporation for the marketing of the Inclusionary Units, as amended from time to time.

"Market Rate Unit" shall mean any one of the 37 Residential Units referenced in Exhibit B to the Declaration together with its Common Interest which are being offered to Purchasers. All such Market Rate Units are, collectively, referred to as the "Market Rate Units."

"Market Rate Unit Owner" shall mean any owner of a Market Rate Unit. All such Market Rate Unit Owners are, collectively, referred to as the "Market Rate Unit Owners."

"Market Rate Unit Purchaser" shall mean any Purchaser of a Market Rate Unit. All such Market Rate Unit Purchasers are, collectively, referred to as the "Market Rate Unit Purchasers."

"Non-Residential Unit" shall mean the Retail Unit and the Garage Unit designated as such in the Declaration together with its Common Interest. All such Non-Residential Units are, collectively, referred to as the "Non-Residential Units".

"Non-Residential Unit Owner" shall mean the Unit Owner of a Non-Residential Unit at the time in question. All such Unit Owners are, collectively, referred to as the "Non-Residential Unit Owners".

"Operating Shortfall" shall mean the amount by which the Condominium's operating expenses exceed its revenues.

"Permanent Certificate of Occupancy" shall mean the permanent certificate of occupancy for the Building issued by the Buildings Department.

"Permitted Encumbrances" shall mean those matters encumbering title to a Unit subject to which a Purchaser agrees to take title, as more particularly described on Schedule A annexed to the form of Purchase Agreement.

"Permitted Mortgage" shall mean a first mortgage permitted to be placed upon a Unit pursuant to the provisions of the By-Laws.

"Permitted Mortgagee" shall mean any holder or guarantor of a Permitted Mortgage at the time in question.

"Permitted User" shall mean any officer, director, member, stockholder, principal, partner, employee, agent (including managing, sales and leasing agent), guest, tenant, occupant, customer, invitee, licensee, contractor, Permitted Mortgagee or any other Person related, affiliated or designated by Sponsor, the Condominium Board or a Unit Owner who has permission to use a Unit and/or a portion of the Common Elements, subject to the terms of the Condominium Documents, whether written or oral, granted by: (i) a Unit Owner in the case of such Unit Owner's Unit and its appurtenant Common Elements; or (ii) the Condominium Board; or (iii) the Condominium Documents; or (iv) Sponsor.

"Person" shall mean any natural person, partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

"Plan" shall mean that certain Condominium Offering Plan relating to the Property, as accepted for filing by the Department of Law pursuant to the GBL and any and all amendments thereto.

"Plans and Specifications" shall mean the plans and specifications for the construction of the Building which (to the extent required by Law) have been or will be filed with the Buildings Department and which may from time to time be amended in accordance with the provisions of the Plan.

"Presentation Date" shall mean the date on which the Plan or an amendment thereto, as the case may be, is personally delivered or the fifth day after mailing to Purchasers and Unit Owners following acceptance of the Plan or an amendment thereto for filing with the Department of Law.

"Primary Residence" shall mean a Unit Owner's residence in a Unit for 183 days or more in the preceding calendar year, unless such Unit Owner proves to the Condominium Board and to the Administering Agent by providing documentation that his or her residence in the Unit for less than 183 days was caused by active military duty, the Unit Owner's status as a full-time student, a court order, employment requiring temporary relocation from the Unit, hospitalization for medical treatment, or the Condominium Board and Administering Agent approved subletting of the Unit.

"Private Administering Agent Agreement" shall mean the agreement between Sponsor and the Administering Agent, set forth in Part II of the Plan.

"Property" shall mean the Land, the Building (and any structures attached thereto), the Units, all the improvements erected or to be erected on the Land, all easements, rights and appurtenances pertaining

thereto and all other property, real, personal, or mixed, used or intended to be used in connection therewith.

"Purchase Agreement" shall mean the agreement to purchase a Market Rate Unit or an Inclusionary Unit, the forms of which are set forth in Part II of the Plan.

"Purchaser" shall mean any Person named as a Purchaser in a Purchase Agreement which has been duly executed by such Person and accepted by Sponsor.

"Register's Office" shall mean the Office of the Register of the City of New York, County of Kings.

"Regulatory Agreement" shall mean that agreement dated May 19, 2015 between Sponsor and HPD, as amended by Amendment to Regulatory Agreement dated as of September 8, 2015, with respect to the Inclusionary Units which shall require Sponsor and the Condominium Board to abide by certain terms, restrictions and conditions for a period of time set forth therein.

"Residential Common Elements" shall mean those portions of the Common Elements either existing for the common use of the Residential Units or the Residential Unit Owners or necessary for, or convenient to, the existence, maintenance or safety of the Residential Units, as more particularly described in the Declaration and the Floor Plans, except with respect to the Storage Lockers, which are only available for use by the licensee of the particular Storage Locker.

"Residential Common Expenses" shall mean all costs and expenses to be incurred generally by the Residential Unit Owners pursuant to the Declaration and/or By-Laws in connection with (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Residential Common Elements and/or the Residential Limited Common Elements; or (ii) the establishment and/or maintenance of an operating reserve fund for working capital, for replacements with respect to the Residential Common Elements and/or Residential Limited Common Elements.

"Residential Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, of each Residential Unit Owner in the Residential Common Elements. The total of all Residential Common Interest percentages appurtenant to all Residential Units equals 100%. The Residential Common Interests are the basis for determining a Residential Unit Owner's liability for such Unit Owner's share of the Residential Common Expenses, subject to the rights of Inclusionary Unit Owners.

"Residential Limited Common Elements" shall mean those portions of the Property (other than the Units, the General Common Elements and the Residential Common Elements), existing for the use and enjoyment of certain Residential Unit Owners to the exclusion of all other Unit Owners, as more particularly described in the Declaration and the Floor Plans.

"Residential Member" shall mean any member of the Condominium Board representing the Residential Unit Owners.

"Residential Unit" shall mean any of the Inclusionary Units and the Market Rate Units designated as a Residential Unit in the Declaration together with its Common Interest. All such Residential Units are, collectively, referred to as the "Residential Units."

"Residential Rules and Regulations" shall mean the Residential Rules and Regulations of the Condominium promulgated in accordance with the By-Laws, as any of such Rules and Regulations may be amended, added to, or deleted from time to time pursuant to the terms of the By-Laws.

"Residential Unit Owner" shall mean any Unit Owner of a Residential Unit at the time in question. All such Residential Unit Owners are, collectively, referred to as the "Residential Unit Owners."

"Retail Unit" shall mean the Retail Unit referenced in the Declaration together with its Common Interest, and in the event of a subdivision of such Retail Unit, any Retail Units resulting from such subdivision together with its Common Interest. Such Retail Unit is referred to as the "Retail Unit."

"Sales Office" shall mean the sales office for Sponsor or Selling Agent, at a location to be designated by either Sponsor or Selling Agent from time to time.

"Schedule A" shall mean the Section of the Plan entitled "Schedule A - Purchase Prices and Related Information."

"Schedule B" shall mean the Section of the Plan entitled "Schedule B - First Year's Budget." Schedule B is sometimes referred to as the "First Year's Budget."

"Schedule B-1" shall mean the Section of the Plan entitled "Schedule B-1 for Individual Energy Costs."

"Section 421-a" shall mean Section 421-a of the New York State Real Property Tax Law as amended from time to time, or a successor statute.

"Selling Agent" shall mean the selling agent named in the Plan or any successor Selling Agent at the time in question.

"Special Assessment" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners in accordance with the By-Laws of the Condominium.

"Sponsor" shall mean 500 Waverly Property Owner, L.L.C. and its successors and assigns as well as any Person(s) designated by Sponsor, in a writing to the Condominium Board or by amendment to the Plan, to retain Sponsor's rights under the Plan and the Condominium Documents.

Storage Locker" shall mean any storage locker located in the Storage Locker Area and shall include the structural framework and materials out of which the storage locker is constructed. Each Storage Locker is a Residential Common Element. Any reference in the Plan to "owning a Storage Locker" means that the Residential Unit Owner has entered into a Storage Locker License for the Storage Locker.

"Storage Locker Area" shall mean an area located in the cellar of the Building containing the Storage Lockers.

"Storage Locker License" shall mean the agreement pursuant to which a Storage Locker is licensed to a Residential Unit Owner.

"Storage Locker Licensee" shall mean any Residential Unit Owner who licenses a Storage Locker at the time in question. All such Residential Unit Owners are, collectively, referred to as "Storage Locker Licensees."

"Temporary Certificate of Occupancy" shall mean a temporary certificate of occupancy for the Building issued by the Buildings Department.

"Terrace" shall mean any terrace, balcony or garden which is appurtenant to a Residential Unit or portion thereof as a Residential Limited Common Element and shall include any pavers, decking and drains, hose bibs, electrical outlets, lighting and light fixtures, enclosures and dividers installed as part of the original construction of the Building. All such terraces, balconies or gardens are, collectively, referred to as the "Terraces". Terraces shall not include the common terraces for the Residential Unit owners on the 2nd floor and roof of the Building.

"Title Company" shall mean First American Title Insurance Company, having an office at 666 Third Avenue, New York, New York 10017. Telephone: (212) 551-9402, Facsimile: (212) 331-1576, or any successor Title Company at the time in question.

"Unit" shall mean any of the Units designated as a Unit in the Declaration together with its Common Interest. All such Units are, collectively, referred to as the "Units."

"Unit Owner" shall mean any Person (including Sponsor, if Sponsor owns any Unit) who holds fee title, of record, to one or more Units at the time in question. All such Unit Owners are, collectively, referred to as the "Unit Owners."

"Unit Upgrade Funds" shall mean all amounts expended by, or reimbursable to, Sponsor for upgrades or extras requested by Purchaser with respect to Market Rate Units, and agreed to in writing by Sponsor.

"Unsold Storage Locker License" shall mean the license for any Storage Locker owned or retained by Sponsor or a principal of Sponsor at the time in question. All such Unsold Storage Locker Licenses are, collectively, referred to as the "Unsold Storage Locker Licenses."

"Unsold Storage Locker Licensee" shall mean Sponsor or a principal of Sponsor and (if applicable) a Person designated by Sponsor.

"Unsold Residential Unit" shall mean any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained by Sponsor or a principal of Sponsor at the time in question. All such Unsold Residential Units are, collectively, referred to as the "Unsold Residential Units."

"Unsold Residential Unit Owner" shall mean Sponsor or a principal of Sponsor and (if applicable) a Person designated by Sponsor.

"Zoning Resolution" shall mean the Zoning Resolution of the City of New York, as amended from time to time, or replacement rule, regulation or resolution pertaining to development of a zoning lot.

BY-LAWS OF THE CONDOMINIUM

EXHIBIT D

TO THE DECLARATION

==========

BY-LAWS

OF

500 WAVERLY CONDOMINIUM

Prepared by:

SEIDEN & SCHEIN, P.C.
ATTORNEYS AT LAW
570 LEXINGTON AVENUE, 14TH FLOOR
NEW YORK, NEW YORK 10022
(212) 935-1400

==========

INDEX TO BY-LAWS

ARTICLE 1 GENERAL 1
Section 1.1 Purpose 1
Section 1.2 Definitions 1
Section 1.3 Applicability of By-laws 1
Section 1.4 Application of By-laws 1
Section 1.5 Principal Office of the Condominium 1

ARTICLE 2 CONDOMINIUM BOARD 1
Section 2.1 General 1
Section 2.2 Status of the Condominium Board 2
Section 2.3 Principal Office of the Condominium Board 2
Section 2.4 Powers and Duties of the Condominium Board 2
Section 2.5 Certain Limitations on the Powers of the Condominium Board 6
Section 2.6 Exercise and Delegation of Powers and Duties 7
Section 2.7 Number, Election and Qualification of Members 7
Section 2.8 Term of Office of Members 8
Section 2.9 Removal and Resignation of Members 8
Section 2.10 Vacancies 8
Section 2.11 Organizational Meeting of the Condominium Board 9
Section 2.12 Regular Meetings of the Condominium Board 9
Section 2.13 Special Meetings of the Condominium Board 9
Section 2.14 Waiver of Notice of Meetings 9
Section 2.15 Quorum of the Condominium Board 9
Section 2.16 Conduct of Meetings 10
Section 2.17 Decisions by the Condominium Board 10
Section 2.18 Compensation of Members 10
Section 2.19 Common or Interested Members of the Condominium Board 10
Section 2.20 Indemnification 11

ARTICLE 3 OFFICERS 11
Section 3.1 General 11
Section 3.2 President 12
Section 3.3 Vice President 12
Section 3.4 Secretary 12
Section 3.5 Treasurer 12
Section 3.6 Election, Term of Office and Qualification of Officers 12
Section 3.7 Removal and Resignation of Officers 12
Section 3.8 Vacancies 13
Section 3.9 Compensation of Officers 13
Section 3.10 Indemnification of Officers 13

ARTICLE 4 UNIT OWNERS 13
Section 4.1 Annual Meetings of the Unit Owners 13
Section 4.2 Special Meetings of the Unit Owners 13
Section 4.3 Place of Meetings 13
Section 4.4 Notice of Meetings 13
Section 4.5 Quorum of the Unit Owners 14
Section 4.6 Conduct of Meetings 14
Section 4.7 Order of Business 14
Section 4.8 Voting 14
Section 4.9 Election of Members of the Condominium Board 15

Section 4.10 Designation of Non-Residential Members to the Condominium Board 16
Section 4.11 Designation of Inclusionary Unit Member to the Condominium Board 16
Section 4.12 Action Without a Meeting 16
Section 4.13 Title to Residential Units 16
Section 4.14 Contractual Liability of Unit Owners 16

ARTICLE 5 OPERATION OF THE PROPERTY 17
Section 5.1 Maintenance and Repairs 17
Section 5.2 Alterations, Additions, Improvements, or Repairs in and to Units 19
Section 5.3 Alterations, Additions, or Improvements to the Common Elements 22
Section 5.4 Insurance 22
Section 5.5 Casualty or Condemnation 24
Section 5.6 Use of the Property 27
Section 5.7 Use of the Units 27
Section 5.8 Use of the Common Elements 28
Section 5.9 Use of the Storage Lockers 29
Section 5.10 Rights of Access 30
Section 5.11 Modification of the Residential Rules and Regulations 31
Section 5.12 Real Estate Taxes 31
Section 5.13 Fuel 31
Section 5.14 Water Charges and Sewer Rents 31
Section 5.15 Electricity 32
Section 5.16 Record and Audits 32

ARTICLE 6 COMMON CHARGES 33
Section 6.1 Determination of Common Expenses and Fixing of Common Charges. 33
Section 6.2 Payment of Common Charges 34
Section 6.3 Statement of Common Charges 36
Section 6.4 Common Charge Deposit for Foreign Owners 36
Section 6.5 Default in Payment of Common Charges 36

ARTICLE 7 SELLING AND LEASING OF UNITS AND ASSIGNMENT OF STORAGE LOCKER LICENSES 37
Section 7.1 General 37
Section 7.2 Right of First Refusal 38
Section 7.3 Acceptance of Offer 39
Section 7.4 Failure to Accept Offer 39
Section 7.5 Termination of, and Exceptions to, the Right of First Refusal 40
Section 7.6 No Severance of Ownership 41
Section 7.7 Payment of Common Charges and fees 41
Section 7.8 Power of Attorney 42
Section 7.9 Gifts and Devises, Etc. 42
Section 7.10 Commencement of Time 42
Section 7.11 Costs and Expenses 42
Section 7.12 Sale or Lease of Non-Residential Units 42
Section 7.13 Assignment of Storage Locker Licenses 43

ARTICLE 8 MORTGAGING OF UNITS 44
Section 8.1 General 44
Section 8.2 Restrictions on Mortgaging 44
Section 8.3 Notice of Unpaid Common Charges and Default 44
Section 8.4 Performance by Permitted Mortgagees 44
Section 8.5 Examination of Books 45

Section 8.6 Consent of Mortgagees; Designation of Mortgage Representatives....45
Section 8.7 Notice to Permitted Mortgagees....45

ARTICLE 9 CERTAIN REMEDIES 46
Section 9.1 Self Help....46
Section 9.2 Abatement and Enjoinment....46
Section 9.3 Remedies Cumulative....46
Section 9.4 Costs and Expenses....46

ARTICLE 10 ARBITRATION 47
Section 10.1 Procedure....47
Section 10.2 Variation by Agreement....47
Section 10.3 Binding Effect....47
Section 10.4 Costs and Expenses....47

ARTICLE 11 NOTICES 48
Section 11.1 General....48
Section 11.2 Waiver of Service of Notice....48

ARTICLE 12 AMENDMENTS TO BY-LAWS 48
Section 12.1 General....48
Section 12.2 Special Amendments....49
Section 12.3 Inclusionary Units....50

ARTICLE 13 FURTHER ASSURANCES 50
Section 13.1 General....50
Section 13.2 Failure to Deliver or Act....50

ARTICLE 14 MISCELLANEOUS 51
Section 14.1 Inspection of Documents....51
Section 14.2 Waiver....51
Section 14.3 Conflict....51
Section 14.4 Severability....51
Section 14.5 Successors and Assigns....51
Section 14.6 Gender....51
Section 14.7 Captions....51

ARTICLE 15 TAX STATUS AS A HOMEOWNERS ASSOCIATION 51
Section 15.1 General....51

ARTICLE 15 TAX STATUS AS A HOMEOWNERS ASSOCIATION 52
Section 16.1 General....52
Section 16.2 Common Charges....52
Section 16.2 Sales/Leasing....53

ADDENDUM TO THE BY-LAWS RESIDENTIAL RULES AND REGULATIONS 110

BY-LAWS

ARTICLE 1

GENERAL

Section 1.1 *Purpose.* The purpose of these By-laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium. The Condominium covers the Property, which consists of: (i) the Land, which is more particularly described in Exhibit A to the Declaration; (ii) the Building, which includes, without limitation, the Units, the Common Elements and all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith; and (iii) all other property, real, personal, or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-laws form a part. The purpose of the Condominium is to carry on the acquisition, construction, management, maintenance and care of the Common Elements and to perform related functions with respect to the other portions of the Property.

Section 1.2 *Definitions.* All capitalized terms used in these By-laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforedescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 1.3 *Applicability of By-laws.* These By-laws are applicable to the Property and to the use and occupancy thereof.

Section 1.4 *Application of By-laws.* All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-laws and the Residential Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-laws and the Residential Rules and Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be complied with.

Section 1.5 *Principal Office of the Condominium.* The principal office of the Condominium shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2

CONDOMINIUM BOARD

Section 2.1 *General.* As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-laws, the Condominium Board shall act as, and shall be, the Agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By-laws.

Section 2.2 *Status of the Condominium Board*. Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2.3 *Principal Office of the Condominium Board*. The principal office of the Condominium Board shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

Section 2.4 *Powers and Duties of the Condominium Board*

(A) The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Condominium Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-laws, may not be delegated to the Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, including, without limitation, as the Condominium Board shall deem necessary or proper in connection therewith, (a) the purchase and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel.

(ii) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership and operation of the Property as a condominium.

(iii) to maintain complete and accurate books and records with respect to the finances and the operation of the Condominium, including without limitation: (a) detailed accounts, in chronological order, of receipts and expenditures affecting the Property; (b) detailed books of account of the Condominium Board; (c) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-laws; and (d) minutes and other records of all meetings held pursuant to the terms of these By-laws.

(iv) to adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts of income necessary to discharge the same.

(v) to approve the amount and the means and methods of payment of, and collection of, the Common Charges and Special Assessments from the Unit Owners; provided, however, that in no event shall Common Charges or Special Assessments or other funds received by the Condominium Board in connection with the General Common Elements be utilized to defray any Residential Common Expenses and in no event shall Common Charges or Special Assessments or other funds received by the Condominium Board in connection with the Residential Common Elements be utilized to defray any General Common Expenses.

(vi) to borrow money on behalf of the Condominium in accordance with Section 339-jj of the Real Property Law when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of at least 66 2/3% of the Members of the Condominium Board shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the General Common Elements, the affirmative consent of at least 66 2/3%, in aggregate Common Interest, of all Unit Owners shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Residential Common Elements and/or the Residential Limited Common Elements, the affirmative consent of at least 66 2/3%, in aggregate Residential Common Interest, of all Residential Unit Owners shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years) and the Non-Residential Unit Owners will not be liable for the repayment of any portion of such loan; (d) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (e) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest or Residential Common Interest, as applicable, bears to the aggregate Common Interests of all Unit Owners or Residential Common Interests of all Residential Unit Owners, as applicable, shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file against such Unit Owner's Unit.

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor which shall at no time be less than two and that each check drawn on such account shall need at least two signatures.

(viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements.

(ix) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.4 hereof.

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners (except as otherwise provided herein); (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property.

(xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-laws.

(xii) to obtain and keep in force fidelity bonds, in amounts deemed appropriate by the Condominium Board, but in no event less than $100,000, for: (a) all Members of the Condominium Board; (b) all officers and employees of the Condominium; and (c) the Managing Agent, and the premiums on all such fidelity bonds shall constitute a part of the Common Expenses.

(xiii) to accept the surrender of any Residential Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners.

(xiv) to purchase, lease, or otherwise acquire Residential Units offered for sale, lease or assignment by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners but only with the consent of a Majority of Residential Unit Owners.

(xv) to purchase Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, corporate or otherwise and on behalf of all Unit Owners but only with the consent of a Majority of Unit Owners.

(xvi) to sell, lease, license, mortgage and otherwise deal with Residential Units and Storage Lockers acquired by, and to sublease Residential Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to vote the interest appurtenant to any such Residential Unit.

(xvii) to adopt and amend the Residential Rules and Regulations and to levy and authorize collection of fines against Unit Owners for violations of the Residential Rules and Regulations and these By-laws(any such fines and fees shall be deemed to constitute Common Charges payable by Unit Owners of the Unit against which they are levied).

(xviii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners.

(xix) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and By-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-laws and (b) the terms of the Declaration and these By-laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and By-laws.

(xx) to organize corporations to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium.

(xxi) to execute, acknowledge and deliver: (a) any and all declarations (including a declaration of single zoning lot) or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building, and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate, and (c) any and all declarations, consents,

waivers or other instruments requested by Sponsor, with respect to Sponsor's utilization, sale or transfer of Excess Development Rights.

(xxii) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modification, additions and deletions theretofore made to the same.

(xxiii) to prepare, execute, acknowledge and institute on behalf of all Residential Unit Owners, as their attorney-in-fact, coupled with an interest, protests of real property tax assessments and tax certiorari proceedings with respect to all Units and to assess any costs incurred thereby as a Common Expense.

(xxiv) to commence summary eviction proceedings in the name of or on behalf of the Condominium Board and/or a Unit Owner or Unit Owners, as the case may be, against an authorized guest and/or a Tenant of a Unit Owner if such authorized Guest and/or Tenant does not conform to the Residential Rules and Regulations of the Condominium, annexed hereto as Schedule A, as said Residential Rules and Regulations may at any time and from time to time, be modified, amended or added to in accordance with the terms of these By-laws. All costs in connection with the removal of the authorized guest and/or Tenant, including attorneys' fees, shall be borne by the Unit Owner.

(xxv) to establish policies and procedures and impose fees in connection with the sale, lease or alteration of a Residential Unit.

(xxvi) to establish policies and procedures with respect to the services and facilities of the Condominium, including, without limitation, the right to impose usage fees and restrictions on hours of access and use.

(xxvii) for so long as the Regulatory Agreement and/or the 421-a Restrictive Declaration is in force and effect, take all actions required to comply with, and to cause the Condominium and the Unit Owners to comply with, the Regulatory Agreement and the 421-a Restrictive Declaration, to the extent that such actions are within the jurisdiction and control of the Condominium Board.

(xxviii) to prepare, execute and administer Storage Locker Licenses and assignments thereof and to impose license fees and/or Special Assessments in connection therewith, which shall constitute Additional Common Charges.

(xxvix) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-laws.

(xxx) to acquire in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners, Storage Locker Licenses terminated or surrendered to the Condominium.

(xxxi) to adjust the First Year's Budget to reduce the Common Charges if some or all of the services or facilities are not available at the First Closing.

(xxxii) to impose and collect surcharges (in the nature of Special Assessments or otherwise) on the Inclusionary Unit Owners, in the amounts and to the extent required by the Regulatory Agreement and the Inclusionary Housing Program.

(B) The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

Section 2.5 *Certain Limitations on the Powers of the Condominium Board.*

(A) Notwithstanding anything to the contrary contained in these By-laws, so long as Sponsor shall continue to own at least 25% in number of all Residential Units, the Condominium Board may not, without Sponsor's prior written consent:

(i) make any addition, alteration, or improvement to the Common Elements or to any Unit, unless the same shall be required by Law;

(ii) assess any Common Charges or Special Assessments for the creation or replacement of, or the addition to, all or any part of a working capital, reserve, contingency, or surplus fund;

(iii) increase or decrease the number of, or change the kind of employees from those described in the First Years Budget;

(iv) enter into any service or maintenance contracts for work or otherwise contract for work or otherwise provide services in excess of those described in the First Year's Budget set forth in the Plan, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business;

(v) borrow money on behalf of the Condominium; or

(vi) exercise a right of first refusal to lease or purchase a Unit.

However, (a) Sponsor may not diminish or eliminate services, facilities or any line items described in the First Year's Budget, and (b) Sponsor's written consent shall not be necessary to perform any function or take any action described in clauses (i) through (vi) above, if, and only if, the performance of such function or the carrying out of such action is necessary to: (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer; or (iv) to ensure the health and safety of the occupants of the Building; or (v) comply with the terms of the Regulatory Agreement.

(B) Notwithstanding anything to the contrary contained in these By-laws, all determinations of the Condominium Board which affect only the:

(i) Residential Units and do not materially and adversely affect the use and operation of the Non-Residential Units shall be made by the Member(s) of the Condominium Board elected or designated by the Residential Unit Owners; and

(ii) Non-Residential Units and do not materially and adversely affect the use and operation of the Residential Units shall be made by the Member(s) of the Condominium Board designated by the Non-Residential Unit Owner(s).

Any dispute as to whether or not a determination materially and adversely affects any Units shall be settled by arbitration in accordance with the provisions of these By-laws. No dispute with respect to whether a determination materially and adversely affects a Unit shall be deemed to exist unless the objecting party specifies the grounds for its objection in writing to the Condominium Board within 10 Business Days of receipt by it of notice of such determination.

Section 2.6 *Exercise and Delegation of Powers and Duties.*

(A) Any act within the power of the Condominium Board to perform, and deemed necessary or desirable to be performed by the Condominium Board, shall be performed by the Condominium Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Condominium Board. Notwithstanding the foregoing, the Inclusionary Unit Member shall have the authority to determine, in its judgment, and with the assistance and judgment of the Administering Agent, whether the Condominium is in compliance with the Inclusionary Housing Program.

(B) The Condominium Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Condominium Board, subject to both the exceptions and limitations as the Condominium Board may from time to time deem appropriate, during the intervals between the meetings of the Condominium Board. In addition, the Condominium Board may from time to time appoint, by duly adopted resolutions, such other committees as the Condominium Board may deem appropriate to perform such duties and services as the Condominium Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6. The Executive Committee and each other committee shall consist of 3 Members of the Condominium Board.

(C) The Condominium Board may employ a Managing Agent to serve at a compensation approved by the Condominium Board and to perform such duties and services as the Condominium Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section 2.6, the Condominium Board may delegate to the Managing Agent any of the powers granted to the Condominium Board in these By-laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the Condominium Board shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (xiii), (xiv), (xv), (xvi) and (xvii) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in paragraph (B) of this Section 2.6 shall have, or be entitled to exercise, any of the powers of the Condominium Board, except to the extent permitted by Law.

Section 2.7 *Number, Election and Qualification of Members.*

(A) Until the First Annual Meeting held pursuant to the terms of Section 4.1 hereof, the Condominium Board shall consist of 3 individuals, all of whom are to be designated from time to time by Sponsor. From and after the First Annual Meeting and for so long as Sponsor continues to own at least 1 Unsold Residential Unit, the Condominium Board shall consist of 7 individuals, 5 of whom shall be elected and/or designated in accordance with the terms of these By-laws by the Residential Unit Owners (including Sponsor) (collectively, the "Residential Members"), one of whom shall be designated by the Retail Unit Owner and one of whom shall be designated by the Garage Unit Owner ("Non-Residential Members"). One Residential Member shall be an Inclusionary Unit Owner ("Inclusionary Unit Member"), who shall be elected by the Inclusionary Unit Owners only.

(B) Except for Members designated by Sponsor and/or the Non-Residential Unit Owners pursuant to the terms of this Section 2.7 or of Section 2.10 or 4.9 hereof, all Members of the Condominium Board shall be either: (i) individual Residential Unit Owners or adult Family Members of an individual Residential Unit Owner; or (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Residential Unit Owners or Permitted Mortgagees. After the Initial Sponsor Control Period, a majority of the Residential Members of the Condominium Board need not be owner-occupants of the

Building who are unrelated to Sponsor or its principal. In addition, no individual may be elected to serve on the Condominium Board, (nor may continue to serve on the Condominium Board) if the Condominium Board has perfected a lien against such Unit and the amount necessary to release such lien has not been paid at the time of such election, or so long as such lien remains unpaid. In no event may more than one individual of a designated Unit serve on the Condominium Board or as an officer of the Condominium Board at the same time during the term of office.

Section 2.8 *Term of Office of Members*. The term of office of the 3 Members of the Condominium Board designated by Sponsor prior to the First Annual Meeting shall expire when the 7 individuals to be elected and/or designated at such meeting are so elected and qualified or designated, as the case may be. The term of office of each of the 7 individuals elected and qualified or designated, as the case may be, at the First Annual Meeting pursuant to the terms of Section 4.9 hereof, shall be fixed at 1 year. Notwithstanding anything to the contrary contained in this Section 2.8, however, each Member of the Condominium Board shall serve until a successor shall be elected and qualified or designated, as the case may be. The Inclusionary Unit Board Member shall be elected by the Inclusionary Unit Owners at the annual meeting of the Unit Owners and shall serve until the next annual meeting thereof and until the Inclusionary Unit Board Member's successor has been elected and qualified.

Section 2.9 *Removal and Resignation of Members*.

(A) Any Member of the Condominium Board who was elected thereto either by the Residential Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Condominium Board, pursuant to the terms of Section 2.10 hereof, may be removed from office, with or without cause, by a vote of a Majority of Residential Unit Owners. Any Member of the Condominium Board who was designated as such by Sponsor pursuant to the terms of Section 2.7, 2.10, or 4.9 hereof, may be removed, with or without cause, only by Sponsor. If any Member of the Condominium Board who was designated by Sponsor is removed, the successor shall also be designated by Sponsor. Any Member of the Condominium Board who was designated by a Non-Residential Unit Owner may be removed, with or without cause, only by the respective Non-Residential Unit Owner that designated such Member. If any Member of the Condominium Board who was designated by a Non-Residential Unit Owner is removed, the successor shall also be designated by the Non-Residential Unit Owner(s) that removed such Member. Any Residential Member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Residential Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard thereat. The Inclusionary Unit Board Member may be removed, with or without cause, only by the Inclusionary Unit Owners, who alone have the right to elect a replacement Inclusionary Unit Board Member.

(B) Any Member of the Condominium Board may resign such Member's membership at any time by giving written notice thereof to the Condominium Board. In addition, any Member of the Condominium Board who shall cease to be qualified for membership pursuant to the terms of Section 2.7 hereof shall be deemed to have resigned such Member's membership effective as of the date upon which such qualification shall cease.

Section 2.10 *Vacancies*.

(A) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a Member who was elected thereto by the Residential Unit Owners shall be filled by an individual who is qualified to be a Member pursuant to the terms of Section 2.7 hereof and who is elected by a vote of the majority of the Members of the Condominium Board elected or designated by the Residential Unit Owners then in office. A special meeting of the Condominium Board shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election held thereat shall be effective to fill such vacancy even if the number of Members present at such meeting shall not constitute a quorum.

(B) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a Member who was designated as such or elected by Sponsor shall be filled by an individual designated by Sponsor. Any vacancy on the Condominium Board that is caused by the removal, resignation or death of a Member who was designated by a Non-Residential Unit Owner shall be filled by an individual designated by such Non-Residential Unit Owner. Any vacancy on the Condominium Board that is caused by the removal, resignation or death of the Inclusionary Unit Board Member shall be filled by an individual elected by the Inclusionary Unit Owners.

(C) Each Member of the Condominium Board who is elected thereto or designated as such to fill a vacancy pursuant to the terms of paragraph (A) or (B), respectively, of this Section 2.10 shall serve as a Member of the Condominium Board for the remainder of the term of the Member replaced and until a successor shall be selected and qualified at the appropriate annual meeting of the Residential Unit Owners pursuant to the terms of Section 4.9 hereof.

Section 2.11 *Organizational Meeting of the Condominium Board*. The first meeting of the Condominium Board following each annual meeting of the Residential Unit Owners shall be held within 10 days of such annual meeting, at such time and place as shall be both fixed informally by a majority of the Members of the Condominium Board and designated by the Secretary in a written notice given to all Members thereof by personal delivery, mail, or telegram not later than five Business Days prior to such date. At such meeting, the officers of the Condominium Board shall be elected.

Section 2.12 *Regular Meetings of the Condominium Board*. Regular meetings of the Condominium Board may be held at such time and place as shall be determined from time to time by a majority of the Members thereof, provided that at least 4 such meetings shall be held during each fiscal year. Written notice of all regular meetings of the Condominium Board shall be given by the Secretary to each Member thereof by personal delivery, mail, overnight courier, facsimile or e-mail, at least 5 Business Days prior to the day named for such meeting.

Section 2.13 *Special Meetings of the Condominium Board*. The President may call a special meeting of the Condominium Board whenever the President deems the same to be necessary or desirable. However, the President shall call such a meeting upon the written request of 3 or more Members of the Condominium Board. Written notice of all special meetings shall be given by the Secretary to each Member thereof by personal delivery, mail, overnight courier, facsimile, or e-mail at least 3 Business Days prior to the day named for such meeting, which notice shall state the time, place and purpose of the meeting.

Section 2.14 *Waiver of Notice of Meetings*. Any Member of the Condominium Board may, at any time, waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Member of the Condominium Board at any meeting thereof shall constitute a waiver by the Member of notice of the time and place thereof. If all of the Members of the Condominium Board are present at any meeting thereof, no notice of such meeting shall be required and any business may be transacted at such meeting.

Section 2.15 *Quorum of the Condominium Board*. A quorum of the Condominium Board is required to be present at a Condominium Board meeting in order to make any determination or to transact any business. To constitute a quorum of the Condominium Board, the following majority of the Members of the Condominium Board shall be present at the Condominium Board meeting:

(A) Attendance of a majority of all of the Members of the Condominium Board will be required for any business relating to the General Common Elements, the General Common Expenses, or, all or a portion of both the Residential Units and the Non-Residential Units.

(B) Attendance of a majority of the Residential Members of the Condominium Board will be required for any business relating solely to the Residential Common Expenses, the Residential Common Elements, or, all or a portion of the Residential Units.

In connection therewith, one or more Members of the Condominium Board may participate in any meeting thereof by means of a conference telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes. If, at any meeting of the Condominium Board, there shall be less than a quorum present, a majority of the Members of the Condominium Board in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for the lack of a quorum may be transacted without further notice.

Section 2.16 *Conduct of Meetings*. The President shall preside at all meetings of the Condominium Board, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure from time to time acceptable to a majority of the Condominium Board, shall govern the conduct of the meetings of the Condominium Board unless the same shall be in conflict with the terms of the Declaration, these By-laws, or the Condominium Act.

Section 2.17 *Decisions by the Condominium Board*. Except as otherwise provided in the Declaration or these By-laws:

(A) The vote of a majority of the Members attending a duly constituted meeting of the Condominium Board at which a quorum is present shall decide all matters on behalf of the Condominium Board relating solely to the General Common Elements; the General Common Expenses, or, all or a portion of both the Residential Units and the Non-Residential Units.

(B) The vote of a majority of those Residential Members attending a duly constituted meeting of the Residential Members at which a quorum is present shall decide all matters on behalf of the Condominium Board relating solely to the Residential Common Expenses; the Residential Common Elements; or, all or a portion of the Residential Units.

Alternatively, any decision that is required or permitted to be made by the Condominium Board may be made without a meeting thereof if all of the Members of the Condominium Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Condominium Board.

Section 2.18 *Compensation of Members*. No Member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.19 *Common or Interested Members of the Condominium Board*. Each Member of the Condominium Board shall perform duties, and shall exercise powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by Law, no contract or other transaction between the Condominium Board and either (i) any of its Members or (ii) any corporation, partnership, fiduciary, firm, association, or other entity in which any of the Members of the Condominium Board are officers, directors, employees, partners, fiduciaries, beneficiaries, or principals, or are otherwise interested, pecuniarily or otherwise, shall be deemed either void or voidable because either (a) any such Member of the Condominium Board was present at the meeting or meetings of the Condominium Board during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such Member was counted for such purpose, provided, however, that either: (x) the fact thereof is disclosed to, or known by, the

Condominium Board or a majority of the Members thereof and noted in the minutes thereof, and the Condominium Board shall authorize, approve, or ratify such contract or transaction in good faith by a vote of a majority of the entire Condominium Board, less the number of such Members; or (y) the fact thereof is disclosed to, or known by, a Majority of Unit Owners, and a Majority of Unit Owners shall authorize, approve, or ratify such contract or transaction.

Any such Member of the Condominium Board may be counted in determining the presence of a quorum of any meeting of the Condominium Board that authorizes, approves, or ratifies any such contract or transaction, but no such Member shall be entitled to vote thereat to authorize, approve, or ratify such contract or transaction.

Section 2.20 *Indemnification*.

2.20-1 Indemnification of Board Members and Officers.

2.20-1.1 To the extent permitted by Law, the Members of the Condominium Board shall have no personal liability with respect to any contract, act or omission of the Condominium Board or of any Managing Agent or manager in connection with the affairs or operation of the Condominium (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as set forth in Section 4.13 hereof. Every contract made by the Condominium Board or by the Managing Agent shall state that it is made by the Condominium Board or the Managing Agent, only as agent for all Unit Owners and that the Members of the Condominium Board or the Managing Agent shall have no personal liability thereon (except in their capacities as Unit Owners). Any such contract may also provide that it covers the assets, if any, of the Condominium Board. To the extent permitted by Law, the Members of the Condominium Board shall have no liability to Unit Owners except that a Member of the Condominium Board shall be liable for such Member's own bad faith or willful misconduct. All Unit Owners shall jointly and severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Member of the Condominium Board against any liability or claim except those arising out of such Member's own bad faith or willful misconduct. The Condominium Board may contract or effect any other transaction with any Member of the Condominium Board, any Unit Owner, Sponsor or any affiliate of any of them without incurring any liability for self-dealing, except in cases of bad faith or willful misconduct.

2.20-1.2 Neither the Condominium Board nor any Member thereof shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of the Condominium Board or any Member thereof; or

(ii) any injury, loss or damage to any individual or property, occurring in or upon either a Unit or the Common Elements and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

ARTICLE 3

OFFICERS

Section 3.1 *General*. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer. The Condominium Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed,

upon the direction of the Condominium Board, by any two officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Condominium Board.

Section 3.2 *President*. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Condominium Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "BCL"), including, but not limited to, the power to appoint the members of all committees created by the Condominium Board from amongst the Unit Owners from time to time as the President may decide, in the President's discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3 *Vice President*. The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Condominium Board shall appoint some other Member of the Condominium Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon the Vice President from time to time by the Condominium Board or by the President.

Section 3.4 *Secretary*. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

Section 3.5 *Treasurer*. The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6 *Election, Term of Office and Qualification of Officers*. Each of the officers of the Condominium shall be elected annually by a majority vote of all Members of the Condominium Board taken at the organizational meeting of each new Condominium Board, and shall serve at the pleasure of the Condominium Board. The President, Vice President, and the Treasurer shall be elected from amongst the Members of the Condominium Board. Such officers need not be Unit Owners and need not have any interest in the Condominium if they are designated by Sponsor. Such officers must be Unit Owners if they are elected by the other Unit Owners. The other officers of the Condominium Board need not be Unit Owners and need not have any interest in the Condominium.

Section 3.7 *Removal and Resignation of Officers*. Any officer of the Condominium Board may be removed from office, with or without cause, by an affirmative vote of a majority of the Members of the Condominium Board. In addition, any officer may resign at any time by giving written notice to the Condominium Board. Finally, if the President, Vice President, or the Treasurer of the Condominium shall cease to be or shall be suspended as a Member of the Condominium Board during their term of office, such officer shall be deemed to have resigned office effective upon the date upon which the membership shall cease.

Section 3.8 *Vacancies.* Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 3.9 *Compensation of Officers.* No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10 *Indemnification of Officers*. Each officer shall be indemnified as set forth in Paragraph 2.20.

ARTICLE 4

UNIT OWNERS

Section 4.1 *Annual Meetings* of the Unit Owners. The First Annual Meeting shall be held approximately 60 days after the later to occur of (i) the second anniversary of the First Closing; or (ii) the Closing of Title with Purchasers under the Plan of Residential Units representing at least 50% in number of all Residential Units offered for sale. At such meeting, a 7 Member Condominium Board shall be elected, as provided both in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held on or about the anniversary date of the First Annual Meeting. At each such subsequent meeting, the Unit Owners (including Sponsor) shall elect successors to the Members of the Condominium Board whose term of office expires on the day of such meeting and shall transact such other business as may properly come before such meeting.

Section 4.2 *Special Meetings of the Unit Owners*. The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such a meeting signed by Unit Owners having, in the aggregate, not less than 40% of the Common Interests of all Residential Unit Owners (excluding the Common Interests appurtenant to the Non-Residential Units). Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

Section 4.3 *Place of Meetings*. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the Borough in which the Property is located as may be designated by the Condominium Board.

Section 4.4 *Notice of Meetings*.

(A) The Secretary of the Condominium shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail, or telegram addressed to the Unit Owner's address at the Property, not less than 10 nor more than 40 days prior to the day fixed for the meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Secretary of the Condominium not less than 10 days prior to the giving of notice of the applicable meeting.

(B) If the business to be conducted at any meeting of the Unit Owners shall include the consideration of a proposed amendment to the Declaration or to these By-laws, the notice of such meeting shall be mailed to all Unit Owners at least 30 days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment.

Section 4.5 *Quorum of the Unit Owners*. Except as otherwise provided in these By-laws, the presence, in person or by proxy, of Unit Owners owning Units to which 40% or more of the aggregate Common Interests appertain (excluding the Common Interests appurtenant to the Non-Residential Units) shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority of the Unit Owners present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

Section 4.6 *Conduct of Meetings*. The President shall preside at all meetings of the Unit Owners, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a majority of the Unit Owners present at any meeting, in person or by proxy, shall govern the conduct of the meetings of the Unit Owners, unless the same shall be in conflict with the terms of the Declaration, these By-laws, or the Condominium Act. All votes of the Unit Owners shall be tallied by the persons appointed by the presiding officer of the meeting.

Section 4.7 *Order of Business*. The order of business at all meetings of the Unit Owners shall be as follows:

(A) Roll call;

(B) Proof of notice of meeting;

(C) Reading of the minutes of the preceding meeting (unless waived);

(D) Reports of officers of the Condominium;

(E) Reports of Members of the Condominium Board;

(F) Reports of committees;

(G) Election of inspectors of election (when so required);

(H) Election of Members of the Condominium Board (when so required);

(I) Unfinished business; and

(J) New business.

The order of business at meetings of Unit Owners can be adjusted in the sole discretion of the Condominium Board.

Section 4.8 *Voting*.

(A) Subject to the terms of Section 4.9 hereof, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) shall be entitled to cast 1 vote at all meetings of the Unit Owners for each percentage of Common Interest attributable to such Unit Owner's Unit(s).

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Condominium Board nor any designee thereof shall be entitled to vote the Common Interest appurtenant to any Unit owned by the Condominium Board or such designee. The Common Interests

of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the aggregate Common Interests of all Unit Owners for voting purposes.

(C) A fiduciary shall be the voting Member with respect to a Unit owned in a fiduciary capacity. In addition, if 2 or more Persons own a Unit, they shall designate 1 Person amongst them to vote the Common Interest appurtenant to their Unit in a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually vote such Common Interest under 1 ballot without division, and the concurrence of all such Persons shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the Common Interest appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

(D) The owner of any Unit may designate any Person to act as a proxy on such Unit Owner's behalf. The designation of any such proxy shall be made in a written notice both signed and dated by the designator and delivered to the Secretary of the Condominium at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Condominium; however, no revocation of such designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the secretary of such meeting, except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor(s), no designation to act as a proxy shall be effective for a period in excess of 6 months after the date thereof.

Section 4.9 *Election of Members to the Condominium Board.*

(A) When voting for Members of the Condominium Board, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Units) shall be entitled to cast 1 vote for each .0001% of Common Interest attributable to the Unit(s) per Member to be elected. However, nothing contained herein shall be deemed to permit (i) any Unit Owner to cumulate the votes attributable to the ownership of a Unit in favor of any 1 or more Members to be elected, (ii) or any Unit Owners other than Inclusionary Unit Owners to cast votes for the election of the Inclusionary Unit Member of the Condominium Board. In addition, the terms of paragraphs (B), (C) and (D) of Section 4.8 and the terms of Section 4.11 hereof shall apply to all elections of Members of the Condominium Board.

(B) All elections of Members of the Condominium Board shall be by written ballot, and each ballot cast shall state: (i) the name of the voting Residential Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (ii) the designation number(s) of the Residential Unit(s) owned by the voting Unit Owner; (iii) the percentage(s) of the Common Interest appurtenant to such Unit(s); and (iv) the names of the candidates for whom such ballot is cast (the number of which names shall not exceed the number of Members to be elected). Any ballot that is not cast in conformity with this paragraph (B) shall not be counted. All election ballots shall be retained in the records of the Condominium, appropriately segregated by election for a period of 2 years.

(C) Subject to the terms of paragraph (D) of this Section 4.9, and Section 4.11 hereof, all elections of Members of the Condominium Board shall be determined by plurality vote of Unit Owners present, in person or by proxy, at a duly convened meeting.

(D) At meetings of the Unit Owners, Sponsor will have the right to vote all of the Common Interests attributable to the Unsold Residential Units as it sees fit. However, at elections of Members to the Condominium Board held during the Initial Sponsor Control Period, Sponsor shall have the right to designate 3 of the 5 Market-Rate Members to the Condominium Board, and Sponsor, and all other

Unit Owners shall have the right to vote for the remaining Market-Rate Members of the Condominium Board. Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Initial Sponsor Control Period.

Subsequent to the Initial Sponsor Control Period, and for so long as Sponsor continues to own at least 1 Unsold Residential Unit, Sponsor shall have the right to designate 1 Market-Rate Member to the Condominium Board, and shall have the right to vote its Common Interest attributable to the Unsold Residential Units for the remaining Market-Rate Members of the Condominium Board. There is no restriction on the right of Sponsor to vote for Residential Members of the Condominium Board who are not related to or affiliated with Sponsor.

(E) Within 30 days after the Initial Sponsor Control Period, 2 of the 3 Market-Rate Members of the Condominium Board who were designated by Sponsor shall resign and their replacements shall be filled by a vote of the Market-Rate Unit Owners (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) at a special meeting called for such purpose.

Section 4.10 *Designation of Non-Residential Members to the Condominium Board.* The Garage Unit Owner shall be entitled to designate 1 Non-Residential Member and the Retail Unit Owner shall be entitled to designate 1 Non-Residential Member to the Condominium Board.

Section 4.11 *Election of Inclusionary Unit Member to the Condominium Board* The Inclusionary Unit Owners shall have the sole right, collectively, to elect 1 Residential Member to the Condominium Board (the "Inclusionary Unit Member"), who may only be removed or replaced by a vote of the Majority of the Inclusionary Unit Owners.

Section 4.12 *Action Without a Meeting*. Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient (both in absolute number and aggregate Common Interests whenever applicable) to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-laws consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section 4.12 shall be retained in the records of the Condominium together with a true copy of the resolutions to which they relate. Notwithstanding the foregoing, no action by the Unit Owners may be taken which modifies or adversely affects the rights of the Garage Unit without the approval of the Garage Unit Owner.

Section 4.13 *Title to Residential Units*. Title to any Residential Unit may be taken by any Person or by any two or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate. The sale of a Residential Unit to any entity or person entitled to diplomatic or sovereign immunity shall require the delivery to the Condominium Board or its managing agent at Closing (i) any and all documents as are reasonably requested by the Condominium Board, including without limitation, a personal guaranty, a subjection to jurisdiction, occupancy agreement and escrow agreement; and (ii) an amount equal to the current Common Charges for such Residential Unit for a period of 2 years, to be held in escrow by the Condominium Board, as security for the faithful observance by such Residential Unit Owner of the terms, provisions and conditions contained in these By-laws.

Section 4.14 *Contractual Liability of Unit Owners*. Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the Members of the Condominium Board and the officers of the Condominium pursuant to the terms of Sections 2.20 and 3.10 hereof, respectively) that the liability of any Unit Owner with respect thereto shall be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners in the case of a contract relating to the General Common

Elements, (ii) such proportionate share of the total liability thereunder as the Residential Common Interest of such Residential Unit Owner in a case relating to the Residential Common Elements, and (iii) such Unit Owner's interest in the Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1 *Maintenance and Repairs*.

(A) Except as otherwise provided in the Declaration or in these By-laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary:

(i) in or to any Unit and all portions thereof, including, but not limited to, the interior walls, partitions, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, mechanical systems located in the Unit (including HVAC filters and parts), window panes, all entrance doors and terrace doors and their frames and saddles, exposed plumbing, gas and heating fixtures and equipment, heating and cooling systems, air conditioning units, lighting and electrical fixtures and any Common Elements incorporated therein pursuant to paragraph (B) of Section 5.8 hereof, but excluding any other Common Elements contained therein, shall be performed by the owner of such Unit at such Unit Owner's sole cost and expense; and

(ii) in or to the General Common Elements (other than any General Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof) shall be performed by the Condominium Board and the cost and expense thereof shall be charged to all Unit Owners as a General Common Expense. In the event a capital repair, replacement and/or improvement to the General Common Elements is required, as determined by the Condominium Board in accordance with the terms of the Declaration and By-Laws (and the Regulatory Agreement, to the extent applicable), the cost of such repair, replacement and/or improvement shall be paid by withdrawals from the Condo Reserve Fund pro-rata, in accordance with the relative Common Interests of all Residential Units in the aggregate and of all Non-Residential Units in the aggregate, and;

(iii) in or to the Residential Common Elements and other than any Residential Common Elements incorporated into one or more Units (pursuant to the terms of paragraph (B) of Section 5.8 hereof) shall be performed by the Condominium Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense. In the event a capital repair, replacement and/or improvement to the Residential Common Elements and/or the Residential Limited Common Elements (subject to subsection A (iv) of this Section 5.1) is required, as determined by the Condominium Board in accordance with the terms of the Declaration and By-Laws (and the Regulatory Agreement, to the extent applicable), the cost of such repair, replacement and/or improvement (subject to subsection A (iv) of this Section 5.1) shall be paid by withdrawals from the Condo Reserve Fund in accordance with the aggregate Common Interests of all Residential Units. In no event shall the Condominium Board withdraw an amount from the Condo Reserve Fund to pay the cost of repairs, replacement and/or improvements to the Residential Common Elements and/or the Residential Limited Common Elements (subject to subsection A (iv) of this Section 5.1) in excess of the amounts contributed to the Condo Reserve Fund by the Residential Unit Owners, and;

(iv) in or to the Residential Limited Common Elements shall be performed (a) by the Condominium Board as a Residential Common Expense, if involving 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 Residential Unit Owner having direct and exclusive access thereto), or (b) by the Residential Unit Owner having direct and exclusive access thereto at such Residential Unit Owner's sole cost and expense, if involving painting, decorating and non-structural ordinary maintenance, repairs or replacements, (including without limitation, the removal of snow, ice and accumulation of water on any Terrace).

Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or to the Managing Agent any defect or need for repairs for which the Condominium Board is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, if any painting, decorating, maintenance, repairs, or replacements to the Property or any part thereof, whether structural or non-structural, ordinary or extraordinary, are necessitated by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Condominium Board, the entire cost and expense thereof shall be borne by the Condominium as a General Common Expense attributable to all Unit Owners if relating to the General Common Elements, and as a Residential Common Expense attributable to all Residential Unit Owners if relating to the Residential Common Elements and/or the Residential Limited Common Elements except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace the Unit or any portion thereof as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any roof, Terrace, or other part of the Property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, including, without limitation, painting, repairs and replacements that is necessary in connection therewith. The Condominium Board shall be responsible for the maintenance and repair of all sidewalks surrounding the Building as if the sidewalks were General Common Elements, except that the cost of such maintenance and repair shall be borne solely by the Non-Residential Unit Owners if the Non-Residential Unit Owners or their respective Permitted Users are utilizing such sidewalks in connection with the operation of the Non-Residential Units, and in all events each Non-Residential Unit Owner shall be responsible for daily cleaning and snow removal of sidewalks adjacent to such Non-Residential Unit. The exterior and interior glass surfaces of all windows located in any Residential Unit shall not be colored or painted by the Unit Owner. All interior glass surfaces located in any Residential Unit shall be washed and cleaned by the Unit Owner at such Residential Unit Owner's sole cost and expense. The cleaning of the exterior portion of the glass surfaces of all windows must be performed by a professional window washing company engaged by the Condominium Board, the cost and expense of which shall be borne by all Residential Unit Owners as a Residential Common Expense. Any replacement of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Unit Owner thereof, at the sole cost and expense of the Unit Owner (unless such breakage is caused by the Condominium Board or any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner). Notwithstanding the foregoing, prior to the replacement of any glass window the Unit Owner must obtain the prior written approval of the Condominium Board, with respect to the type of replacement windows installed. In addition, the public areas of the Building and those residential areas exposed to public view shall be kept in good appearance, in conformity with the dignity and

character of the Building, as determined by the Condominium Board in its sole discretion, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior surfaces of windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to such Unit Owner's Unit. To promote a consistent appearance of the Building from the outside, (x) no Residential Unit Owner shall be permitted to enclose, erect a greenhouse and/or alter a Terrace appurtenant to a Unit without the prior written approval of the Condominium Board; and (y) all window treatments in a Residential Unit must contain white backing on the side facing the outside of the Building so that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance. No sheets, cardboard, or other similar makeshift window coverings shall be permitted on either a temporary or permanent basis. Additionally, the type, size, weight and quantity of plantings and other installations to be placed on Terraces shall be subject to the prior written approval of the Condominium Board and shall be in compliance with Law. Each Non-Residential Unit Owner shall be responsible, at its sole cost and expense, for washing, cleaning and replacing because of breakage the exterior and interior glass surfaces of windows located in a Non-Residential Unit (unless the breakage is caused by the Condominium Board or any other Unit Owner, in which event the replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner).

(D) In the event that any Unit Owner, after receipt of written notice from the Condominium Board, fails or neglects in any way to perform any of its obligations with respect to the painting, decorating, maintenance, repair or replacement of its Unit as provided in this Section 5.1 (or of any Common Elements for which such Unit Owner is responsible under the Declaration or these By-laws), the Condominium Board may perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Unit Owner, within 5 days after receiving notice of such default by the Condominium Board, cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement in such Unit Owner's Unit or to any such Common Element for which such Unit Owner is responsible, together with interest thereon at the rate of 2% per month (but in no event in excess of the maximum rate permitted by Law), shall be immediately payable by such Unit Owner to the Condominium Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

Section 5.2 *Alterations, Additions, Improvements, or Repairs in and to Units.*

(A) Subject to the terms of paragraph (B) of this Section 5.2, no Residential Unit Owner may make any structural alteration, addition, improvement or repair, in or to the Residential Unit or its appurtenant Residential Limited Common Elements without the prior written approval of the Condominium Board. Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option, require the Residential Unit Owner to: (i) procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe; and (ii) execute an alteration agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement or repair, may be made, including, without limitation, the indemnity referred to in paragraph (D) hereof and the days and hours during which any such work may be done. The Condominium Board shall have the right to approve Unit Owner's contractors and materialmen. In connection with such alterations, additions, improvements and/or repairs, each Residential Unit Owner shall employ only such laborers and other workers as shall not conflict with any other worker employed in the Building or otherwise cause disharmony with any Building service union, if any. Residential Unit Owners shall not be permitted to engage any Building staff or any contractors or sub-contractors engaged by either the Condominium Board or Sponsor in connection with a Residential Unit Owner's alterations, additions, improvements or repairs to such Residential Unit. The Condominium may impose charges upon the Residential Unit Owner to reimburse the Condominium for architectural, engineering, legal

and other fees incurred in reviewing the Residential Unit Owner's request for approval and in monitoring the work performed until completion and a fee payable to the Managing Agent for processing the alteration application. The fees and charges imposed by the Condominium upon Residential Unit Owners for the review and approval of proposed alterations and repairs shall not be imposed upon the Non-Residential Unit Owners, unless such proposed alterations or repairs will affect the structural, mechanical, electrical, plumbing or fire protection systems of the Building.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.2, however, Sponsor shall have the right, pursuant to the terms of Article 12 of the Declaration, to (i) make any alterations, additions, improvements, or repairs in or to any Unsold Residential Unit or its appurtenant Residential Limited Common Elements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of any Unsold Residential Units, all without the approval of the Condominium Board. In addition, each Non-Residential Unit Owner shall have the right, pursuant to the terms of Article 12 of the Declaration and the provisions of these By-Laws, to (i) make any alterations, additions, improvements or repairs in or to a Non-Residential Unit, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of a Non-Residential Unit, all without the approval of the Condominium Board. Notwithstanding the foregoing, all Unit Owners, including Sponsor and the Non-Residential Unit Owners, prior to the making of any alteration, addition, improvement or repair in or to their respective Unit and its appurtenant Residential Limited Common Elements, if any, must (i) procure and maintain such insurance as the Condominium Board may reasonably require, (ii) indemnify the Condominium Board and the Managing Agent against any liability arising from the work, and (iii) comply with Law.

(C) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with Law. In connection therewith, the Condominium Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit provided that, with respect to all such work of a structural nature to a Residential Unit or its appurtenant Residential Limited Common Elements (but other than that of the nature described in paragraph (B) hereof), the same was approved by the Condominium Board pursuant to the terms of paragraph (A) hereof.

(D) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Unit and appurtenant Residential Limited Common Elements) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (C) hereof; (ii) to any contractor, subcontractor, materialperson, architect, or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by any Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage arising therefrom. Any Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Unit and appurtenant Residential Limited Common Elements, if any, shall agree (in a writing executed and delivered to the Condominium Board, if the Condominium Board shall so request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Condominium Board, the Members of the Condominium Board, the officers of the Condominium, the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

(E) In addition to the requirements set forth above in this Section 5.2, until a Permanent Certificate of Occupancy is obtained for the Building, no Residential Unit Owner shall make any alterations in or to the Residential Unit or its appurtenant Common Elements without first notifying Sponsor in writing and complying with Sponsor's requirements with respect to the alterations. Such requirements may include, but need not be limited to, the requirements that:

(i) such work not include any change that would result in a delay in obtaining a TCO or PCO for the Building, or any amendment to, or extension of, the TCO or PCO if theretofore issued;

(ii) the Residential Unit Owner post a bond or other similar security that is reasonably acceptable to Sponsor in any amount sufficient (in Sponsor's reasonable judgment) to insure the diligent completion of the work and the filing of any required notices or certificates with all governmental authorities having jurisdiction with respect to such work and the completion of the work;

(iii) such work not be commenced until the Residential Unit Owner causes all required plans, specifications, notices and/or certifications to be filed with all governmental authorities having jurisdiction, procures all required permits and licenses with respect to the same, and delivers copies of all such plans, specifications, notices, certifications, permits and licenses to Sponsor;

(iv) such work be diligently prosecuted to completion in compliance with all plans, specifications, notices and/or certifications and in conformity with all permits and licenses;

(v) Sponsor and its representatives shall be given reasonable opportunity, from time to time, to inspect such work as it progresses;

(vi) promptly after the completion of such work, all necessary inspections and approvals of the work shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate governmental authorities and Sponsor shall be given a copy of all such inspections, approvals, notices and certifications;

(vii) the Residential Unit Owner shall indemnify and hold Sponsor harmless from any cost, expense, claim, or liability arising, directly or indirectly, from such work, including, without limitation, any cost, expense, claim, or liability incurred or suffered by Sponsor due to any violation of Law or due to any delay in obtaining a TCO or PCO for the Building (or any amendment to, or extension of, the TCO or PCO if theretofore issued) as a result of such work or the failure to make all appropriate governmental filings in connection with same; and

(viii) all contractors shall be duly licensed to the extent required by applicable Law and, if required under any contract with any union, if any, whose members are performing services at the Building (including, without limitation, services directly or indirectly at the behest, for the benefit, or for the account of Sponsor, any other Unit Owner, or the Condominium Board), such work shall be performed solely by union members.

If any Residential Unit Owner commences any such alterations in violation of the foregoing terms and conditions, or fails to comply with the reasonable requirements of Sponsor in connection with the alterations, Sponsor shall be entitled to cause such work by the Residential Unit Owner to be halted, including, without limitation, to cause the Managing Agent to deny access to the Building to the Residential Unit Owner's workers and suppliers, until the Residential Unit Owner complies with the same. During the period until the Residential Unit Owner is permitted hereunder to resume its work, Sponsor shall have the right to perform any and all work in and to the Residential Unit as shall be necessary, in Sponsor's sole judgment, in order to avoid any delay in obtaining a TCO or PCO for the Building (or any amendment to, or extension of, the TCO or PCO), whether or not such work shall be in compliance with the plans and specifications for the work theretofore performed by, or on behalf of, such Residential Unit Owner. The cost and expense of any such work performed by Sponsor shall be borne by such Residential Unit Owner and shall be paid to Sponsor within 15 calendar days of Sponsor's written demand therefor.

Section 5.3 *Alterations, Additions, or Improvements to the Common Elements*. Except as otherwise provided in the Declaration or in these By-laws, all necessary or desirable alterations, additions, or improvements in or to any of the Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a General Common Expense attributable to all Unit Owners, if relating to the General Common Elements, or a Residential Common Expense attributable to all Residential Unit Owners, if relating to the Residential Common Elements and/or Residential Limited Common Elements. Notwithstanding the foregoing, however, whenever the cost and expense of such alterations, additions, or improvements would, in the judgment of the Condominium Board, exceed $500,000 with respect to the General Common Elements or the Residential Common Elements and/or the Residential Limited Common Elements, at any one time, in any fiscal year, such proposed alterations, additions or improvements shall not be made unless first approved by the Unit Owners if relating to the General Common Elements, or the Residential Unit Owners, if relating to the Residential Common Elements and/or the Residential Limited Common Elements (including Sponsor if Sponsor then owns any Unsold Residential Unit) owning 66 2/3% of the aggregate Common Interests or Residential Common Interests, as applicable, at a duly constituted meeting of the Unit Owners or the Residential Unit Owners, as applicable, and by the Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-laws, all such alterations, additions, or improvements costing $500,000 or less, in any fiscal year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives. Notwithstanding the foregoing, no additions, alterations, or improvements shall be made to any of the Common Elements, regardless of the cost thereof, unless the prior written consent of Sponsor is first obtained, provided, however, that Sponsor's written consent is not necessary if such additions, alterations, or improvements to the Common Elements is required to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's issuer. In no event will the limitations imposed in the preceding sentence continue beyond the earlier to occur of (i) at least 5 years from the First Closing, or (ii) until such time as Sponsor no longer owns 25% in number of all Residential Units.

Section 5.4 *Insurance.*

(A) If the same shall be obtainable, the Condominium Board, at or prior to the First Closing, shall obtain, and shall maintain in full force and effect, special multi-peril insurance policies including fire with extended "all risk" coverage, replacement cost coverage and agreed valuation, vandalism and malicious mischief endorsements, insuring the entire Building (other than the space defined by the dimensions of the Units and any appliances, fixtures, improvements or any furniture, furnishings, decorations, belongings, or other personal property contained therein) together with all service machinery contained therein and covering the interests of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their respective interest may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings). Each of the said policies shall contain:

(i) waivers of (a) subrogation, (b) any defense based upon co-insurance or other insurance, (c) invalidity arising out of any acts of the insured, and (d) pro-rata reduction of liability;

(ii) a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds thereof shall be paid to either the Condominium Board or the Insurance Trustee, as provided in Section 5.5 hereof.

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either canceled or substantially modified except upon at least 30 calendar days prior written notice to the Condominium Board and all insureds who may have requested such notice, including Permitted Mortgagees.

Duplicate originals or certificates of insurance of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be on file at the office of the Managing Agent. Copies thereof shall be delivered to any Unit Owner or Permitted Mortgagee on written request thereof.

(B) The Condominium Board, at or prior to the First Closing, shall also obtain and maintain, to the extent it deems practicable:

(i) commercial general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as co-insureds (a) the Condominium Board and each Member thereof, (b) the Managing Agent or manager (if any), (c) each officer and employee of the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within the own Unit or its Residential Limited Common Elements or Storage Locker, if any);

(ii) rent insurance;

(iii) worker's compensation and New York State disability benefits insurance;

(iv) boiler and machinery insurance;

(v) water damage insurance;

(vi) officers and directors liability insurance;

(vii) fidelity insurance and bonds covering all officers, directors and employees of the Condominium and Managing Agent;

(viii) plate glass insurance;

(ix) elevator liability and collision insurance;

(x) commercial umbrella insurance; and

(xi) such other insurance as the Condominium Board shall from time to time determine.

Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Condominium Board pursuant to paragraph (A) hereof, the coverage shall be in an amount equal to not less than 80% of the full replacement cost of the Building, exclusive of footings and foundations, without deduction for depreciation, as approved by a fire insurance company, a qualified insurance broker, or another qualified source;

(ii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (i) of paragraph (B) hereof, such policies shall contain single limits of not less than $1,000,000 in the aggregate; and

(iii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (ii) of paragraph (B) hereof, the coverage shall be in an amount equal to the aggregate of all of the Unit Owners' Common Charges for one year.

Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The Condominium Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Condominium Board pursuant to the terms of these By-laws, shall be borne by the Unit Owners as a General Common Expense or the Residential Unit Owner's as a Residential Common Expense, depending on the item to which the coverage relates.

(E) For so long as Sponsor owns at least 1 Unsold Residential Unit, unless Sponsor's prior written consent is obtained, the Condominium Board must maintain, at a minimum, the types and coverage amounts of insurance set forth in the First Year's Budget.

(F) Unit Owners are required to carry other insurance, at their expense, in amounts determined by the Condominium Board in its sole discretion, insuring the contents of their Units, the Residential Limited Common Elements appurtenant thereto, and any Storage Lockers as well as liability insurance with respect to acts occurring therein. All such policies shall contain waivers of subrogation and provide that the liability of the carriers issuing the insurance maintained by the Condominium Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. All such certificates of insurance shall name the Condominium Board, the Condominium and Sponsor as additional insureds. For so long as Sponsor owns at least 1 Unsold Residential Unit, any change or elimination of such requirement may only be made upon Sponsor's prior written consent.

(G) Notwithstanding the foregoing, the Garage Unit Owner will be required to obtain:

a) property insurance;

b) commercial general liability insurance;

c) garagekeeper's legal liability insurance;

d) worker's compensation and employer's liability insurance; and

e) vehicle liability insurance.

Section 5.5 *Casualty or Condemnation.*

(A) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty ("Casualty Loss") or (ii) the General Common Elements and/or Residential Common Elements and/or Limited Residential Common Expense, or any part thereof is taken in condemnation or by eminent domain ("Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.4 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Condominium Board, if the same shall be $1,000,000 or less in the aggregate, or to the Insurance Trustee,

if the same shall exceed $1,000,000 in the aggregate. In either instance, all such monies actually received ("Trust Funds") shall be held in trust for the benefit of all Unit Owners, with respect to the portion thereof allocated to a Casualty Loss to or Taking of the General Common Elements and the Units, and for the benefit of all Residential Unit Owners with respect to the portion thereof allocated to a Casualty Loss to or Taking of the Residential Common Elements, the Residential Limited Common Elements and the Residential Units, and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.5. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, its appurtenant Residential Limited Common Elements, if any, or any portion thereof are taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that the Unit Owner may have to pursue a separate claim against the condemning authority by reason thereof.

(B) Subject to the terms of paragraph (D) hereof, the Condominium Board shall arrange for the prompt repair or restoration ("Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building affected by such Casualty Loss, or (ii) in the event of a Taking, the portion(s) of the Common Elements or the Units affected by such Taking. If, pursuant to the immediately preceding sentence, Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the Work shall be performed to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. Each Unit Owner whose Unit, its appurtenant Residential Limited Common Elements, if any, or any portion thereof, shall be the subject of all or part of any Work shall have the right subject to the terms of Section 5.2 hereof, to supervise any redecorating of the Unit or of such Limited Residential Common Element, if any.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section 5.5, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Condominium Board shall, subject to Article 16 of the By-Laws, levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests, for Work to the General Common Elements and against all Residential Unit Owners, and all proceeds of such Special Assessment shall become part of the Trust Funds. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to all Unit Owners in proportion to their respective Common Interests, with respect to Work to the Common Elements, except that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of such excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Condominium Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remaining unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interests, with respect to Work to the Common Elements, free of any claim of any lienor (including without limitation, any Permitted Mortgagee).

(D) If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless 75% or more of all Unit Owners (including Sponsor if Sponsor shall then own any Units), in aggregate Common Interests, shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either

fail or refuse to so resolve, the Work shall not be performed and 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 the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interest, to the extent allocated to destroyed or damaged portions of the General Common Elements and to all Residential Unit Owners in proportion to their respective Residential Common Interest, to the extent allocated to destroyed or damaged portions of the Residential Units or the Residential Common Elements or the Residential Limited Common Elements, and to the Non-Residential Unit Owners, to the extent allocated to destroyed or damaged portions of the Non-Residential Units, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to pay off any Permitted Mortgage and other unpaid liens on the Unit Owner's Unit in the order of priority of such liens. Notwithstanding anything to the contrary set forth herein, any action to terminate the legal status of the Condominium after substantial destruction or a Taking shall require the written consent (which consent shall not be unreasonably withheld or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any. The Condominium Board shall not be required to take any action to obtain the consent of the Permitted Mortgagees or Mortgage Representatives as set forth in this Section 5.5(D) other than the requirements set forth in Section 8.7 of these By-Laws. The provisions of this Section 5.5(D) may not be amended, modified or deleted without the prior written consent of Sponsor for so long as Sponsor continues to own at least 1 Unsold Residential Unit.

(E) In the event that the damage resulting from a Casualty Loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted and in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such Casualty Loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a Family Member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Condominium Board with respect to such Unit.

(F) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Common Interest and Residential Common Interest, where applicable, appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Residential Limited Common Elements, if any, after such Taking bears to the total floor area of such Unit and its appurtenant Residential Limited Common Elements, if any, prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest and new Residential Common Interest, where applicable, appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the Taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest and new Residential Common Interest, where applicable, of such Unit, and, in the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests and Residential Common Interest, where applicable, of the other remaining Units shall be adjusted accordingly and reflected in a duly filed amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of all of the other or remaining Units together with the holders of the Permitted Mortgages.

(G) The provisions of this Section 5.5 (D), (E) and (F) are subject to the terms of the Regulatory Agreement. This Section 5.5 (G) may not be amended, modified or deleted without the prior written consent of HPD for so long as the Regulatory Agreement remains in effect.

(H) As used in this Section 5.5, the terms:

(i) "Prompt repair or restoration" shall mean that the Work is to be commenced not more than either: (a) 60 calendar days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, or (b) 90 calendar days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds insufficient to discharge the estimated cost and expense of the Work, or (c) in the event that the Trust Funds are payable to the Condominium Board pursuant to the terms of paragraph (A) of this Section 5.5, 60 calendar days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work;. In the event there are insufficient Trust Funds to discharge the estimated cost and expense of the Work, the Condominium Board shall levy a Special Assessment for the amount of such deficiency in accordance with paragraph (C) of this Section 5.5; and

(ii) "Promptly resolve" shall mean that a resolution shall be duly made not more than 60 calendar days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

(I) Any dispute that may arise under this Section 5.5 between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

Section 5.6 *Use of the Property.*

(A) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Condominium Board. In the event that the rate of insurance for the Property is increased as a direct result of a particular or unique use being made of the Non-Residential Units, and not as a result of the typical uses for which the Non-Residential Units may be occupied or for which commercial spaces in similar Building is normally occupied, the Non-Residential Unit Owners shall be obligated to pay the amount of such increase in the rate of insurance. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any Law. No waste shall be committed in the Common Elements.

(B) Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or will structurally change the Building, except as is otherwise provided in the Declaration or in these By-laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

Section 5.7 *Use of the Units.*

(A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with Article 9 of the Declaration, and the terms contained in the balance of this Section 5.7.

(B) Subject to the terms of paragraphs (C) and (D) of this Section 5.7, each Residential Unit shall be used for residential purposes only, including permitted "home occupation" as defined in the

Zoning Resolution and not more than one family may occupy a Residential Unit at any one time; and each Non-Residential Unit may be used for any purpose permitted by Law. A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary, or any other entity (including, but not limited to, any federal or state agency, any foreign government and any embassy, consulate or other official representative thereof) may only be occupied (unless the Condominium Board otherwise consents in writing) by such individual, or by an individual officer, director, stockholder, or employee of such corporation, or by an individual partner or employee of such partnership, or a member of such limited liability company, or by such individual fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by an individual beneficiary of said fiduciary, or by an individual principal or employee of such other entity, respectively, or by Family Members and guests of any of the foregoing (and nothing herein contained shall be deemed to prohibit the exclusive occupancy of any such Residential Unit by such Family Members). Notwithstanding the foregoing, Sponsor (with respect to the Unsold Market Rate Residential Units) or the Condominium (with respect to sold Market Rate Residential Units) may, in their respective sole discretion, permit Persons other than those set forth above to occupy such Residential Unit. In no event, however, shall a portion of a Residential Unit (as opposed to the entire Residential Unit) be sold, conveyed, leased, or subleased. The use of the Residential Units is subject to all Laws and, with respect to the Inclusionary Units, the Regulatory Agreement and the Inclusionary Housing Program.

(C) The Condominium Board may, in its sole discretion, consent to the use of a Market Rate Residential Unit as a professional or business office or for any purpose other than that set forth in paragraph (B) hereof, provided that the nature and manner of such use is permitted by, and complies with Law (including the provisions of Real Property Tax Law Section 421-a) and the Regulatory Agreement and does not violate the TCO or PCO covering the Building. Any such consent shall be in writing and shall be personal to such Residential Unit Owner. Any lessee of, or successor in title to, such Residential Unit Owner shall be required to obtain the prior written consent of the Condominium Board before using such Residential Unit for any purpose other than that set forth in paragraph (B) hereof. No such use may be permitted with respect to an Inclusionary Unit.

(D) Notwithstanding anything to the contrary contained in this Section 5.7, Sponsor may, without the consent of either the Condominium Board or the Unit Owners:

(i) grant permission for the use of any Unsold Market Rate Residential Unit as a professional or business office or for any other purpose, provided that the nature and manner of such use complies with Law and the user thereof complies with all applicable governmental regulations; and

(ii) use any one or more Unsold Market Rate Residential Units as model Units and offices for the sales promotion, rental, management and operation of the Unsold Residential Units or for any other purpose, subject only to compliance with Law.

Section 5.8 *Use of the Common Elements*.

(A) Subject to the terms of paragraphs (B) and (C) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. In addition, no furniture, packages, or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators, or any other part of the Common Elements (except for those areas designated as Storage Locker Areas) without the prior written consent of the Condominium Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them. Accordingly, all Unit

Owners shall require their tradesperson to utilize exclusively the elevator and entrance designated by the Condominium Board for transporting packages, merchandise, or other objects.

(B) The owner or owners of any 2 or more Market Rate Residential Units, which Residential Units are the only Units serviced or benefited by any Residential Common Element adjacent or appurtenant to such Residential Units (for example, that portion at the end of any residential hallway that is directly adjacent to any such Residential Units located on opposite sides of such hallway) shall, with the consent of the Condominium Board (which consent shall not be unreasonably withheld or delayed), have the right to use such Residential Common Elements exclusively, as if it were a part of such Residential Units (including the right, in the above example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests shall be made by reason thereof. In such event, however, such owner or owners shall, at such owner's or their sole cost and expense, both (i) operate, maintain and repair such Residential Common Element for so long as such owner or owners exercise such exclusive right of use and (ii) restore such Residential Common Element to its original condition, reasonable wear and tear excepted, after such owner or owners cease to exercise such exclusive right of use.

(C) The terms of paragraph (A) of this Section 5.8 shall not apply to Sponsor for so long as there are any Unsold Residential Units. Sponsor shall have the right, without charge or limitation, to: (i) erect and maintain signs, of any size or content determined by Sponsor on or about any portion of the Common Elements chosen by Sponsor including, the area adjacent to the main entrance of the Building; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements (such as lobbies, corridors and the like), to sell, lease, manage, or operate Unsold Residential Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Plan and the Condominium Documents. In no event, however, shall Sponsor be entitled to use any Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

(D) Sponsor, for so long as Sponsor continues to own any Unsold Market Rate Unit, and the Condominium Board shall have the right, and the lease, sublease, license, sell or otherwise convey to a Unit Owner any portion of the Common Elements which either Sponsor or the Condominium Board determines is no longer needed for the furnishing of the services and facilities (including reasonable access) for which such Common Elements are reasonably intended. Any revenue received for the sale, leasing, subleasing, licensing or other conveyance of such Common Elements shall be retained solely by Sponsor or the Condominium Board, as applicable.

Section 5.9 *Use of the Storage Lockers*.

(A) A Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item, or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein. Sponsor shall have the right to use any unassigned Storage Locker for any purpose permitted by Law or to change the permitted use of any unassigned Storage Locker, subject, however, to the provisions of the By-laws. Except for Sponsor and the Condominium Board, a Storage Locker may not be licensed independently of a Residential Unit.

(B) The Condominium Board has the authority to promulgate additional rules regarding the use of, insurance coverage for, and access to the Storage Lockers and Storage Locker Areas and the procedures for assigning such Storage Lockers including restrictions on the hours of access and use. A Residential Unit Owner may transfer or surrender a Storage Locker License to the Condominium Board which shall be authorized to reissue such Storage Locker License to another Residential Unit Owner for such consideration as the Condominium Board shall deem appropriate.

(C) Sponsor may, without the consent of either the Condominium or the Unit Owners, use any unsold Storage Locker for any purpose, provided such use is permitted by Law.

Section 5.10 *Rights of Access*.

(A) Each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager (if any), to the non-resident manager or to any other Person authorized by any of the foregoing a right of access (including the right of forced entry if required in the discretion of the party seeking such entry) to the Unit and its appurtenant Residential Limited Common Elements, if any, and any Storage Locker and Storage Locker Area for the purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Residential Rules and Regulations committed by such Unit Owner or correcting any conditions originating in the Unit and threatening another Unit or all or a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the structural elements, mechanical or electrical services, or other portions of the Common Elements located within the Unit, Storage Locker or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to the Unit, or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of emergency (that is, a condition requiring repairs or replacement immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than three (3) business days' notice and only in such a manner as will not unreasonably interfere with the normal conduct of business of the Non-Residential Unit Owners or other occupants of the Non-Residential Units or with the use of the Residential Units and their appurtenant Residential Limited Common Elements for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) Each Unit Owner shall grant a right of access to the Unit and its appurtenant Residential Limited Common Elements, if any, and the Condominium Board shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees for the purpose of fulfilling Sponsor's obligations as set forth in the Plan or in any amendment thereto, provided that access thereto shall not be exercised, with respect to any Unit and its appurtenant Residential Limited Common Elements, if any, in such a manner as will unreasonably interfere with the use of such Unit and its appurtenant Residential Limited Common Elements, if any, for their permitted purposes.

(C) Sponsor 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's obligations under the Plan and performing certain alterations and repairs in or about the Units and the Common Elements. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not

unreasonably interfere with the use of any Unit for its permitted purposes. If reasonable care under the circumstances is exercised to safeguard the Unit Owner's property, such entry shall not render Sponsor or its authorized agents liable for any damage to the Unit or to the personal property or fixtures contained therein.

Section 5.11 *Modification of the Residential Rules and Regulations*. The Condominium Board shall have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by a vote of at least 66 2/3% of all Residential Unit Owners, in number and Common Interest. Copies of the text of any amendments, modifications, additions, or deletions to the Residential Rules and Regulations shall be furnished to all Unit Owners not less than 30 calendar days prior to the effective date thereof. Notwithstanding the foregoing, the Condominium Board shall not have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations if the same would materially and adversely affect Sponsor and/or a Non-Residential Unit Owner, without the prior written consent of Sponsor or the affected Non-Residential Unit Owner. Notwithstanding the foregoing, the Condominium Board shall not have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations if the same would adversely affect a Non-Residential Unit and the use thereof, without the prior written consent of the affected Non-Residential Unit Owner.

Section 5.12 *Real Estate Taxes*. Unless and until real estate taxes are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay such taxes as a Common Expense. In the event of a proposed sale of any Unit, the Condominium Board (for so long as the Condominium Board is still paying such real estate taxes) 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 real estate taxes affecting such Owner's Unit to the date of the Closing of Title to such Unit.

Section 5.13 *Fuel*. Unless and until fuel is billed directly to Unit Owners by the supply company, in accordance with and subject to the provisions of the Plan, the cost and expense of fuel (for heating and cooling) serving or benefiting any Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined by the Condominium Board in accordance with submeters (if applicable), (iii) paid by the Condominium Board, and (iv) charged to: (a) the Unit Owners as a General Common Expense for such portion attributable to the General Common Elements, (b) the Non-Residential Unit Owners as a General Common Expense for such portion attributable to the Non-Residential Units, and (c) the Residential Unit Owners as a Residential Common Expense for such portion attributable to the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements. In the event there is a particular or unique use being made of a Unit and/or Common Element, the Condominium Board shall cause a new survey to be made the cost of which shall be borne by the Unit Owners as a General Common Expense.

Section 5.14 *Water Charges and Sewer Rents*. Unless and until water is separately metered in a Unit and water charges and sewer rents are billed directly to a Unit Owner by the City Collector, in accordance with and subject to the provisions of the Plan, the cost and expense of water serving or benefiting a Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined by the Condominium Board, (iii) paid by the Condominium Board, and (iv) charged to: (a) the Residential Unit Owners as a Residential Common Expense for such portion attributable to the Residential Units and/or Residential Common Elements and/or Residential Limited Common Elements, and (b) the Unit Owners as a General Common Expense for such portion attributable to the General Common Elements. In addition, the cost of submetering shall be a Residential Common Expense if pertaining to Residential Units and a General Common Expense if pertaining to all Units.

Section 5.15 *Electricity.*

(A) Electricity for each Residential Unit and the Non-Residential Units (including tenants occupying portions of the Non-Residential Units) shall be either individually direct metered or submetered for each Unit (or portion thereof).

(B) If individually direct metered, each Unit Owner shall be required to pay the billing utility directly for electricity consumed in such Unit Owner's Unit (or portion thereof) and in the Residential Limited Common Elements to which such Residential Unit has exclusive access.

(C) If the Residential Units or the Non-Residential Units are submetered, each Unit Owner shall be required to pay bills for electricity consumed in such Unit Owner's Unit either to the Condominium Board or to the utility company or to the servicing company engaged by the Condominium Board to perform such services all at the direction of the Condominium Board. The Common Expenses shall include fees for administering and servicing the submeters. In the event that a Unit Owner fails to pay for its submetered electricity, the Condominium Board shall be responsible to pay such expense on the Unit Owner's behalf and such electricity charges shall be deemed Common Charges allocable to the defaulting Unit Owner and the Condominium Board shall have a lien for non-payment of the expense as provided in Article 6.5 of these By-laws.

(D) Electricity for the Residential Common Elements shall be supplied through one or more separate meters therefor and the cost thereof will be paid by the Condominium Board and will be borne by the Residential Unit Owners as Common Charges.

(E) In addition, the cost of submetering shall be a Residential Common Expense if pertaining to Residential Units and a General Common Expense if pertaining to all Units.

(F) Any disputes with respect to submetering rates and billing must be submitted to Arbitration pursuant to Article 10 of these By-laws.

Section 5.16 *Record and Audits.*

(A) The Treasurer of the Condominium, or the Managing Agent under the supervision of such Treasurer, shall keep full, detailed and accurate records and books of account with respect to the financial affairs of the Condominium, which records and books of account shall include, without limitation, (i) a listing of all receipts of and expenditures by the Condominium Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges and Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid, as well as all Permitted Mortgages having an interest in such Unit.

(B) Within 4 months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared and certified by an independent certified public accountant. The cost of preparing and distributing each such report shall be borne by the Condominium Board as a General Common Expense. The fiscal year of the Condominium shall be a calendar year.

ARTICLE 6

COMMON CHARGES

Section 6.1 *Determination of Common Expenses and Fixing of Common Charges*.

(A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt a budget for the Condominium, subject, in all respects, to the strictures set forth in Section 2.5 hereof; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges amongst the Unit Owners in accordance with allocations set forth in the First Year's Budget. The Condominium Board shall advise all Unit Owners promptly thereafter in writing of the amount of Common Charges payable by each of them, not later than 10 calendar days prior to the date upon which the first installment of newly-determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees whenever requested in writing by such Permitted Mortgagees. Subject to paragraph (E) of this Section 6.1, the Condominium Board may, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination. Notwithstanding the foregoing, however, the Condominium Board shall not reduce the Common Charges payable during any fiscal year occurring within the Initial Sponsor Control Period solely as a result of either reducing the number of employees of the Condominium below the number employed (or anticipated in the First Year's Budget) for the Property on the date of recording the Declaration except with Sponsor's prior written consent, or eliminate or reduce the insurance coverage below that provided for the Property on such date, except with the concurrence of a majority of the Members of the Condominium Board elected by Unit Owners other than Sponsor. All Unit Owners will be given a copy of the proposed annual budget of the Condominium at least 10 calendar days prior to the date set for adoption thereof by the Condominium Board.

(B) The failure or delay of the Condominium Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject, in all respects, to the strictures contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments relative to the General Common Elements shall be levied against all Unit Owners in proportion to their respective Common Interests and all Special Assessments relative to the Residential Common Elements and/or the Residential Limited Common Elements shall be levied against all Residential Unit Owners in proportion to their Residential Common Interests, except (1) Special Assessments relating to the Storage Lockers, which shall be levied solely against all Unit Owners owning such Storage Lockers, and (ii) Special Assessments in the nature of a surcharge required by the Regulatory Agreement or the Inclusionary Housing Program to be levied against all Inclusionary Unit Owners as specified in the Regulatory Agreement or by the Inclusionary Housing Program. Special Assessments may be payable either in one lump sum or in installments, as the Condominium Board shall determine, provided, however, that the Condominium Board shall give each Unit Owner not less than 15 calendar days' written notice prior to the date upon which such

Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.5 hereof). Notwithstanding anything set forth in this Section 6.1(C) to the contrary, for so long as the Regulatory Agreement is in force and effect, the obligations of the Inclusionary Unit Owners to pay for Special Assessments is subject to the limitations set forth in Article 16 of these By-Laws, which is a specific allocation as permitted pursuant to Section 339-m of the Condominium Act.

(D) Subject in all events to the Regulatory Agreement, the excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any, General Common Element, or Residential Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners or the Residential Unit Owners, as applicable and shall be collected on behalf of the Unit Owners or Residential Unit Owners, as applicable by the Condominium Board and applied against the General Common Expenses attributable to the General Common Elements, or the Residential Common Expenses attributable to the Residential Common Elements, or the Residential Limited Common Elements, as appropriate for the fiscal year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Condominium Board against the General Common Expenses attributable to the General Common Elements, or the Residential Common Expense attributable to the Residential Common Elements or the Residential Limited Common Elements depending on whether the excess relates to the General Common Elements or the Residential Common Elements or the Residential Limited Common Elements for the next succeeding year(s) of operation. No Unit Owner shall be entitled to a distribution of any portion of such excess unless the Condominium Board shall determine to distribute all or part of such excess to all Unit Owners pro-rata, in proportion to their respective Common Interests, or Residential Common Interests, as appropriate and any such distributions must be made out of the Common Charges collected from Unit Owners.

(E) Pursuant to Section 339(m) of the Condominium Act, Common Expenses have been allocated between the Residential Units (in the aggregate) and the Non-Residential Units, on the basis of usage rather than Common Interest. The First Year's Budget sets forth the percentage for each line item, if any, to be paid for by the Residential Units and the Non-Residential Units, which percentages are deemed presumptive evidence of reasonableness for the first year of Condominium operation. In subsequent years of Condominium operation, the allocations of common expenses between the Residential Units and the aggregate Non-Residential Units shall be made in accordance with Exhibit F of the Declaration. The Condominium Board may not modify these allocations without the unanimous consent of the Non-Residential Unit Owners. Any new line items which may be added to the budget by the Condominium Board in the future shall be paid for on the same basis.

(F) Notwithstanding anything herein to the contrary, pursuant to Law, for so long as the Regulatory Agreement is in effect, General Common Expenses and Residential Common Expenses that are allocated and assessed to the Unit Owners shall be charged to such Unit Owners in a manner that limits the amount charged to the Inclusionary Unit Owners, as prescribed by Law and/or the Regulatory Agreement, or (ii) limits the rate at which the amounts payable by the Inclusionary Unit Owners may increase, as prescribed by Law and/or the Regulatory Agreement.

Section 6.2 *Payment of Common Charges*

(A) All Unit Owners (including Sponsor with respect to Unsold Residential Units for so long as the same are owned thereby) shall be obligated to pay Common Charges and Special Assessments

assessed by the Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit and any sums unpaid on a Permitted Mortgage recorded against the Unit. Notwithstanding anything set forth in this Section 6.2(A) to the contrary, for so long as the Regulatory Agreement is in force and effect, the obligations of the Inclusionary Unit Owners to pay Common Charges is subject to the limitations set forth in Article 16 of these By-Laws, which is a specific allocation as permitted pursuant to Section 339-m of the Condominium Act.

(B) Notwithstanding anything to the contrary contained in paragraph (A) above, during the Initial Sponsor Control Period, the Condominium Board, in its sole discretion, shall have the right to waive all Unit Owners' obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided during such period, the basic operating costs of the Condominium (exclusive of reserves) are paid by Sponsor. Upon commencement of the collection of Common Charges from all Unit Owners, no assessment will be imposed for any item set forth in the approved budget for the Condominium. The Condominium Board shall remain obligated to update the budget in accordance with Law.

(C) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against the Unit subsequent to a sale, transfer, or other conveyance by Unit Owner of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to such purchaser's acquisition thereof, except that, to the extent permitted by Law, a Permitted Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted Mortgage and prior to the acquisition of title to such Unit by the Permitted Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure or sale. Any excess proceeds from such foreclosure or sale shall be paid directly to the Condominium Board in payment of all unpaid Common Charges and Special Assessments. In the case of a Residential Unit, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure sale or from the defaulting Residential Unit Owner shall be deemed a Residential Common Expense, collectible from all those who are Residential Unit Owners at the time the same is levied. In the case of the Non-Residential Units, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure or sale or from the defaulting Non-Residential Unit Owners shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(D) Subject to the terms and conditions contained in these By-laws, any Unit Owner may convey the Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however, that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Residential Unit have been paid; (ii) such Residential Unit is free and clear of all liens and encumbrances other than a Permitted Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Residential Unit. However, in no event shall Sponsor be permitted to convey any Unsold

Residential Unit to the Condominium Board and thereby exempt itself from Common Charges and any Special Assessments attributable to such Residential Unit thereafter accruing unless the aggregate Residential Common Interests then appertaining to the Unsold Residential Units constitute 15% or less of the total Residential Common Interests then appertaining to all Residential Units, at least five years shall have elapsed from the date of the First Closing and, at the time of conveyance, Sponsor shall pay to the Condominium Board an amount equal to the product of the then current monthly Common Charges for the Unsold Residential Unit(s) being conveyed multiplied by 24.

(E) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning the Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation, pursuant to the terms of paragraph (C) hereof). Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit) pursuant to the terms of Section 5.1, 5.2, or 5.3 hereof; or (iii) any action taken by the Condominium Board or the officers of the Condominium to comply with Law.

Section 6.3 *Statement of Common Charges*. The Condominium Board shall promptly provide a written statement of unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner.

Section 6.4 *Common Charge Deposit for Foreign Owners*. Any Unit Owner that is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) shall deposit with the Condominium Board an amount equal to two (2) times the then current annual Common Charges for such Unit, subject to increase from time to time as such Common Charges increase, together with the full amount of any Special Assessment levied against, or allocable to, such Unit, as security for the faithful observance by such Unit owner of the terms, provisions and conditions of these By-laws. In the event that such Unit Owner defaults in respect of the terms, provisions and conditions of these By-laws, the Condominium Board may use, apply or retain the whole or any part of the security so deposited, to the extent required for the payment of any Common Charges or any other sum to which such Unit Owner is in default. If the Condominium Board applies or retains any part of said security, the Unit Owner in question, within ten (10) calendar days after notice from the Condominium Board, shall deposit with the Condominium Board the amount so applied or retained so that such Condominium Board has the full amount of said security on hand at all times.

Section 6.5 *Default in Payment of Common Charges*.

(A) The Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board that remain unpaid for more than 10 calendar days after the due date for the payment thereof, including, but not limited to the imposition of late charges, notice fees and the institution of such actions for the recovery of interest and expenses as provided in this Article 6. All costs and expenses incurred by the Condominium Board (including attorneys' fees) as a result of its attempt to collect unpaid Common Charges and/or Special Assessments shall be borne by the Unit Owner and shall constitute Common Charges payable by such Unit Owner. In connection therewith, the Condominium Board shall have the right and obligation to (i) cause liens for all sums due and owing to the Condominium Board to be filed in the Register's Office pursuant to the terms of Section 339-z of the Condominium Act, (ii) with respect to Market Rate Residential Units and Non-Residential Units only, cause such liens to be foreclosed in the manner provided in Section 339-aa of the Condominium Act and/or to institute all other proceedings deemed

necessary or desirable by the Condominium Board to recover all such unpaid Common Charges, together with all additional sums of money collectible by the Condominium Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges, however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay: (i) interest thereon at the rate of 1.5% per month of such unpaid amounts (less any late "charges" theretofore collected), to be computed from the due date thereof until paid in full, together with all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, or the manager (if any) in connection with collecting such unpaid Common Charges with interest as aforesaid and/or in foreclosing the aforementioned lien, including, without limitation, attorneys' fees and disbursements and court costs; (ii) a late charge of $150 per month for Common Charges which remain unpaid for more than 10 calendar days after the date when due, plus all expenses of collection including but not limited to attorneys' fees, in such amount as may be determined by the Condominium Board from time to time, to be computed from the due date thereof until paid in full. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner will be required to pay a reasonable rental for the use of the Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such late charges, interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien (with respect to a Market Rate Residential Unit or a Non-Residential Unit) because of unpaid Common Charges, the Condominium Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

(D) If the Unit Owner shall at any time lease the Unit and shall default in the payment of any Common Charges or additional Common Charges, the Condominium Board may, at its option, so long as such default shall continue, demand and receive from the tenant the rent due or becoming due from such tenant to the Unit Owner, and apply the amount to pay sums due and to become due from the Unit Owner to the Condominium. Any payment by a tenant to the Condominium shall constitute a discharge of the obligation of such tenant to the Unit Owner, to the extent of the amount so paid. The acceptance of rent from any tenant shall not be deemed a consent to or approval of any leasing by the Unit Owner, or a release or discharge of any of the obligations of the Unit Owner hereunder. In the event the tenant fails to pay the rent to the Condominium after demand by the Condominium Board, the Condominium Board shall have the right to commence summary eviction proceedings in the name of or on behalf of the Unit Owner, against the tenant. All costs and expenses incurred by the Condominium Board (including attorneys' fees) in connection therewith, shall be borne by the Unit Owner and shall constitute Common Charges payable by such Unit Owner.

ARTICLE 7

SELLING AND LEASING OF UNITS AND ASSIGNMENT OF STORGE LOCKER LICENSES

Section 7.1 *General*. Subject to the terms of Section 7.5 hereof, and Section 7.16 hereof with respect to the selling and leasing of Inclusionary Units, each Residential Unit Owner may (i) sell the

Residential Unit and (ii) lease the Residential Unit for periods of not less than 1 year nor more than 2 years, provided however, no Residential Unit Owner may sell or lease the Residential Unit except in compliance with the applicable provisions of this Article 7 and the policies and procedures established by the Condominium Board. In addition, Inclusionary Unit Owners must comply with the provisions of Article 16 of these By-Laws. Any purported sale or rental consummated in default in the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board shall so elect, the selling or renting Residential Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized lease) in the name of such Residential Unit Owner. Such Residential Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, attorneys' fees and disbursements and court costs.

Section 7.2 *Right of First Refusal*.

(A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Residential Unit together with its Appurtenant Interests and any lease of a Residential Unit ("Sale Agreement" or "Lease Agreement") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS IF ANY, OF THE CONDOMINIUM BOARD OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTIONS 7.2 AND 7.3 OF THE BY-LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED." Promptly after any such bona fide Sale Agreement or Lease Agreement shall be fully executed, the Residential Unit Owner executing the same ("Offeree Unit Owner") shall send written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the Sale Agreement or Lease Agreement, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant ("Outside Offeror").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell the Residential Unit, together with its Appurtenant Interests, or to lease the Residential Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale Agreement or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the Outside Offeror and the Sale Agreement or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than 30 calendar days (in the event of a proposed sale) and 30 calendar days (in the event of a proposed lease) after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Residential Unit together with its Appurtenant Interests or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise) on behalf of all Residential Unit Owners upon the same terms and conditions as were contained in the Sale Agreement or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in this Section 7.2 to purchase or lease any Residential Unit without the prior approval of a Majority of all Unit Owners.

(D) The Condominium Board may not discriminate against any person on the basis of race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law in connection with its exercise of its right of first refusal with respect to the sale or rental of a Unit.

Section 7.3 *Acceptance of Offer*

(A) In the event that the Condominium Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Residential Unit together with its Appurtenant Interests, to lease such Residential Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale Agreement or Lease Agreement, at the office of the attorneys for the Condominium Board within 45 calendar days after the day upon which the Condominium Board shall give notice of its election to accept such offer.

(B) If such Residential Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee on behalf of all Residential Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Condominium Board may levy a Special Assessment against each Residential Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Condominium Board may, in its discretion, finance the acquisition of such Residential Unit; provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Residential Unit to be purchased together with its Appurtenant Interests. In addition, if the Outside Offeror was to assume or to take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale Agreement, the Condominium Board may purchase the Residential Unit and assume or take title thereto subject to such mortgage or mortgages as the case may be. At the Closing of Title, the Offeree Unit Owner shall convey the Residential Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all Residential Unit Owners, by deed in the form required by Section 399-o of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale (including, if applicable, all New York State and New York City Transfer Taxes) notwithstanding any terms of the Sale Agreement to the contrary. Real estate taxes, mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Condominium Board or its designee as of the Closing date, notwithstanding any terms of the Sale Agreement to the contrary. Thereafter, such Residential Unit shall be held, so long as the same is owned by the Condominium Board or its designee, on behalf of all Residential Unit Owners, as tenants-in-common, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Residential Unit and the entire Property, as herein provided.

(C) In the event that such Residential Unit is to be leased by the Condominium Board or its designee on behalf of all Residential Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Residential Unit by and between the Offeree Unit Owner, as landlord, and the Condominium Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Lease Agreement, however, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

Section 7.4 *Failure to Accept Offer*.

(A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale Agreement or Lease Agreement within 60 calendar days after (i) notice of refusal is sent to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale Agreement or Lease Agreement within such 60 day period, then, should the Offeree Unit Owner thereafter elect to sell such Residential Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Section 7.2, 7.3 and 7.4 hereof, but not more often than once in any 12 month period, except the Condominium Board shall have the right to waive this for good cause shown, in its sole discretion.

(B) Any deed of a Residential Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included herein.

(C) Each lease of a Residential Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Condominium Board or such other form approved in writing by the Condominium Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(i) such lease may not be amended, modified, or extended without the prior written consent of the Condominium Board in each instance;

(ii) the tenant thereunder shall not assign the tenant's interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Condominium Board in each instance; and

(iii) the Condominium Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5 Termination of, and Exceptions to, the Right of First Refusal.

(A) A certificate executed and acknowledged by the Secretary of the Condominium or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a Residential Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Residential Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause the Managing Agent to furnish without charge, such certificate upon written request to any Residential Unit Owner in respect to whom the provisions of Sections 7.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 7.2, 7.3 and 7.4 hereof) in the absence of the certificate that has been duly executed, acknowledged and issued by the Secretary of the Condominium or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Section 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease or conveyance of a Residential Unit, together with its Appurtenant Interests, by:

(i) Subject to the Regulatory Agreement, the Residential Unit Owner thereof to any adult Family Members, to any combination of the same, or to a trust for the benefit of any of them (in which case the Condominium Board shall have the right to review the trust documents and provide for such terms and restrictions on such transfer as the Condominium Board deems advisable), provided, however, that if the succeeding Residential Unit Owner is an infant or a person judicially declared incompetent of managing affairs, then such Residential Unit shall be held by the personal representative of such infant or incompetent, or in the case of a Residential Unit Owner that is not an individual, to any entity or individual that owns more than 50% of the legal and beneficial interests of such Residential Unit Owner or to any entity with respect to which such Residential Unit Owner (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof:

(ii) Sponsor;

(iii) the Condominium Board;

(iv) any proper officer conducting the sale of a Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Residential Unit or delivering a deed in lieu of such foreclosure; or

(v) any Permitted Mortgagee or its nominee, who has acquired title to any Residential Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction;

(vi) Non-Residential Unit Owner(s);

(C) provided, however, that each succeeding Residential Unit Owner shall be bound by, and the Residential Unit shall be subject to, all of the terms and conditions of this Article 7.

(D) The terms and conditions contained in Section 7.2, 7.3, 7.4 and 7.7 hereof shall not apply with respect to any sale, lease or conveyance of a Non-Residential Unit, together with its Appurtenant Interests.

Section 7.6 *No Severance of Ownership*. No Unit Owner shall execute any deed or other instrument conveying title to the Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be 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, conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7 *Payment of Common Charges and Fees*. No Unit Owner shall be permitted to convey or lease the Unit unless (i) the Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit and (ii) paid in full all fees charged by the Condominium Board and/or the Managing Agent in connection with the sale or rental of Residential Units, including, without limitation, any working capital fund contribution imposed by the

Condominium Board. However, where the payment of such unpaid Common Charges and/or Special Assessments is made by the grantee or provided for out of the proceeds of the sale, a sale may take place notwithstanding the foregoing. Notwithstanding the foregoing, the imposition of any fees by the Condominium Board and/or the Managing Agent in connection with the sale or rental of Residential Units shall not apply to the sale lease, sublease, license or conveyance of a Residential Unit by the reasons set forth in subsections 7.5(B) (ii), (iii), (iv), (v) and (vi) of this Article 7.

Section 7.8 *Power of Attorney*. At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of the title insurance company (or, if no such representative is present, to the Condominium Board) for recording in the Register's Office (at such Unit Owner's sole cost and expense), the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form set forth as Exhibit E to the Declaration.

Section 7.9 *Gifts and Devises, Etc.* Any Unit Owner shall be free to convey or transfer the Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and the Unit shall be subject to, the provisions of this Article 7.

Section 7.10 *Commencement of Time*. The period of time set forth in Section 7.2 for which the Condominium Board has to waive its right of first refusal shall not commence until such time as the Condominium Board or its managing agent has received a completed sales or lease package, including all fees set forth therein, as the case may be, from a Residential Unit Owner. If the information provided by the Unit Owner or prospective purchaser or tenant, as the case may be, is incomplete, the Condominium Board shall have the right to request additional information and the 30 day period will commence on receipt by the Condominium Board of the additional information.

Section 7.11 *Costs and Expenses*. All costs and expenses incurred by the Condominium Board, including, without limitation, attorneys' fees and disbursements paid or incurred by the Condominium Board or by its Managing Agent in connection with any action taken by the Condominium Board with regard a violation of this Article 7, shall be borne by the Unit Owner as an Additional Common Charge.

Section 7.12 *Sale or Lease of Non-Residential Units*.

(A) The Non-Residential Unit Owners may sell, lease or convey their respective Units without the consent of the Condominium Board, the Managing Agent, the other Unit Owners or any other Person.

(B) Any proper officer conducting the sale of a Non-Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure, or any Permitted Mortgagee or its nominee, who has acquired title to any Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof in a bona fide transaction shall have the same rights as the Non-Residential Unit Owners to sell or lease such Unit as provided in paragraph (A) above.

(C) Upon the written request of a Non-Residential Unit Owner, the Condominium Board shall deliver to such Non-Residential Unit Owner or any designee, a statement ("Estoppel Certificate") indicating that such Non-Residential Unit Owner is current in its payment of all amounts due under the Declaration and the By-Laws, that no written notice of default has been sent to such requesting party and to the knowledge of the Condominium Board, no such default exists. Any such statement may be relied upon by any mortgagee or purchaser of the Non-Residential Unit. In addition, upon the written request of a Non-Residential Unit Owner accompanied by such documentation as is reasonably sufficient to allow the Condominium Board to proceed as hereinafter described, the Condominium Board will enter into a non-

disturbance and attornment agreement ("Non-Disturbance Agreement") in a form reasonably satisfactory to such requesting Unit Owner with any tenant ("Tenant") of the Non-Residential Unit Owner which provides that: (i) the Tenant shall be entitled to continued undisturbed possession of such Unit or portion thereof leased by such Tenant, (ii) the Tenant's rights and privileges under the lease for such Unit or portion thereof ("Lease") shall not be diminished or interfered with by the Condominium Board for any reason whatsoever during the term of the Lease or any extensions or renewals thereof, and (iii) except as provided in the last paragraph of this paragraph (C), the Condominium Board will not join the Tenant as a party defendant in any action or proceeding to foreclose upon the Unit or to enforce any rights or remedies of the Condominium Board under the Declaration and By-Laws which would cut-off, destroy, terminate or extinguish the Lease, provided that (a) the Tenant is not in default (beyond any applicable grace periods) in the payment of rent or additional rent or in the performance or observance of any of the other terms, covenants, provisions or conditions of the Lease, (b) the Tenant is not in default of any of the provisions of the Declaration and By-Laws, both at the time of the request and at the time of execution of the Non-Disturbance Agreement, (c) the Lease is in full force and effect, (d) the Tenant attorns to the Condominium Board and pays to the Condominium Board, all rentals and other monies due and to become due to the Non-Residential Unit Owner, under the terms of the Lease but only to the extent of a percentage of the unpaid Common Charges due from the Non-Residential Unit Owner, equal to the percentage of the total square footage of the Non-Residential Unit leased by such Tenant, it being understood that without affecting the Tenant's rights and protection afforded by the Non-Disturbance Agreement, the Tenant shall not be required to pay any rentals or other monies otherwise due or to become due to the Non-Residential Unit Owner to the Condominium Board if such payment is prohibited by the terms of any non-disturbance agreement granted to such Tenant by the mortgagee of any such Non-Residential Unit holding a first mortgage on such Non-Residential Unit. The Non-Disturbance Agreement shall be executed by the Tenant and the Condominium Board and prepared by the Condominium Board at the expense of the Unit Owner requesting the Non-Disturbance Agreement, which expense shall be limited to reasonable actual out-of-pocket expenses incurred by the Condominium Board, including attorneys' fees and disbursements.

Notwithstanding the foregoing, if it would be procedurally disadvantageous for the Condominium Board not to name or join the Tenant in a foreclosure proceeding with respect to the Non-Residential Unit, the Condominium Board may name or join the Tenant without in any way diminishing or otherwise affecting the rights and privileges granted to, or inuring to the benefit of, the Tenant under this Article.

Section 7.13 *Assignment of Storage Locker Licenses*.

(A) Except for Sponsor, no Residential Unit Owner shall be permitted to assign, convey or lease any Storage Locker to anyone other than a Residential Unit Owner. A Storage Locker License may be assigned by a Residential Unit Owner at any time (and not subject to any right of first refusal by the Condominium Board) provided (i) the assignee is another Residential Unit Owner at the Condominium; (ii) the assignee assumes the obligations under the Storage Locker License; (iii) notification of the assignment is promptly delivered to the Condominium Board in compliance with its requirements; and (iv) all unpaid Common Charges and Special Assessments and other obligations due to the Condominium have been paid in full.

(B) If the Condominium Board terminates a Storage Locker License or a Residential Unit Owner surrenders a Storage Locker License without assigning the Storage Locker License to another Residential Unit Owner, the Storage Locker License shall revert to Sponsor.

ARTICLE 8

MORTGAGING OF UNITS

Section 8.1 *General*. Each Unit Owner shall have the right to mortgage the Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages the Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Condominium Board. Any Unit Owner who satisfies a mortgage covering the Unit shall so notify the Condominium Board and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium shall maintain such information in a book entitled "Mortgages of Units." The terms and conditions contained in this Section 8.1, however, shall not apply to Sponsor or the Non-Residential Unit Owners.

Section 8.2 *Restrictions on Mortgaging*

(A) No Unit Owner shall be permitted to mortgage, pledge, or hypothecate the Unit unless and until the Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to the Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any 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.

(C) Any mortgage covering a Unit shall be substantially in the form used by any Institutional Lender.

(D) Any mortgage covering a Unit shall be made by an Institutional Lender, Sponsor, or by a Unit Owner providing purchase money financing in connection with the sale of the Unit.

Section 8.3 *Notice of Unpaid Common Charges and Default*. The Condominium Board shall promptly report to Permitted Mortgagee any default by the Permitted Mortgagee's mortgagor in the payment of Common Charges or Special Assessments for more than 60 calendar days or whenever requested in writing by a Permitted Mortgagee any default by the Permitted Mortgagee's mortgagor in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists. The Condominium Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to the Permitted Mortgagee, if so requested. However, the Condominium Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by the mortgagor under the Condominium Documents, provided that (i) the Condominium Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Condominium Board shall foreclose a lien on such mortgagor's Unit Pursuant to the terms of Section 6.5 hereof by reason of such default, the Condominium Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Condominium Board pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4 *Performance by Permitted Mortgagees*. Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by the Permitted Mortgagee, and the Condominium Board shall accept such Permitted

Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5 *Examination of Books*. Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on Business Days, but not more frequently than once a month.

Section 8.6 *Consent of Mortgagees; Designation of Mortgage Representatives*.

(A) Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Condominium Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against Unit Owner's mortgagor. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or these By-laws, the decision of a majority of the Mortgage Representatives, if any are designated pursuant to the terms of paragraph (B) of this Section 8.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

(B) The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more than 3 Mortgage Representatives by giving written notice thereof to the Condominium Board, which Mortgage Representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-laws. Any designation of a Mortgage Representative pursuant to the terms of this paragraph (B) shall be effective until any successor Mortgage Representative is designated pursuant to the terms hereof and written notice thereof is given to the Condominium Board. Unless otherwise required by Law, no holders of mortgages (which are not Institutional Mortgages) shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of the Declaration or these By-laws.

Section 8.7 *Notice to Permitted Mortgagees*.

(A) Whenever requested by a Permitted Mortgagee, the Condominium Board shall provide timely written notice to such Permitted Mortgagee of (i) any condemnation or casualty loss that affects either (x) a material portion of the Condominium or (y) a material portion of a Unit, (ii) a lapse, cancellation or material modification of any insurance policy maintained by the Condominium, and (iii) any proposed action by the Condominium Board that requires the consent of a specified percentage of Permitted Mortgagees or the approval of the majority of the Mortgage Representatives.

(B) In no event, however, shall the Condominium Board (including its members, officers, agents, attorneys and employees) and Unit Owners be liable for any claims or liabilities and expenses for any failure, through oversight or negligence, in giving a Permitted Mortgagee any notice required under (A) above. Nonetheless, the Condominium Board shall give such missed notice with reasonable promptness after discovering such failure.

(C) Where the consent of the Permitted Mortgagees or Mortgage Representatives is required pursuant to the terms of the Declaration or By-laws, if the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 calendar days after written receipt of the required consent, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

ARTICLE 9

CERTAIN REMEDIES

Section 9.1 *Self Help*. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on Unit Owner's part to be observed or performed, including, without limitation, any breach of Unit Owner's obligation to paint, decorate, maintain, repair, or replace the Unit or its appurtenant Residential Limited Common Elements, if any, pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within 5 calendar days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such 5 day period and, thereafter, to prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and/or its appurtenant Residential Limited Common Elements, if any, and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Condominium Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 9.2 *Abatement and Enjoinment*.

(A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on Unit Owner's part to be observed or performed, the Condominium Board shall have the right (i) to enter any Unit or Common Elements in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and the Condominium Board shall not thereby be deemed guilty or liable in any matter of trespass, and/or (ii) to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity, provided that the Condominium Board gives the Unit Owner notice (which may be by telephone or in writing) that such violation exists, that repairs or replacements are necessary and that the Condominium Board will complete such repairs or replacements in the event the Unit Owner does not promptly act or complete the repairs or replacements, and/or (iii) to levy such fines and penalties as the Condominium Board may deem appropriate, and the Condominium Board shall have the same remedies for non-payment of such fines and penalties as for non-payment of Common Charges.

(B) The violation or breach of any of the terms of the Condominium Documents with respect to any rights, easements, privileges, or licenses granted to Sponsor or the Non-Residential Unit Owners shall give to Sponsor or the Non-Residential Unit Owners the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3 *Remedies Cumulative*. The remedies specifically granted to the Condominium Board or to Sponsor or the Non-Residential Unit Owners in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board or Sponsor or the Non-Residential Unit Owners, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4 *Costs and Expenses*. All sums of money expended, and all costs and expenses incurred, by (i) the Condominium Board in connection with the abatement, enjoinment, removal, or cure of

any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section 9.2 hereof or (ii) Sponsor or the Non-Residential Unit Owners in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 9.2 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Condominium Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Condominium Board or the Unit Owner) to Sponsor or the Non-Residential Unit Owners, as the case may be, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of 2% per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 9.3 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10

ARBITRATION

Section 10.1 *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 the City of 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 the City of New York before 1 arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within 10 Business Days after selection or appointment. Any arbitrator appointed or selected in connection with any arbitration to be conducted hereunder shall be a member of a law firm having at least 5 Members whose principal office is located in the City of New York.

Section 10.2 *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 10.1 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 New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes."

Section 10.3 *Binding Effect*. The decision in any arbitration conducted pursuant to the terms of Section 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 10.4 *Costs and Expenses*.

(A) 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 disputant's counsel and expert witnesses.

(B) All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute General Common Expenses, to be borne by all Unit Owners, if such arbitration relates to the Units, generally, or to the General Common Elements, and shall constitute Residential Common Expenses, to be borne by all Residential Unit Owners if such arbitration relates solely to the Residential Units or the Residential Common Elements or the Residential Limited Common Elements.

ARTICLE 11

NOTICES

Section 11.1 *General.* All notices required or desired to be given hereunder (except for notices of regular annual or special meetings of the Residential Unit Owners and except all meetings of the Condominium Board) shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Condominium Board, to the Condominium Board at its principal office as set forth in Section l.5 hereof, with a copy sent by regular first class mail to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner other than Sponsor, to such Unit Owner at Unit Owner's address at the Property;

(iii) if to Sponsor, to Sponsor at its principal office as set forth in the Plan;

(iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Condominium Board.

(v) if to HPD, either delivered in person or sent to its address, as designated by HPD from time to time in writing to the Condominium Board.

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 11.1 shall be deemed given when mailed in the State of New York, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United States Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 11.2 *Waiver of Service of Notice*. Whenever any notice is required to be given by Law or pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 12

AMENDMENTS TO BY-LAWS

Section 12.1 *General.*

(A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-laws with respect to any amendments ("Special Amendments") affecting or in favor of Sponsor, the Non-Residential Unit Owners, the Non-Residential Units and/or any Permitted Mortgagee, any provision of these By-laws affecting the (i) General Common Elements or all Unit Owners may be added to, amended, modified or deleted by the affirmative vote of at least 66 2/3% in number and Common Interest of all Unit Owners; and (ii) Residential Common Elements or all Residential Unit Owners may be added to, amended, modified or deleted by affirmative vote of at least 66 2/3% in number and Residential Common Interest of all Residential Unit Owners, either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.10 hereof. Each duly adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Condominium Board as attorney-in-fact

of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage (where applicable) of Residential Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Residential Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage (where applicable) of Residential Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding anything to the contrary contained in paragraph (A) hereof, but still subject to any provision contained in the Declaration or these By-laws with respect to Special Amendments:

(i) the Common Interest and Residential Common Interest, if any, appurtenant to any Unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof, except as otherwise provided in paragraph (F) of Section 5.5 hereof; and

(ii) the terms of Section 5.7 hereof may not be amended, modified, added to, or deleted unless not less than 80% in number and aggregate Common Interests of all Unit Owners affected thereby shall approve such amendment, modification, addition or deletion in writing.

Section 12.2 *Special Amendments.*

(A) Any amendment, modification, addition, or deletion of or to any of the provisions of these By-laws that, pursuant to the terms of the Declaration or these By-laws, may be effected by Sponsor or the Non-Residential Unit Owners, without the consent of the Condominium Board or the Unit Owners, shall be embodied in an instrument executed and recorded in the Register's Office by Sponsor or the Non-Residential Unit Owners, as the case may be, as attorney-in-fact of both the Condominium Board and all Unit Owners, which power-of-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by Sponsor or the Non-Residential Unit Owners certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or the Non-Residential Unit Owners pursuant to the terms of the Declaration and/or these By-laws, in which Certification there shall be set forth the Article and/or Section of the Declaration or these By-laws pursuant to which the same was effectuated. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to these By-laws shall be effective in any respect against Sponsor or the Non-Residential Unit Owners, unless and until Sponsor or the Non-Residential Unit Owners shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to Section 5.4 or 5.5, paragraph (B) or paragraph (C) of Section 6.2, subparagraph (iv) or (v) of paragraph (B) of Section 7.5 or Article 8 hereof shall be effective with respect to the holder of any Permitted Mortgage theretofore made unless and until such Permitted Mortgagee shall have given its written consent thereto. In addition, no amendment to the Condominium Documents which would materially and adversely affect the holder of any Permitted Mortgage shall be effective without the prior written consent of 51% of the Permitted Mortgagees or a majority of the Mortgage Representatives, if any. If the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 calendar days after written receipt of the proposed amendment, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

(D) Amendments, modifications, additions or deletions of or to the Declaration, these By-laws and the Residential Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of a Non-Residential Unit or the subdivision of or combination of, or altering of, or improvement to a Non-Residential Unit and it is contemplated that in connection therewith a Non-Residential Unit Owner will cause the Declaration, these By-laws and the Residential Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provisions thereof may be similar or dissimilar to those affecting the Residential Units and the Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not materially and adversely affect the Residential Units or the Residential Unit Owners, a Non-Residential Unit Owner shall be the attorney-in-fact for the Residential Unit Owners (including Sponsor so long as Sponsor owns any Unsold Residential Units), coupled with an interest, for the purpose of approving, executing and recording any instrument effecting such amendment, modification, addition or deletion.

Section 12.3 *Inclusionary Units.* No amendment to the Declaration or these By-Laws may be made that affects the Inclusionary Units or the Inclusionary Unit Owners or the qualification of any Units or the Building under the Inclusionary Housing Program or the Regulatory Agreement or the qualification of any Units or the Building under RPTL Section 421-a, without the prior written consent of HPD.

ARTICLE 13

FURTHER ASSURANCES

Section 13.1 *General*. Any Person that is subject to the terms of these By-laws, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a Member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request in order either to effectuate the provisions of these By-laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2 *Failure to Deliver or Act*.

(A) If any Unit Owner or other Person that is subject to the terms of these By-laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 calendar days (or 60 calendar days, with respect to a Permitted Mortgagee) after request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-laws, then the Condominium Board is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(B) If any Unit Owner, the Condominium Board or other Person that is subject to the terms of these By-laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 calendar days (or 60 calendar days, with respect to a Permitted Mortgagee) after request therefor, to execute, acknowledge or deliver any instrument which such Unit Owner, Condominium Board or other Person is required to execute, acknowledge or deliver pursuant to these By-Laws at the request of Sponsor or a Non-Residential Unit Owner, as the case may be, then Sponsor, or a Non-Residential Unit Owner, as the case may be, is hereby authorized, as attorney-in-fact for the Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, in the name of the Unit Owner, Condominium Board or other Person, and such instrument shall be binding on the Unit Owner, Condominium Board or other Person. The Condominium Board shall not

unreasonably withhold or delay its consent or approval with respect to any matter contained in these By-Laws which requires the consent or approval of the Condominium Board.

ARTICLE 14

MISCELLANEOUS

Section 14.1 *Inspection of Documents*. Copies of the Declaration, these By-laws, the Residential Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours. Each Unit Owner shall be permitted to examine the books of account of the Condominium during reasonable business hours, but not more frequently than once a month.

Section 14.2 *Waiver*. No provision contained in these By-laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 14.3 *Conflict.* In the event that any provision of these By-laws or of the Residential Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control. In the event of any conflict between the Declaration, these By-Laws and the Regulatory Agreement, the provisions in the Regulatory Agreement shall control. In the event of any conflict between the Declaration, these By-Laws and the Inclusionary Housing Program (including the Regulatory Agreement) the provisions in the Inclusionary Housing Program shall control.

Section 14.4 *Severability.* If any provision of these By-laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

Section 14.5 *Successors and Assigns*. The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor. The rights and/or obligations of the Non-Residential Unit Owners as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of the Non-Residential Unit Owners.

Section 14.6 *Gender*. A reference in these By-laws to any one gender, masculine or feminine, includes the other one, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Section 14.7 *Captions.* The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-laws or the intent of any provision hereof.

ARTICLE 15

TAX STATUS AS A HOMEOWNERS ASSOCIATION

Section 15.1 *General*. As of the date of the recording of this Declaration, the Condominium is not expected to be eligible to elect tax-exempt status as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended for the first year of Condominium operation.

ARTICLE 16

INCLUSIONARY UNITS

Section 16.1 *General*. The Regulatory Agreement is incorporated herein by reference. The provisions of this Article 16 may not be amended without written consent of HPD or its successor agency for so long as the Regulatory Agreement remains in effect.

Section 16.2. *Common Charges*.

(A) The allocation and apportionment of the Common Charges payable by the Inclusionary Unit Owners is subject to, and shall be limited in accordance with the Inclusionary Housing Program. At the request of the Condominium Board, the Inclusionary Unit Board Member and the Administering Agent shall provide written evidence to the Condominium Board of each Inclusionary Unit Owner's then-current annual household income. The Condominium Board, after determining the annual Condominium budget for the Condominium's next fiscal year, shall determine, based upon such written evidence, whether the imposition of Common Charges on all Units in accordance with the percentage allocations provided in such budget will comply with the requirements of the Inclusionary Housing Program. If the Condominium Board determines that the imposition of Common Charges on all Units based upon the percentage allocations provided in the budget will comply with the Inclusionary Housing Program, then the Condominium Board may impose Common Charges on each Unit on such basis. In the event that the Condominium Board determines that the imposition of Common Charges on each Unit based upon the percentage allocations in accordance with the budget would not comply with the Inclusionary Housing Program, then the Condominium Board shall impose (i) lesser Common Charges on the Inclusionary Units so as to comply with the Inclusionary Housing Program and (ii) greater Common Charges on the Units other than the Inclusionary Units, pro-rata, so as to avoid an Operating Shortfall in such fiscal year. In the alternative, the Condominium Board may, in its discretion, pay an amount up to or equal to such Operating Shortfall in order to reduce or eliminate such Operating Shortfall. In the event of such payment.

(B) In the event an Inclusionary Unit Owner does not pay such Unit Owner's share of Common Charges and Special Assessments, the Condominium Board will have the right to record a lien against such Unit, to secure repayment of such unpaid Common Charges and Special Assessment. Notwithstanding any other provisions of the Declaration or By-Laws, the Condominium Board will not have the right to foreclose on such lien. Any unpaid Common Charges and/or Special Assessment shall be paid by such Inclusionary Unit Owner to the Condominium Board (a) prior to the sale of the Unit, or (b) upon the sale of the Unit, (c) or upon the refinancing of any mortgage loan secured by the Unit. In the event of the death of an Inclusionary Unit Owner, any unpaid Common Charges shall be paid to the Condominium Board by the Successor or the estate of the deceased Unit Owner at the time of conveyance of the Inclusionary Unit by such estate or Successor.

(C) Since the Common Charges and Special Assessments payable by the Inclusionary Unit Owners in any 12 month period will be limited by each Inclusionary Unit Owner's annual household income, the Condominium may not have sufficient funds to operate the building if there is an Operating Shortfall. "Operating Shortfall" means the amount by which expenses of the Condominium exceed revenue. If an Operating Shortfall occurs, the Condominium Board will determine, in its sole discretion, the method of payment of such Operating Shortfall, which may result in a Special Assessment imposed on all Market-Rate Unit Owners. Alternatively, the Condominium Board may determine, in its sole discretion, to utilize other funds of the Condominium to cover such Operating Shortfall or the Condominium Board may be permitted by HPD to withdraw funds from the HPD Reserve Accounts, to the extent permitted by HPD's guidelines under the Inclusionary Housing Program, but such funds may only be applied to the Inclusionary Units. If the Condominium Board determines that there is an Operating Shortfall, the Administering Agent and/or the

Condominium Board may make a written request to HPD for one or more drawdowns from the HPD Reserve Accounts, to the extent permitted by the Regulatory Agreement.

(D) The Condominium Board, in determining the amount of any proposed Special Assessment, shall determine whether the imposition of such Special Assessment based on each Unit's percentage of Common Interest would comply with the Inclusionary Housing Program. If the Condominium Board determines that the imposition of such Special Assessment on all Units based upon each Unit's percentage of Common Interest will comply with the Inclusionary Housing Program, the Condominium Board may impose the Special Assessment on each Unit on such basis. If the Condominium Board determines that the imposition of a Special Assessment on all Units based upon each Unit's percentage of Common Interest would not comply with the Inclusionary Housing Program, then the Condominium Board shall impose a (i) lesser Special Assessment on the Inclusionary Units so as to comply with the Inclusionary Housing Program and (ii) greater Special Assessment on the Units other than the Inclusionary Units, pro-rata, so as to avoid an Operating Shortfall in such fiscal year.

(E) In the event of a dispute as to the amount of an Operating Shortfall in any fiscal year, such dispute shall be resolved by Arbitration in accordance with Article 10 hereof.

(F) In the event that funds become distributable to the Unit Owners either in cash or as a credit against Common Charges as a result of income earned by the Condominium (not constituting Common Charges), or excess insurance proceeds, or otherwise, such funds shall be distributed first to all Unit Owners other than the Inclusionary Unit Owners, pro-rata to reimburse such Unit Owners for payments (if any) previously made by them to avoid any Operating Shortfall that resulted from the Condominium Board charging Inclusionary Unit Owners less than their annual pro-rata share, as they would have paid had the Inclusionary Program not been in effect. When all such disproportionate payments are repaid to the Unit Owners other than the Inclusionary Unit Owners, then any distributable funds shall be distributed to all Unit Owners, including the Inclusionary Unit Owners, pro-rata. In the event that no Operating Shortfall exists at the time that funds become distributable to the Unit Owners, then such funds shall be distributed to all Unit Owners pro-rata.

16.3 *Sales/Leasing.*

(A) In addition to the provisions in the Declaration and these By-Laws, Inclusionary Unit Owners shall comply with the Inclusionary Unit sales and leasing procedures and restrictions as set forth in the Inclusionary Housing Program, as same may be amended, and with the Regulatory Agreement.

(B) The Condominium Board shall, upon the issuance of any waiver of its right of first refusal, take commercially reasonable actions within its control to encourage compliance so that the resale or leasing of any Inclusionary Unit has been undertaken in a manner that is consistent with the Inclusionary Housing Program.

16.4 This Article 16 may not be amended without the prior written consent of HPD.

* * * * *

ADDENDUM TO THE BY-LAWS

RESIDENTIAL RULES AND REGULATIONS

1. The sidewalks, entrance passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Residential Units.

2. No rollerblades, scooters, skateboards or similar vehicle shall be taken into or from the Building through the main entrance or shall be allowed in any of the elevators of the Building other than the elevator designated by the Condominium Board or the Managing Agent for such purpose or ridden in the Building or the courtyard. No baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

3. Trunks and heavy baggage shall be taken in or out of the Building only by the elevator designated by the Condominium Board or the Managing Agent for the purpose.

4. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

5. No Residential Unit may be used for the storage of any flammable materials or any other materials the storage of which may constitute a Building code violation or which will increase the insurance requirements for the Building.

6. No refuse from the Residential Units shall be sent to the service area of the Building, except at such times and in such manner as the Condominium Board or the Managing Agent may direct. Nothing shall be hung or shaken from any doors, windows, or placed upon the window sills, of the Building, and no Residential Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

7. There shall be no playing or lounging in the entrances, passages, public halls, elevators, vestibules, corridors, stairways, or fire towers of the Building.

8. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage or service purposes in the Building.

9. Nothing shall be done or kept in any Residential Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof. No Residential Unit Owner shall permit anything to be done or kept in the Residential Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Residential Unit Owner or any Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in the Residential Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of the Residential Unit.

10. There shall be no barbecuing in the Residential Units, in their appurtenant Residential Limited Common Elements, if any, unless permitted by Law, or in the Common Elements, unless permitted by Law.

11. No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from the Residential Unit or its

appurtenant Residential Limited Common Elements, if any, or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Residential Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or sound system in such Unit Owner's Unit or its appurtenant Residential Limited Common Elements, if any, between 11:00 P.M. and the following 9:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice of suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 9:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

12. No pets other than dogs (maximum 2 per Unit), caged birds (maximum 2 per Unit), cats (maximum 2 per Unit) and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in a Residential Unit without the consent of the Condominium Board. Each Residential Unit Owner who keeps any type of pet will be required to: (a) indemnify and hold harmless the Condominium, the Condominium Board, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all Residential Rules and Regulations adopted by the Condominium Board with respect thereto, including without limitation, the number of such pets. Notwithstanding the foregoing, the Condominium Board shall have the right to adopt a no-pet policy for the Building or revised or new policies with respect to size or number of pets per Unit. In no event shall any pet permitted in any public elevator of the Building, other than the elevator designated by the Condominium Board or the Managing Agent for that purpose, or in any of the public portions of the Building, unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

13. No group tour, open house or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential Unit, without the consent of the Condominium Board or the Managing Agent in each instance. In the event that any Residential Unit shall be used for home occupation purposes in conformance with the Declaration and the By-laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule. The foregoing shall not apply to Sponsor with respect to Market Rate Units.

14. Unless expressly authorized by the Condominium Board in each instance, not less than 80% of the total floor area of each room of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise reducing material.

15. No window guards, legally compliant window stops and/or other window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Condominium Board or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any windows of any Residential Unit be colored or painted.

16. No ventilator or air conditioning device shall be installed in any Residential Unit or its appurtenant Residential Limited Common Elements, if any, without the prior written approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

17. No radio or television aerial shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement, or illumination (including, without limitation, "For Sale," "For Lease," or "For Rent" signs) shall be inscribed or exposed on or at any window or other part of the Building, except such as are permitted pursuant to the terms of Declaration and/or the By-laws or shall

have been approved in writing by the Condominium Board or the Managing Agent. Nothing shall be projected from any window of a Residential Unit without similar approval.

18. 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.

19. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of the Residential Unit.

20. Each Residential Unit Owner shall keep the Residential Unit and its appurtenant Residential Limited Common Elements, if any, in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-laws.

21. The agents of the Condominium Board or the Managing Agent, and any contractor or workperson authorized by the Condominium Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least 1 day's prior notice to the Residential Unit Owner, for the purpose of inspecting such Residential Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

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

23. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by an agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for the Residential Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Residential Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as provided in Rule 22 above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

24. Residential Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever, enter upon, or attempt to enter upon, the roof of the Building unless such roof is part of a lawful terrace.

25. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

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

27. No Residential Unit Owner shall install any plantings on any Terrace or roof without the prior written approval of the Condominium Board. Plantings shall be placed in containers impervious to dampness and standing on supports at least two inches from the Terrace or roof surface, and if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the containers to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in containers which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such Terrace or roof but shall stand on supports at least two inches above such surface. No planting shall be permanently affixed to a Terrace or roof surface but shall be able to be easily moved. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary by or damage caused by such plantings. The Condominium Board shall have an easement and a right of access to the Terrace appurtenant to the a Unit to inspect the same and to remove violations therefrom and to install, operate, maintain, repair, alter, build, restore, and replace any of the Common Elements located in, over, under through, adjacent to, or upon the same.

28. No Residential Unit Owner shall enclose, erect a greenhouse and/or alter the Terrace appurtenant to a Residential Unit in any way, without the prior written consent of the Condominium Board.

29. No Residential Unit Owner may install or place speakers on a Terrace appurtenant to a Residential Unit.

30. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board and the Managing Agent.

31. When leaving the Residential Unit for extended periods of time, Residential Unit Owners and their respective Family Members, guests, domestic employees, agents, visitors, or licensees shall keep the Residential Unit at a maximum of 80 degrees Fahrenheit from May 15 to October 15 and shall keep the Residential Unit at a minimum of 60 degrees Fahrenheit from October 15 to May 15. Any damage resulting from a Residential Unit Owner's or their respective Family Member, guests, domestic employees, agents, visitors or licensees failure to abide by the provisions of this paragraph shall be borne solely by the owner of such Residential Unit causing the damage.

32. No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to its residents or interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive, or unlawful use shall be made of the Property or any portion thereof, and all valid Laws relating to any portion of the Property shall be complied with at the sole cost and expense of the respective Unit Owners or the Condominium, whoever shall have the obligation to maintain or repair such part of the Property.

33. Any installations, replacements, and/or repairs in connection with legally-compliant window guards and/or window stops in any Residential Unit shall be performed at the direction of the Managing Agent and all costs associated therewith shall be charged to and borne solely by the Residential Unit Owner. It is the responsibility of each Residential Unit Owner to (i) notify the Managing Agent in writing if any child under the age of 11 years resides (even temporarily) in the Residential Unit, (ii) to make the necessary arrangements with respect to the installation, repair, replacement, operation, and/or

maintenance of legally-compliant window guards and/or window stops in the Residential Unit and/or any additional equipment as required by Law, and (iii) to otherwise ensure that all operable windows located in the Residential Unit comply with Law.

34. Residential Unit Owners and their respective Family Members, guests, domestic employees, employees, agents, visitors, or licensees shall abide by any additional rules and regulations adopted by the Condominium Board.

EXHIBIT E

TO THE DECLARATION

UNIT POWER OF ATTORNEY

UNIT POWER OF ATTORNEY

Terms used in this Unit Power of Attorney which are used (a) in the declaration ("Declaration") establishing a plan for condominium ownership of the premises known as the 500 Waverly Condominium ("Condominium") and by the street number 500 Waverly Avenue, Brooklyn, New York 11238 under Article 9-B of the Real Property Law of the State of New York, dated _____, and recorded in the Office of the Register of The City of New York of the County of Kings ("Register's Office") on _____ as CRFN# _____ ("Declaration"), or (b) in the By-Laws of 500 Waverly Condominium ("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.

[Applicable to Unit Owners of Residential Units only]: The undersigned, _____, (having an office) (residing at) _____, the owner of a Unit _____ ("Unit") in the Condominium which is designated and described as the Unit in the Declaration and also designated as Tax Lot _____ in Block 2011 of the Borough of Brooklyn on the Tax Map of the Department of Finance of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, 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 Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-laws then in effect, to:

(a) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and commencing, pursuing, appealing, settling and/or terminating administration and tax certiorari proceedings on behalf of the Residential Unit Owners for the reduction of the assessed valuation of their Residential Units, such Residential Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire, lease or license any Residential Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, sublease or surrender the same or acquire any Residential Unit, together with its Appurtenant Interests that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners;

(c) acquire, mortgage, lease, sublease, license, convey or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Residential Unit so acquired or to sublease any Residential Unit so leased;

(d) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Property or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which the Condominium Board deems necessary or appropriate or (3) any protest and tax certiorari proceeding documentation affecting Residential Units.

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

[Applicable to Unit Owners of Residential Units and Non-Residential Units]: The undersigned, _____, (having an office) (residing at) _____, the owner of a Unit _____ ("Unit") in the Condominium

which is designated and described as the Unit in the Declaration and also designated as Tax Lot _____ in Block 2011 of the Borough of Brooklyn on the Department of Finance of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint 500 Waverly Property Owner, L.L.C. ("Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to:

(a) amend the Condominium Documents pursuant to the terms thereof, and to effectuate the rights of Sponsor under the Condominium Documents, including without limitation, when such amendment (1) shall be required to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interests of the affected Unsold Residential Units resulting therefrom made by Sponsor in accordance with the Declaration, or (2) shall be required by (a) an Institutional Lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Residential Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Residential Unit; or (3) shall be required to correct any inconsistencies or scriveners' errors in the Declaration, the By-Laws and/or the Floor Plans; or (4) relinquish Sponsor's rights under the Condominium Documents, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material, physical modification to the Undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as (i) Sponsor shall cease to own any Unit in the Condominium; (ii) Sponsor has completed all of its obligations under the terms of the Offering Plan; and (iii) a Permanent Certificate of Occupancy has been issued for the Property; and

(b) to effectuate Sponsor's and/or Development Rights Owner's utilization, sale or transfer of all or any portion of the Excess Development Rights, as set forth in the Declaration.

This Power of Attorney shall be irrevocable.

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

_____

(ACKNOWLEDGEMENT)

EXHIBIT F

TO THE DECLARATION

COMMON EXPENSE ALLOCATIONS

SCHEDULE B EXPENSES						
Expense Item	**Total Expenses**	**Method of Allocation**	**Residential Units**	**Retail A**	**Garage**	**Total**
COMMON INTERST PERCENTAGE			76.60%	16.65%	6.76%	**100.00%**
LABOR AND BENEFITS	233,490	See Labor Schedule	216,354	12,188	4,948	233,490
ELECTRIC	8,395	100% Residential	8,395	N/A	N/A	8,395
HEAT/HOT WATER & COOKING (GAS)	26,705	100% Residential	26,705	N/A	N/A	26,705
WATER AND SEWER	25,796	100% Residential	25,796	N/A	N/A	25,796
REPAIRS	24,500	See Repair Schedule	23,330	832	338	24,500
SERVICE CONTRACTS	72,300	See Service Contract Schedule	69,983	1,648	669	72,300
INSURANCE	52,750	% of Common Interest	40,404	8,781	3,565	52,750
MANAGEMENT	37,500	% of Common Interest	28,723	6,242	2,534	37,500
ADMINISTRATION	15,000	% of Common Interest	11,489	2,497	1,014	15,000
OTHER	15,000	% of Common Interest	11,489	2,497	1,014	15,000
CONTINGENCY	20,000	% of Common Interest	15,319	3,329	1,352	20,000
Sub-Total	**531,436**		**477,988**	**38,015**	**15,434**	**531,436**
REPLACEMENT RESERVE	24 000	% of Common Interest	18 383	3 995	1 622	24 000
Storage Unit License Fee	**(8,964)**		(8 964)			(8 964)
Total Common Charges	**555,436**		**487,407**	**42,010**	**17,056**	**546,472**

SERVICE CONTRACTS						
Expense Item	**Total Expenses**	**Method of Allocation**	**Residential Units**	**Retail A**	**Garage**	**Total**
COMMON INTERST PERCENTAGE			76.60%	16.65%	6.76%	**100.00%**
Elevator	14,400	100% Residential	14,400	N/A	N/A	14,400
Exterminating	2,000	% of Common Interest	1,532	333	135	2,000
Fire Extinguishers	500	% of Common Interest	383	83	34	500
Landscaping	2,500	100% Residential	2,500	N/A	N/A	2,500
Flowers	5,000	100% Residential	5,000	N/A	N/A	5,000
Fire Alarm (Protection)	5,000	% of Common Interest	3,830	832	338	5,000
Central Station Monitoring	1,200	% of Common Interest	919	200	81	1,200
Sprinkler	1,200	% of Common Interest	919	200	81	1,200
Supplies	10,000	100% Residential	10,000	N/A	N/A	10,000
HVAC	10,000	100% Residential	10,000	N/A	N/A	10,000
Sub-Metering	3,000	100% Residential	3,000	N/A	N/A	3,000
Telephone/Beeper/Mobile	7,500	100% Residential	7,500	N/A	N/A	7,500
Gym Equipment Lease	5,000	100% Residential	5,000	N/A	N/A	5,000
Affordable Agent	5,000	100% Residential	5,000	N/A	N/A	5,000
Total	**72,300**		**69,983**	**1,648**	**669**	**72,300**

REPAIR AND MAINTENANCE EXPENSE						
Expense Item	**Total Expenses**	**Method of Allocation**	**Residential Units**	**Retail A**	**Garage**	**Total**
COMMON INTERST PERCENTAGE			76.60%	16.65%	6.76%	**100.00%**
Supplies	10,000	100% Residential	10,000	N/A	N/A	10,000
Plumbing	2,000	100% Residential	2,000	N/A	N/A	2,000
Electrical	2,000	100% Residential	2,000	N/A	N/A	2,000
Elevators	1,000	100% Residential	1,000	N/A	N/A	1,000
Intercom	1,000	100% Residential	1,000	N/A	N/A	1,000
Windows/Locks/Doors	1,000	100% Residential	1,000	N/A	N/A	1,000
General Repairs	5,000	% of Common Interest	3,830	832	338	5,000
Plastering and Painting	2,500	100% Residential	2,500	N/A	N/A	2,500
Total	**24,500**		**23,330**	**832**	**338**	**24,500**

LABOR EXPENSE						
Expense Item	**Total Expenses**	**Method of Allocation**	**Residential Units**	**Retail A**	**Garage**	**Total**
COMMON INTERST PERCENTAGE			76.60%	16.65%	6.76%	**100.00%**
Super	73,216	% of Common Interest	56,080	12,188	4,948	73,216
Porter	37,752	100% Residential	37,752	N/A	N/A	37,752
Concierge	122,522	100% Residential	122,522	N/A	N/A	122,522
Total	**233,490**		**216,354**	**12,188**	**4,948**	**233,490**

UNIT OWNER'S SPECIMEN TITLE POLICY

DRAFT DRAFT

Form No. 1402.06
ALTA Owner's Policy (6-17-06)
1100302P050600



Policy Number: Y 3020-683899
SPECIMEN

OWNER'S POLICY OF TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a Nebraska corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
   (a) A defect in the Title caused by
      (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
      (ii) failure of any person or Entity to have authorized a transfer or conveyance;
      (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
      (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
      (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
      (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
      (vii) a defective judicial or administrative proceeding.
   (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
   (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (a) the occupancy, use, or enjoyment of the Land;
   (b) the character, dimensions, or location of any improvement erected on the Land;
   (c) the subdivision of land; or
   (d) environmental protection

   if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective
   (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
   (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
      (i) to be timely, or
      (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

First American Title Insurance Company

Dennis J. Gilmore
President

Jeffrey S. Robinson
Secretary

DRAFT DRAFT

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.
(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
(c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
(d) "Insured": The Insured named in Schedule A.
   (i) The term "Insured" also includes
      (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
      (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
      (C) successors to an Insured by its conversion to another kind of Entity;
      (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
         (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
         (2) if the grantee wholly owns the named Insured,
         (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
         (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.
   (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.
(e) "Insured Claimant": An Insured claiming loss or damage.
(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.
(j) "Title": The estate or interest described in Schedule A.
(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.
(b) The Company shall have the right, in addition to the options contained in

Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.
To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.
Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.
(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of
(i) the Amount of Insurance; or
(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,
(i) the Amount of Insurance shall be increased by 10%, and
(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.
If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefore in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located. Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at 1 First American Way, Santa Ana, CA 92707, Attn: Claims Department.

POLICY OF TITLE INSURANCE



SCHEDULE A

First American Title Insurance Company

Name and Address of the issuing Title Insurance Company:
First American Title Insurance Company
666 Third Avenue, 5th Floor
New York, NY 10017

Policy No.: **Y 3020-683899 SPECIMEN**
Address Reference: 500 Waverly Avenue, Unit To Be Formed, Condominium To Be Formed, Brooklyn, NY 11238 **(For Information Only)**
Amount of Insurance: $_____
Date of Policy: __/__/_____

1. Name of Insured:

   _____

2. The estate or interest in the Land that is insured by this policy is:

   Fee Simple

3. Title is vested in:

   _____ by means of a deed made by 500 WAVERLY PROPERTY OWNER, L.L.C. dated __/__/_____ and being duly recorded in the Office of the New York City Register.

4. The Land referred to in this policy is described as follows:

   Real property in the City of Brooklyn, County of Kings, State of New York, described as follows:

   THE CONDOMINIUM UNIT (THE "UNIT") KNOWN AS UNIT NO. ____ IN THE BUILDING DESIGNATED AS THE _____CONDOMINIUM IN THE 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 AS OF __/__/2014 AND RECORDED IN THE OFFICE OF THE REGISTER OF KINGS COUNTY (THE "REGISTER'S OFFICE") ON __/__/2014 AS CRFN _____, ALSO DESIGNATED AS TAX LOT _____, IN BLOCK 2011, OF THE BOROUGH OF BROOKLYN ON THE TAX MAP OF THE DEPARTMENT OF FINANCE OF THE CITY OF NEW YORK AND ON THE FLOOR PLANS OF SAID BUILDING, CERTIFIED BY _____, REGISTERED ARCHITECT, ON __/__/2014 AND FILED WITH THE DEPARTMENT OF FINANCE OF THE CITY OF NEW YORK ON __/__/2014 AS CONDOMINIUM PLAN NO. _____, AND ALSO FILED IN THE CITY REGISTER'S OFFICE ON __/__/2014 AS MAP NO. CRFN _____.

   TOGETHER WITH A TOTAL UNDIVIDED _____% INTEREST, IN THE COMMON ELEMENTS (AS SUCH TERM IS DEFINED IN THE DECLARATION).

   THE PREMISES WITHIN WHICH THE UNIT IS LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

   ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH OF BROOKLYN, COUNTY OF KINGS, CITY AND STATE OF NEW YORK BOUNDED AND DESCRIBED AS FOLLOWS:

   BEGINNING AT THE CORNER FORMED BY THE INTERSECTION OF THE WESTERLY SIDE OF

WAVERLY AVENUE, WITH THE SOUTHWESTERLY SIDE OF FULTON STREET;

RUNNING THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY SIDE OF FULTON STREET, 105 FEET 9 INCHES (105 FEET 10 INCHES TAX MAP);

THENCE WESTERLY 3 FEET 4 INCHES;

THENCE SOUTHERLY AND PARALLEL WITH WAVERLY AVENUE 100 FEET;

THENCE EASTERLY 20 FEET;

THENCE SOUTHERLY AND AGAIN PARALLEL WITH WAVERLY AVENUE 50 FEET;

THENCE EASTERLY TO THE WESTERLY SIDE OF WAVERLY AVENUE 80 FEET;

THENCE NORTHERLY ALONG THE WESTERLY SIDE OF WAVERLY AVENUE 107 FEET 1 ½ INCHES TO THE POINT OR PLACE OF BEGINNING.

SCHEDULE B

Policy No.: **Y 3020-683899 SPECIMEN**

EXCEPTIONS FROM COVERAGE

This Policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

1. AS TO THE BUILDING: Any state of facts which a guaranteed survey of current date would disclose.

   AS TO THE UNIT: With respect to Condominium Unit No. ____, the title to which is to be insured herein, policy excepts any state of facts which an accurate survey would disclose. Policy insures, however, that any encroachment of the Unit onto other Units or onto any part of the common elements may remain undisturbed as long as the Unit insured hereunder exists.

2. Terms, Restrictions and Conditions set forth in the Declaration of Condominium and By - Laws of the _____ Condominium dated __/__/2014, recorded __/__/2014 in(as) CRFN _____; but the Policy insures against loss or damage occasioned by the premises not being a part of a Condominium validly created pursuant to Article 9-B of the Real Property Law, as amended.

3. Power of Attorney to the Board of Managers of the _____ Condominium, and their successors in office dated __/__/2014 and to be recorded in the office of the City Register, Kings County, as provided in the Declaration and By - Laws of the _____ Condominium.

4. Real Estate Taxes to be allocated to each condominium unit.

5. Terms, covenants and conditions contained in Regulatory Agreement made between 500 Waverly Property Owner, L.L.C. and the City of New York, acting by and through its Department of Housing Preservation and Development dated as of 05/19/2015 and recorded 05/27/2015 in(as) CRFN 2015000176820.

First American

STANDARD NEW YORK ENDORSEMENT
(OWNER'S POLICY)

Issued by

First American Title Insurance Company

Attached to and made part of Policy No.: Y 3020-683899 SPECIMEN

1. The following is added as a Covered Risk:

   "11. Any statutory lien arising under Article 2 of the New York Lien Law for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

2. Exclusion Number 5 is deleted, and the following is substituted:

   5. Any lien on the Title for real estate taxes, assessments, water charges or sewer rents imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as Shown in Schedule A.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: __/__/____

First American Title Insurance Company

Dennis J. Gilmore
President

Jeffrey S. Robinson
Secretary

By:

Authorized Countersignature

FORM W-8
(CERTIFICATION OF FOREIGN STATUS)

Form **W-8BEN**

(Rev. February 2014)

Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)

▶ **For use by individuals. Entities must use Form W-8BEN-E.**
▶ **Information about Form W-8BEN and its separate instructions is at *www.irs.gov/formw8ben.***
▶ **Give this form to the withholding agent or payer. Do not send to the IRS.**

OMB No. 1545-1621

Do NOT use this form if:	**Instead, use Form:**
• You are NOT an individual	W-8BEN-E
• You are a U.S. citizen or other U.S. person, including a resident alien individual	W-9
• You are a beneficial owner claiming that income is effectively connected with the conduct of trade or business within the U.S. (other than personal services)	W-8ECI
• You are a beneficial owner who is receiving compensation for personal services performed in the United States	8233 or W-4
• A person acting as an intermediary	W-8IMY

Part I Identification of Beneficial Owner (see instructions)

1 Name of individual who is the beneficial owner

2 Country of citizenship

3 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.

Country

4 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country

5 U.S. taxpayer identification number (SSN or ITIN), if required (see instructions)

6 Foreign tax identifying number (see instructions)

7 Reference number(s) (see instructions)

8 Date of birth (MM-DD-YYYY) (see instructions)

Part II Claim of Tax Treaty Benefits (for chapter 3 purposes only) (see instructions)

9 I certify that the beneficial owner is a resident of _____ within the meaning of the income tax treaty between the United States and that country.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article _____ of the treaty identified on line 9 above to claim a _____ % rate of withholding on (specify type of income): _____

_____

Explain the reasons the beneficial owner meets the terms of the treaty article: _____

_____

Part III Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- I am the individual that is the beneficial owner (or am authorized to sign for the individual that is the beneficial owner) of all the income to which this form relates or am using this form to document myself as an individual that is an owner or account holder of a foreign financial institution,
- The person named on line 1 of this form is not a U.S. person,
- The income to which this form relates is:

  (a) not effectively connected with the conduct of a trade or business in the United States,

  (b) effectively connected but is not subject to tax under an applicable income tax treaty, or

  (c) the partner's share of a partnership's effectively connected income,
- The person named on line 1 of this form is a resident of the treaty country listed on line 9 of the form (if any) within the meaning of the income tax treaty between the United States and that country, and
- For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner. **I agree that I will submit a new form within 30 days if any certification made on this form becomes incorrect.**

Sign Here ▶ _____ _____

Signature of beneficial owner (or individual authorized to sign for beneficial owner) Date (MM-DD-YYYY)

_____ _____

Print name of signer Capacity in which acting (if form is not signed by beneficial owner)

FORM W-9
(REQUEST FOR TAXPAYER IDENTIFICATION NUMBER)

Form **W-9**
(Rev. December 2014)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification; check only **one** of the following seven boxes:
☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate
☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____
Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.
☐ Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
Exempt payee code (if any) _____
Exemption from FATCA reporting code (if any) _____
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number
___ - ___ - ____

or

Employer identification number
__ - _____

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here | **Signature of U.S. person** ▶ | **Date** ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at *www.irs.gov/fw9*.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

ESCROW AGREEMENT

ESCROW AGREEMENT
(re: Deposits)

ESCROW AGREEMENT ("Agreement") made this _____ day of _____, 2015 between **500 Waverly Property Owner, L.L.C.** ("Sponsor"), as Sponsor under the Offering Plan for the premises 500 Waverly Avenue, Brooklyn, New York 11238, and **Seiden & Schein, P.C.** ("Escrow Agent"), as escrow agent.

WHEREAS, Sponsor is the Sponsor under the Condominium Offering Plan for the premises located at 500 Waverly Avenue, Brooklyn, New York 11238 (the "Offering Plan"); and

WHEREAS, Escrow Agent is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, Sponsor desires that Escrow Agent act as escrow agent for deposits and payments by Purchasers under the Offering Plan (singularly, a "Purchaser" and collectively, "Purchasers"), pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 Sponsor and Escrow Agent hereby establish an escrow account (the "Escrow Account") with Escrow Agent for the purpose of holding deposits or payments made by Purchasers. The Escrow Account has been opened with Citibank, N.A. (the "Bank") at its branch located at 399 Park Avenue, New York, NY 10022. The account number is [redacted].

1.2 The name of the Escrow Account is SEIDEN & SCHEIN, P.C. ATTORNEY ESCROW ACCOUNT.

1.3 Jay G. Seiden, Esq., Alvin Schein, Esq. and Adam A. Levenson, Esq., are the sole signatories on the Escrow Account. Each designated signatory is admitted to practice law in the State of New York and have an address at 570 Lexington Avenue, New York, New York 10022, and a telephone number of (212) 935-1400.

1.4 Neither Escrow Agent nor any authorized signatory on the Escrow Account are the Sponsor, Selling Agent or Managing Agent (as those terms are defined in the Plan).

1.5 The Escrow Account shall be an interest-bearing account as disclosed in the Offering Plan.

1.6 The Escrow Account is not an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All deposits tendered by Purchasers prior to closing shall be in the form of a check, which identifies the Purchaser, and shall be deposited in the Escrow Account. All instruments to be deposited into the Escrow Account shall be made payable to the order of SEIDEN & SCHEIN, P.C. AS ESCROW AGENT. In the event that the deposit check is dishonored, the Purchase Agreement shall be deemed to be terminated.

2.2 Within five (5) business days after the Purchase Agreement has been executed by a Purchaser, Sponsor and Escrow Agent, Escrow Agent shall deposit the deposit and any Unit Upgrade Fund deposit (the "Deposits") in the Escrow Account (the "Escrowed Funds"). Within ten (10) business days after the Deposits have been placed into the Escrow Account, Escrow Agent shall send written notice to the Purchaser and Sponsor. The notice shall provide the account number and the initial interest rate. Any Unit Upgrade Fund deposit shall be initially deposited into the Escrow Account and then released in accordance with the terms of an applicable Purchase Agreement. If the Purchaser does not receive notification of such Deposits within fifteen (15) business days after tender of the Purchase Agreement and the Deposits to the Escrow Agent, the Purchaser will have the right to cancel the Purchase Agreement and rescind within ninety (90) days after tender of the Purchase Agreement and Deposits, or the Purchaser may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Escrowed Funds were timely deposited in accordance with the New York State Department of Law's regulations and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS.

3.1 Escrow Agent shall not release the Escrowed Funds of a defaulting Purchaser until after consummation of the Offering Plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve Sponsor of its fiduciary obligations pursuant to GBL Section 352-h.

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

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

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

3.3 If the Escrow Agent is not directed to release the Escrowed Funds pursuant to Paragraph 3.2 (a) through (d), above, and the Escrow Agent receives a request by either the Purchaser or Sponsor to release the Escrowed Funds, 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 (the "30 Day Escrow Notice"). In the event of a Purchaser default under the terms of a Purchase Agreement, the 30 Day Escrow Notice shall not be delivered to such Purchaser until after the expiration of the Purchaser's thirty (30) day default cure period (time being of the essence), as provided in the Purchase Agreement. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the

expiration of the 30 Day Escrow Notice, the Deposit and shall be released to Sponsor or to the Purchaser, as the case may be, 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 the Sponsor or the Purchaser objecting to the release of the Deposit within the thirty (30) day period pursuant to the 30 Day Escrow Notice, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to Paragraphs 3.2 (a) through (d), 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 New York County Clerk and shall give written notice to both parties of such deposit.

3.4 Sponsor shall not object to the release of the Escrowed Funds to a Purchaser who timely rescinds in accordance with an offer of rescission contained in an amendment to the Plan, as described in the Plan or to all Purchasers after an amendment abandoning the Plan is accepted.

4. RECORDKEEPING.

4.1 Escrow Agent shall maintain all records concerning the Escrow Account for seven years after release of the Escrowed Funds.

4.2 Upon the dissolution of a 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 Department of Law of such transfer.

4.3 Escrow Agent shall make available to the Attorney General, upon his 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 Accounts called for in this Agreement under the direct supervision and control of Escrow Agent.

5.2 A fiduciary relationship shall exist between Escrow Agent and Purchasers, and Escrow Agent acknowledges its fiduciary obligations.

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 with respect to the form, execution or validity thereof.

5.4 Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with 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 attorney's fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

6. RESPONSIBILITIES OF SPONSOR.

6.1 Sponsor agrees that Sponsor and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to Escrow Agent.

6.2 Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled, by either:

(a) Written notice given by Sponsor to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or

(b) The resignation of Escrow Agent upon giving notice to Sponsor of its desire to so resign which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or

(c) All Units offered pursuant to the Offering Plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of Escrow Agent as described in paragraph 7.1 above, Escrow Agent shall deliver any and all Escrowed Funds held by it in escrow and any and all contracts or documents maintained by Escrow Agent to the successor escrow agent.

8. SUCCESSORS AND ASSIGNS.

8.1 This Agreement shall be binding upon Sponsor and Escrow Agent and their successors and assigns.

9. GOVERNING LAW.

9.1 This Agreement shall be construed m accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

10.1 Sponsor agrees that Escrow Agent's compensation shall not be paid from Escrowed Funds nor from any interest accruing thereon and that compensation to Escrow Agent, if any, shall not deducted from the Escrowed Funds by any financial institution under any circumstance.

11. SEVERABILITY.

11.1 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. ENTIRE AGREEMENT.

12.1 This Agreement, read together with GBL Section 352-e (2-b) and 352-h and the Attorney General'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.

SEIDEN & SCHEIN, P.C.

By: _____
Alvin Schein
Authorized Signatory

500 WAVERLY PROPERTY OWNER, L.L.C.

By: 500 Waverly, L.L.C.,
its managing member

By: Orange Waverly, LLC,
its operating member

By: _____
Name: Andrew Bradfield
Title: Sole Member

CERTIFICATION OF SPONSOR AND PRINCIPAL

CERTIFICATION OF SPONSOR AND PRINCIPAL

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

Re: Condominium Offering Plan
500 Waverly Avenue Condominium
500 Waverly Avenue
Brooklyn, New York 11238

We are the Sponsor and the principal of the sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the 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 Application and the underlying facts. We have exercised due diligence to form a basis for making this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we:
- (a) knew the truth;
- (b) with reasonable effort could have known the truth;
- (c) made no reasonable effort to ascertain the truth; or
- (d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons from whom interest is solicited. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

SPONSOR:

500 Waverly Property Owner, L.L.C.

By: 500 Waverly, L.L.C.,
its sole member

By: Orange Waverly, LLC,
its operating member

By: _____
Name: Andrew Bradfield
Title: Managing Member

PRINCIPAL OF SPONSOR:

_____
Andrew Bradfield

Severally sworn to before me this
13rd day of April, 2016

_____
Notary Public

Richard Diego
NOTARY PUBLIC, STATE OF NEW YORK
No. 01DI6205425
Qualified in Kings County
Commission Expires July 22, 2017

CERTIFICATION OF ARCHITECT

PART 20: CERTIFICATION OF ARCHITECT
RE: NEWLY CONSTRUCTED OR VACANT UNITS

(Original Report – New Construction)

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

Re: Condominium Offering Plan
500 Waverly Condominium
500 Waverly Avenue
Brooklyn, New York 11238

The sponsor of the condominium offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction of the property (the "Report"). The building plans and specifications were prepared by GKV Architects dated 04/20/15 Issue for Construction and prepared the Report dated 03/14/16, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are registered architects in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

(vii) does not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

GERNER KRONICK + VALCARCEL, ARCHITECTS

By: _____

Name: Randy Gerner

Title: PRINCIPAL

REGISTERED ARCHITECT
RANDOLPH H. GERNER
No. 015360
STATE OF NEW YORK

(Architect's Seal)

Sworn to before me this
14 day of MARCH 2016

Elizabeth Maruggio

Notary Public

ELIZABETH MARUGGIO
Notary Public, State of New York
No. 01MA4853432
Qualified in New York County
Commission Expires 2/23/19

CERTIFICATION OF BUDGET EXPERT

FirstService
RESIDENTIAL

PART 20: CERTIFICATION BY EXPERT AS TO
ADEQUACY OF CONDOMINIUM BUDGET

January 20, 2016

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

Re: Condominium Offering Plan
500 Waverly Condominium
500 Waverly Avenue
Brooklyn, New York 11238

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedules B and review Schedule B-1 (collectively, "Schedules") containing projections of income and expenses for the first year of condominium operation. The undersigned, FirstService Residential New York, Inc., is a licensed real estate brokerage/management firm in the State of New York. FirstService Residential New York, Inc. has been engaged in the management of over 250 condominium, cooperative and residential rental properties over the course of 25 years.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Schedules.

We have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in the Schedules appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedules:

(i) set forth in detail the projected income and expenses for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

622 Third Avenue | New York, NY 10017
Tel 212.634.8900 | Fax 212.634.3946
www.fsresidential.com

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income or expenses for the first year of condominium operation. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

FirstService Residential New York, Inc.

By: _____

Name: Marc Kotler
Title: Senior Vice President
New Development Group

Sworn to before me this
20th day of January 2016

_____
Notary Public

Brooke Rosenthal
Notary Public - State of New York
NO. 01RO6072178
Qualified in Nassau County
Commission Expires April 1, 2017

FirstService
RESIDENTIAL

CERTIFICATION OF BUDGET EXPERT
AS TO ADEQUACY OF COMMON CHARGES
PAYABLE BY THE NON-RESIDENTIAL UNIT OWNERS

FirstService
RESIDENTIAL

PART 20: CERTIFICATION BY EXPERT CONCERNING ADEQUACY OF
COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNER(S)

January 20, 2016

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

Re: Condominium Offering Plan
500 Waverly Condominium
500 Waverly Avenue
Brooklyn, New York 11238

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B which includes projections of common charges payable by the owners of the commercial units. The undersigned, FirstService Residential New York, Inc., is a licensed real estate brokerage/management firm in the State of New York. FirstService Residential New York, Inc. has been engaged in the management of over 250 of condominium, cooperative and residential rental properties over the course of 25 years, many of which contain commercial property.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the commercial units listed in Schedule B.

We have reviewed Schedule B as it impacts upon the commercial units and investigated the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule B for the common charges payable by the owners of the commercial units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial units for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial units also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in Schedule B for the common charges payable by the owners of the commercial units:

(i) sets forth in detail the projected common charges for the commercial units for the first year of condominium operation;

622 Third Avenue | New York, NY 10017
Tel 212.634.8900 | Fax 212.634.3946
www.fsresidential.com

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial units;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial units for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

FirstService Residential New York, Inc.

By: _____

Name: Marc Kotler
Title: Senior Vice President
New Development Group

Sworn to before me this
20 day of January 2016

_____
Notary Public

Brooke Rosenthal
Notary Public - State of New York
NO. 01RO6072178
Qualified in Nassau County
Commission Expires April 1, 2017

FirstService
RESIDENTIAL

REAL PROPERTY LAW SECTION 339-kk

NEW YORK REAL PROPERTY LAW § 339-kk

§ 339-kk. Rents.

(a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the Common Charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for Common Charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers have been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for Common Charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three Business Days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

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

§HISTORY: Add, L 1998, ch 422, § 3, eff July 22, 1998 (see 1998 note below).

EDITOR'S NOTES:

Laws 1998, ch 422, §§ 4, 5, eff July 22, 1998, provide as follows:

§ 4. This act may be enforced by any party by means of a special proceeding brought pursuant to article 4 of the civil practice law and rules.

§5. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

REGULATORY AGREEMENT

3020 - 724203

REGULATORY AGREEMENT

AGREEMENT made as of this 11th day of May, 2015, between 500 Waverly Property Owner, L.L.C., a Delaware limited liability company formed pursuant to the laws of the State of Delaware, ("Applicant"), having an office at 350 Seventh Avenue, 16th Floor, New York, New York 10001, and the City of New York (the "City"), a municipal corporation acting by and through its Department of Housing Preservation and Development ("Department"), having an office at 100 Gold Street, Ninth Floor, New York, NY 10038.

WHEREAS, Applicant is owner in fee simple of the premises located in the County of Kings, City and State of New York, known as and by the street address **500 Waverly Avenue**, identified as **Block 2011**, **Lot 30** on the Tax Map of the City (as improved pursuant to this Regulatory Agreement), (the "Premises"), more particularly described in Exhibit A attached hereto and made a part hereof, and intends to construct improvements on such Premises, which improvements will constitute Affordable Housing within the meaning of Section 23-911 of the New York City Zoning Resolution (the "Resolution") and the Inclusionary Housing Program Guidelines (the "Guidelines") (the Guidelines and Resolution are collectively referred to as the "Program"); and

WHEREAS, the Department has been duly authorized to administer the Program, including the execution of a Regulatory Agreement between the Department and Applicant for Floor Area Compensation under the Program (the "Agreement"); and

WHEREAS, Applicant has filed with the Department an Affordable Housing Plan (the "Plan") pursuant to Section 23-961(d) of the Resolution, attached hereto and made a part hereof as Exhibit B (the "Plan"), and the Department has evaluated and approved the Plan as such terms and requirements of the Plan are reflected in this Agreement; and

WHEREAS, Applicant intends to provide Low Income Floor Area (as defined in Section 23-911 of the Resolution (the "Affordable Housing Units") to be affordable to and occupied by families having less than or equal to the Low Income Limit in order to enable one or more new multiple dwellings (the "Compensated Development(s)"), to be eligible under the Program for Floor Area Compensation pursuant to Section 23-951 (R10) or Section 23-952 (Inclusionary Housing designated areas) of the Resolution; and

WHEREAS, Applicant will establish the Premises as a multi-use condominium project, submitting the Premises to a declaration of condominium which shall consist of terms and conditions in form and substance acceptable to the Department (said declaration, together with the by-laws ("By-laws") and other exhibits and schedules attached thereto, as same may be amended from time to time, collectively the "Declaration"); and

WHEREAS, the Declaration will establish a condominium regime (the "Condominium") comprised of: (i) forty-eight (48) residential condominium units (collectively, the "Residential Units") of which (A) eleven (11) will be Affordable Housing Units, as defined below, together with any such appurtenant common elements and operating systems necessary to the operation and maintenance thereof; and (B) thirty-seven (37) will be market rate condominium units (collectively, the "Market Rate Units and (ii) two (2) non-residential condominium unit containing approximately 7,071 square feet of ground floor commercial space (the "Commercial Unit") and a parking garage (the "Garage"; together with the Commercial Unit, the Affordable Units and the Market Rate Units, the "Condominium"); and

WHEREAS, Applicant intends to offer the Affordable Housing Units for sale as condominium apartments, to be affordable to and occupied by families having incomes equal to or less than the Low Income Limit; and

WHEREAS, this Agreement will be incorporated by reference into the Declaration and the Plan and is an enforceable part of both the Declaration and the Plan; and

WHEREAS, the Department has been duly authorized to administer the Program, including the execution of a Regulatory Agreement between the Department and Applicant for Floor Area Compensation under the Program (the "Agreement"); and

WHEREAS, the parties hereto wish to enter into this Agreement to set forth the rights and obligations hereunder.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, it is hereby agreed as follows:

1. Capitalized terms not specifically defined herein shall have the meaning set forth in the Program.

2. (i) Applicant shall submit the Declaration to the Department, with all exhibits thereto, for review and approval prior to submission to the New York State Attorney General's Office and prior to recording of the Declaration with the Office of the City Register in the County of Kings ("Recordation Date") and, after such review and approval, the Program requirements contained in the Declaration shall not be modified without prior written approval of the Department.

3. Applicant will create, through new construction eleven (11) Affordable Housing Units pursuant to the building plans submitted to and approved by the Department ("Building Plans"), located at the Premises (the "Building"). Attached hereto as part of Exhibit C, is list identifying each Affordable Housing Unit. The eleven (11) Affordable Housing Units will consist of (11) eleven of units to be occupied by Low Income Households, as defined in the Resolution which will permit Floor Area Compensation in conformance with the Resolution.

4. The authority pursuant to the Resolution to create additional Floor Area in Compensated Development(s), granted in accordance with this Agreement, may be transferred by Applicant or by whomever Applicant directs the Department, in writing, to receive such transfer authority, subject to the geographic and zoning limitations set forth in the Resolution and subject to the requirements of the Program.

5. The parties hereto agree that the site of the subject Affordable Housing Units is eligible for the construction of Low Income Floor Area pursuant to the Program and the requirements of Sections 23-90 (Inclusionary Housing), inclusive of the Resolution and based on an opinion of counsel, the site meets the requirements of RPTL §421-a. The parties also agree that Applicant shall complete the subject Affordable Housing Units application for tax exemption under the RPTL §421-a, unless the Department has waived, in writing, the necessity for such exemption. The parties hereto further agree that (a) Applicant shall not permit the Building Plans to be professionally certified to the City of New York Department of Buildings ("DOB") and (b) Applicant shall submit such Building Plans to a DOB plan examiner for review, and (c) applicable zoning calculations

also shall be approved by a DOB plan examiner, and (d) construction of Affordable Housing Units, as described in the request, is in accordance with the Program requirements and with the Building Plans, with respect to the Affordable Housing Units, (which Program requirements and Building Plans are collectively defined as "Construction Requirements"). The Construction Requirements shall not be altered without the Department's written approval.

Applicant shall complete the construction of the Affordable Housing Units within three (3) years from the date of this Agreement ("Completion Deadline"). The construction of the Affordable Housing Units shall be deemed complete upon the Department's issuance, for presentation to the DOB, of a Certificate of Completion of Affordable Housing Units in accordance with Section 9 of this Agreement ("Completion").

6. This Agreement is subject to the Applicant's compliance with the requirements set forth in the Program. The Department acknowledges that, as of the date of this Agreement, Applicant has satisfied applicable requirements set forth in Sections 23-90 (Inclusionary Housing), inclusive of the Resolution.

7. The Affordable Housing Units created pursuant to this Agreement will be occupied solely by Homeowners who are Eligible Buyers at the time of application for the initial sale or resale of the Unit (as the case may be) and shall be operated as Affordable Housing Units for the life of the increased Floor Area of the Compensated Development(s). Such obligation shall run with the tax lot(s) within the zoning lot containing such Affordable Housing Units.

8. (a) Sale and Resale Price of Affordable Housing Units.

(i) Initial Price. At Initial Occupancy, Applicant shall sell Affordable Housing Units to Eligible Buyers for no more than the Initial Price established by the Department pursuant to Sections 23-913 and 23-962(b)(1) and (2) of the Resolution. Attached hereto is a schedule of proposed Initial Prices as set forth in Exhibit D(1) and a schedule of operating expenses as set forth in Exhibit D(2).

(ii) Maximum Resale Price. At Resale, an Affordable Housing Unit shall only be sold to an Eligible Buyer, for no more than the Maximum Resale Price for such unit as set forth in Section 23-962(b)(3) and (4) of the Resolution.

(b) Deed Restrictions. At the initial sale or resale of a Unit, Applicant and Administering Agent shall ensure the deed for each Affordable Housing Unit contains language that states that the Homeowner(s) and each subsequent purchaser shall assume the duties and obligations as stated in the Program and this Agreement. Notwithstanding the foregoing, such assumption by an individual Homeowner(s) shall not release the Applicant and/or its successors, including but not limited to Condominium Association or any board of managers of the Condominium from its obligations under this Agreement.

(c) Rental of Unsold Affordable Housing Units. On or after the issuance of a Certificate of Completion of Affordable Housing Units, unsold Affordable Housing Units may be rented in accordance with the rental provisions of the Program, including but not limited to, the requirement that such units be registered with the Division of Housing

and Community Renewal (DHCR), until such time as such units are sold to an Eligible Buyer in accordance with the Program.

9. Applicant agrees not to request or accept a Certificate of Occupancy ("C of O") or a Temporary Certificate of Occupancy ("T C of O") for any portion of the Compensated Development that utilizes Floor Area Compensation until the Department issues a Certificate of Completion of Affordable Housing Units to such Compensated Development.

The Department shall issue a Certificate of Completion of Affordable Housing Units upon Applicant's compliance with the following requirements (a) though (n) of this Section (9):

(a) (1) submission of proof that each Affordable Housing Unit that is not located in the portion of the Compensated Development that utilizes Floor Area Compensation, has received a C of O or a T C of O, and (2) where applicable each Affordable Housing Unit that is located in the portion of the Compensated Development that utilizes Floor Area Compensation has received certification from DOB that such Affordable Housing Unit is eligible to receive its C of O or T C of O upon the Department's issuance of Certificate of Completion of Affordable Housing Units;

(b) at the discretion of the Department, performance by the Department of a site inspection which establishes to the satisfaction of the Department that (i) the Affordable Housing Units meet the requirements of Sections 23-96(b), (c) and (d) of the Resolution and (ii) the Building meets the requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8.

(c) funding of the Special Reserve Accounts in accordance with Section 15 of this Agreement; and

(d) submission of proof, satisfactory to the Department, that the Commencement Date has occurred. Commencement Date is the date by which Applicant shall have entered into contracts of sale for the greater of (1) 50% of the Affordable Housing Units in such Generating Site, or (2) the number of Affordable Housing Units in such Generating Site that Applicant's mortgagee or requires to be sold, pursuant to which Eligible Buyers may begin occupancy, in accordance with the Program, after closing on the Sale of the Affordable Housing Units and upon the issuance of the a C of O or T C of O; and

(e) submission of certificates of insurance required by Section 12 of this Agreement with all premiums for the current year fully paid; and

(f) submission on or after the date that DOB either certifies to the Department that DOB is prepared to issue the C of O or the T C of O for all of the Affordable Housing Units or that DOB has issued the C of O or the T C of O for all of the Affordable Housing Units, as the case may be, of (i) a policy of fee title insurance dated as of the date the Applicant acquired title to the Building, or a title policy insuring the lien of mortgage of the primary Lender for the Building and/or the Premises, dated as of the date of the closing of the financing of such mortgage,

will satisfy the foregoing, where such policy (a) has been issued by a title company in good standing licensed to issue title insurance in New York State and contains the Standard New York Endorsement (Owner's Policy) in substantially the form that appears as Exhibit E hereto, (b) such policy evidences fee simple ownership and the absence of liens and other encumbrances on the Premises other than those approved by the Department, (ii) proof of payment of premiums therefore, and (iii) title continuations run by the title company from the date of the fee title policy to the date of submission of such title policy together with a letter from the title company confirming the absence of liens and encumbrances on the Premises other than those previously approved by the Department and mechanics liens which have been bonded; and

(g) submission of an executed contract between the Department and the Administering Agent in accordance with Section 11 of this Agreement; and

(h) submission of a Memorandum of Regulatory Agreement, where applicable, and the Agreement stamped as recorded separately in the Office of the City Register in accordance with Section 24 and Section 29 respectively, of this Agreement; and

(i) submission of proof that any required subordination and non-disturbance agreement ("Affordable Housing Subordination Agreement") was recorded immediately following execution thereof and that Applicant fully complied with the requirements of Section 19 of this Agreement; and

(j) submission of (1) proof that such building is entirely free of violations of record issued by any City or State agency pursuant to the Multiple Dwelling Law, the Building Code, the Housing Maintenance Code and the Program and (2) submission of an affidavit stating that Applicant shall complete multiple dwelling registration of the building on the Premises that contains the Affordable Housing, in accordance with the New York City Housing Maintenance Code; and

(k) certification that the representations, warranties and statements made by the Applicant that are contained in this Agreement and in any other documents executed in connection with this Agreement remain true and correct as of the date on which the foregoing conditions have been satisfied; and

(l) submission of proof that the Building Plans were reviewed by a DOB plan examiner and submission of a zoning sheet approved by DOB after the issuance of a temporary certificate of occupancy; the Department's issuance of the Certificate of Completion of the Affordable Housing Units shall be based upon such DOB approved calculations; and

(m) where applicable, submission of proof of completion of all applications for tax exemptions and that Applicant has fully complied with Section 5 of this Agreement; and

(n) compliance with the terms of this Agreement and the Program.

10. Warranties. Applicant shall obtain and retain commercially reasonable warranties of the work on the Affordable Housing Units from the general contractor and all subcontractors performing such work and, at the Department's request, shall submit such warranties for inspection.

11. Sale and Resale of Affordable Housing Units. Applicant has contracted with Housing Partnership Development Corp. a not-for profit organization qualified by the Department to participate in the Program, to act as Administering Agent for the Affordable Housing Units ("Administering Agent") and shall assign to its successor, including but not limited to any board of managers of the Condominium, such contract with the Administering Agent. The Administering Agent shall ensure that the Sale and Resale of Affordable Housing Units are in compliance with the Plan and all of the requirements of the Program. Within sixty (60) days of the Commencement Date, the Administering Agent shall submit an affidavit to the Department attesting that the Initial Price charged for each Affordable Housing Unit complied with the requirements for such unit at Sale and that the purchaser of such unit was an Eligible Buyer. Each year after the Commencement Date, in the month of March, the Administering Agent shall submit an affidavit to the Department attesting that each Resale of a Affordable Housing Unit during the preceding year complied with all applicable requirements of the Program on the Sale Dates for Resales. A form of the contract between the Administering Agent and the Department ("Administering Agent Agreement") is attached and made a part hereof as Exhibit F. The Department reserves the right to replace the Administering Agent in the event that the Affordable Housing Units are not sold and resold or managed and operated in compliance with the Program.

Where Affordable Housing Units have been rented in accordance with Section 8(c) herein, such units shall be rented and re-rented in accordance with the rental provisions of the Program until such units may be sold to an Eligible Buyer.

Nothing stated herein limits or modifies in any way whatsoever the requirement contained in Section 7 herein that the Affordable Housing Units be operated as such for the life of the increased floor area of the Compensated Development(s).

12. Insurance.

Applicant and/or Applicant's successor, as applicable, including any board of managers of the Condominium, shall ensure that (i) Applicant and/or Applicant's successor, as applicable, including any board of managers of the Condominium shall maintain adequate insurance on the Building and (ii) the Declaration shall provide that each Homeowner shall maintain adequate homeowners insurance on such Homeowners unit in the Condominium and be bound to the provisions of this Section 12, as well as to the requirements of the Program.

(a) Building Insurance.

(i) Applicant shall obtain and maintain and shall cause their successor, including but not limited to any board of managers of the Condominium, to obtain and maintain in force all-risk casualty insurance which may be part of the casualty insurance policy for the Building containing the Affordable Housing Units, including broad form extended coverage that, in the event of a casualty to such Building, will pay an amount of

insurance equal to full replacement value of the Building containing the Affordable Housing Units.

(ii) Applicant shall obtain and maintain and shall cause its successor, including but not limited to any board of managers of the Condominium, to obtain and maintain in force commercial general liability insurance and other insurance of commercially reasonable types and amounts with respect to the Building containing the Affordable Housing Units which may be part of the casualty insurance policy for such Building.

(b) Building Casualty.

(i) In the event of a casualty to the Building, Applicant and/or Applicant's successor, as applicable, including but not limited to any board of managers of the Condominium, shall promptly notify the Department thereof.

(ii) (A) Applicant and Applicant's successor, as applicable, including but not limited to any board of managers of the Condominium, agree that in the event of a partial casualty to the Building containing the Affordable Housing Units, to the extent that any additional Floor Area created pursuant to this Agreement continues to exist or is reconstructed after such casualty to the Building, the Affordable Housing Units, shall be reconstructed so as to maintain in the Building the same ratio of Affordable Housing Units to the additional Floor Area as existed prior to such casualty, notwithstanding the availability of, or priority of payment of, insurance proceeds, and the terms of this Agreement shall remain in full force and effect.

(B) If Applicant and/or Applicant's successor as applicable, including but not limited to any board of managers of the Condominium, determine that due to the nature of the casualty to the Building and the condition of the remaining structure, it is not practicable to include the Affordable Housing Units as originally configured in the replacement building, the Affordable Housing Units may be reconstructed in a location other than the Premises in accordance with the requirements of this Agreement and the Program.

(iii) In the event of a total casualty to the Building, where all additional Floor Area created pursuant to this Agreement ceases to exist and the Applicant and/or Applicant's successor, as applicable, including but not limited to any board of managers of the Condominium, elects not to utilize the additional Floor Area in the restored building, if any, then all proceeds shall be applied according to existing applicable laws.

(iv) Applicant and/or Applicant's successor as applicable, including but not limited to any board of managers of the Condominium, agree that if the Building containing the Affordable Housing Units is reconstructed as provided in Section 12(ii), then: (A) at such time as the restored portion of the Building or any new building is ready for occupancy, the Affordable Housing Units on each restored floor shall be made available for occupancy concurrently with the market rate units on the same floor; (B)

Applicant and/or Applicant's successor, as applicable, including but not limited to any board of managers of the Condominium, shall restore, repair, replace, rebuild, alter or otherwise improve the Affordable Housing Units in accordance with this Agreement and the Program in effect as of the date hereof; (C) such construction shall be free of all violations under the New York City Building Code, the New York State Multiple Dwelling Law and the New York City Housing Maintenance Code and (D) Applicant and/or Applicant's successor as applicable, including but not limited to any board of managers of the Condominium, shall, upon request of the Department, amend this Agreement to reflect any changes to the number, configuration or location of the Affordable Housing Units in any replacement building or off site location for the Affordable Housing Units made in accordance with this Section 12.

13. Construction Monitoring. The Department may monitor the construction of the Affordable Housing Units in any reasonable manner, including inspection of the Premises. Upon request (a) Applicant shall give the Department notice of planning and construction progress meetings by telephone or in writing and (b) the Department may (i) participate in planning and construction progress meetings, (ii) review construction contracts, plans, specifications and materials samples and (iii) review proposed changes to the foregoing. Applicant shall give to the Department (x) following the Department's request for any documents or materials pursuant to the preceding sentence, notice of proposed changes to such documents or materials, and (y) notice of any casualty to or other material event concerning the work on the Affordable Housing Units.

14. Disclosure of Financial Arrangements. Upon the request of the Department, Applicant shall fully disclose the financial terms and arrangements relating to the Affordable Housing Units and sale or use by Applicant of the Certificate of Completion of Affordable Housing Units. In the event that the Department obtains information pursuant to this Section 14, the Department shall thereafter disclose such information to third parties only as required by law, except that such data may be used and disclosed without attribution to Applicant as part of an analysis of the Program.

15. (a) Operating Reserve Account. Simultaneous with or prior to the date of issuance of a Certificate of Completion of Affordable Housing Units, Applicant shall fund an Operating Reserve Account in an amount equal to twenty thousand, eight hundred and one dollars and zero cents ($20,801.00) which represents at least six (6) months of projected maintenance and operating costs of the Affordable Housing Units which shall be placed in a blocked reserve account to be administered by the Department or its designee. The Operating Reserve Account is separate from any Building operating reserve fund and the interest accrued thereon shall belong to the Building containing the Affordable Housing Units and shall be used for the benefit of the Affordable Housing Units in accordance with Section 41-15 of the Guidelines.

(b) Capital Reserve Account. Simultaneous with or prior to the issuance of a Certificate of Completion of Affordable Housing Units, Applicant shall fund a Capital Reserve Account in the amount of either: (1) twenty-one thousand, ninety-one dollars and fifty cents ($21,091.50) which represents $2.25 per square foot of Affordable Housing as stated in the Architect's Certification submitted to the Department on May 18, 2015 or (2) if, in accordance with Section 9 (i), DOB approves zoning calculations

that differ from the Architect Certification then $2.25 per square foot of Affordable Housing as stated in such DOB approved zoning calculations, which shall be placed in a blocked reserve account to be administered by the Department or its designee. The Capital Reserve Account and the interest accrued thereon shall belong to the Building containing the Affordable Housing Units and shall be used solely for the benefit of the Affordable Housing Units.

(c) Administering Agent Reserve Account. The Administering Agent Reserve Account shall initially be financed by Applicant by depositing, simultaneous with or prior to the issuance of a Certificate of Completion of Affordable Housing Units, an amount equal to one per cent (1%) of the sum of the Initial Prices for all Affordable Housing Units as determined pursuant to Exhibit D of this Agreement, as the same may be modified, as determined by HPD prior to the Contract Date, in a blocked reserve account to be administered by the Department or its designee. Thereafter, the Administering Agent Reserve Account shall be funded as follows: (1) a surcharge in the amount of twenty thousand and eighty four dollars and eighteen cents ($20,084.18) per year applied to each of the Affordable Housing Units, to be charged in equal monthly installments and applied as part of the applicable Monthly Fees charged to owners of Affordable Housing Units and (2) a Flip Tax at Resale.

16. Inspection.

(a) The Department shall have full authority to inspect the Affordable Housing Units without prior notice during business hours and Applicant and the Administering Agent shall cooperate fully with the Department in any such inspection. The Department shall have authority to inspect the Affordable Housing Units other than during business hours on three (3) days prior notice.

(b) The Department shall have full authority to inspect the books and records of Applicant and the Administering Agent without prior notice during business hours and Applicant and the Administering Agent shall cooperate fully with the Department in any such inspection. Applicant and the Administering Agent shall furnish copies of all books and records with respect to the Affordable Housing Units, to the Department, without cost to the Department, upon five (5) day's prior written request.

17. Operating Accounts. Applicant shall provide the Department with the names and locations of all bank accounts established with respect to the management and operation of the Affordable Housing Units by Applicant (the "Operating Accounts"). All such accounts shall confer plenary authority on the Department to freeze such accounts, which authority the Department shall exercise subject to Section 18 of this Agreement. Furthermore, Applicant shall provide the Department with annual operating statements for the Affordable Housing Units.

18. Remedies of the Department.

(a) If Applicant violates any of the terms of this Agreement, or if any of the representations and warranties by Applicant set forth in Section 9(k) of this Agreement are determined to be false, then the Department may declare a default under this Agreement.

(b) Upon declaration of a default under this Agreement, the Department shall give Applicant and the Administering Agent, as applicable, notice thereof by facsimile, hand delivery or reputable overnight courier and a reasonable opportunity to cure (if such default can be cured). If at the end of the cure period (if any) the default has not been cured, then the Department shall provide Applicant and the Administering Agent, as applicable, notice thereof and shall provide Applicant and the Administering Agent an opportunity to be heard on not less than three (3) days prior written notice. Following such hearing, upon probable cause to believe that a default has occurred under this Agreement, the Department may (i) assume responsibility for management of the Affordable Housing Units directly or through a third party designated by it, (ii) freeze the Operating Accounts, (iii) seek specific performance of this Agreement or an injunction against its violation, (iv) have a receiver of its choice appointed during the pendency of any litigation, (v) seek monetary damages against Applicant, and/or (vi) terminate this Agreement with respect to any portion of the Affordable Housing for which a Certificate of Completion of Affordable Housing Units pursuant to Section 9 has not been issued. In the event that the Department exercises its rights under clause (ii) of this Section 18(b) and provided that there are sufficient funds in the Operating Accounts then the Department shall use the funds in such Operating Accounts to make payments due under the loan documents for previously approved mortgage loans of the Applicant and to pay for reasonable and customary operating expenses for the Affordable Housing Units.

(c) If an Affordable Housing Subordination Agreement has been entered into by a lender ("Financier") in accordance with Section 19 of this Agreement, the Department shall terminate this Agreement at anytime prior to the issuance of the Certificate of Completion of Affordable Housing Units at the request of such Financier, or its successors or assigns, if such Financier, its successors or assigns, commences foreclosure proceedings or receives a deed in lieu of foreclosure with respect to the mortgage loan that is the subject of such Affordable Housing Subordination Agreement. If the Department terminates this Agreement pursuant to this Section 18(c): (1) all benefits granted pursuant to this Agreement to any project will be revoked and (2) this Agreement shall become null and void. The Department shall provide written confirmation of termination in recordable form upon the written request of Applicant and/or Financier.

(d) The remedies set forth in Section 18(b) shall be cumulative with any other remedies available to the Department at law or in equity and exercise of one or more remedies set forth in Section 18(b) shall not limit the Department in the exercise of one or more other remedies set forth therein or otherwise available to the Department at law or in equity.

(e) The Department may exercise the remedies set forth in Section 18(b) without the notice, opportunity to cure or hearing provided therein if the Department determines that exigent circumstances require immediate action to protect the Premises or the tenants thereof. The Department will provide notice and a hearing as provided in Section 18(b) promptly following exercise of its remedies as set forth therein.

(d) If the Department elects to assume responsibility for management of the Building or a portion thereof containing the Affordable Housing Units, as applicable, pursuant to this Section 18, Applicant and/or Applicant's successor, as applicable, including any board of managers of the Condominium, shall immediately deliver possession of the portion of the Building containing the Affordable Housing Units, as applicable and all books and records kept in connection therewith to the Department or the person designated by the Department and shall cooperate fully in effectuating the smooth transfer of management and control of the portion of the Building containing the Affordable Housing Units including execution of written instruments and provision of notice to third parties.

(g) Applicant and Applicant's successor, including but not limited to any board of managers of the Condominium, hereby grant the Department and its designees an irrevocable license to enter and remain on the Premises for the purpose of managing such portion of the Building containing the Affordable Housing Units, as applicable as provided in this Section 18.

19. Debt Restrictions Affordable Housing Units, Building and Premises. In accordance with Section 23-96(f) of the Resolution, Applicant, and Applicant's successor, including but not limited to, any board of managers of the Condominium shall not, (1) in Generating Sites that consist entirely of Affordable Housing Units, mortgage or otherwise encumber the Premises or any or all Affordable Housing Units or this Agreement without the prior written consent of the Department and (2) in Partial Inclusionary Buildings, mortgage or otherwise encumber the Affordable Housing Units or any single Affordable Housing Unit or this Agreement without prior written consent of the Department. Furthermore, in the event that the Department consents to a mortgage loan, the lender must enter into a Affordable Housing Subordination Agreement with the Department in form and substance satisfactory to the Department that subordinates the loan to all of the terms and conditions of this Agreement, substantially in the form annexed hereto as Exhibit G. Immediately following execution of the Affordable Housing Subordination Agreement, Applicant and Applicant's successor, including but not limited to, any board of managers of the Condominium, shall cause such Affordable Housing Subordination Agreement to be recorded against the Premises or any individual Affordable Housing Unit, as the case may be, in the Office of the City Register for the county in which the Premises or the Building or portion thereof wherein the Affordable Housing Units are located, and shall pay all required fees and taxes in connection therewith.

Attached hereto as Exhibit H is a proposed development budget substantially setting forth the sources and uses of financing for the construction of the Affordable Housing.

20. Plan Certification. Following the execution of this Agreement, the Department will, upon the request of Applicant, certify that the Plan has been submitted and approved, and is in compliance with the Program.

21. Marketing of Affordable Housing Units. The Administering Agent shall be required to market the Affordable Housing Units under the supervision of the Department in accordance with its tenant selection procedures, if applicable, and all other requirement of the Department and the Program. Furthermore, each contract of sale for an Affordable Housing Unit shall provide that such sale may be rescinded and such Homeowner may be evicted if such Homeowner falsely or fraudulently certifies, to the

Administering Agent, income or household composition or if the Homeowner fails to occupy such unit as such Homeowner's Primary Residence.

22. Initial Occupancy Certification. Within sixty (60) days following the Commencement Date, the Administering Agent shall submit to the Department an affidavit attesting that each Household occupying an Affordable Housing Unit complied, at Initial Occupancy, with the Annual Household Income eligibility requirements of the Program. The Administering Agent shall retain all records and documents that form the basis of any affidavit submitted to the Department for the duration of the Household's ownership of an Affordable Housing Unit, plus six (6) years after such Homeowner no longer owns such Affordable Housing Unit.

23. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assignees. Prior to issuance of the Certificate of Completion of Affordable Housing Units, Applicant shall not sell, transfer or otherwise dispose of the Premises and/or any Affordable Housing Units without prior approval from the Department. Before any sale, transfer, or other disposition of the Affordable Housing Units, other than the individual Sale and/or Resale of Affordable Housing Units in compliance with the Plan and all of the requirements of the Program in the ordinary course to Eligible Buyers, the Applicant shall require any subsequent purchaser or transferee, including but not limited to any board of managers of the Condominium to assume in writing Applicant's obligations and duties under this Agreement, pursuant to an Assignment and Assumption Agreement in form and substance, attached hereto as Exhibit I, which shall be in recordable form and shall provide the Department with a executed copy of such assumption agreement and proof of recordation thereof. After the issuance of the Certificate of Completion of Affordable Housing Units and the filing of an amendment to the Declaration of Condominium disclosing that Applicant has relinquished control of the Condominium, Applicant may assign its obligations under this Agreement to any board of managers of the Condominium in compliance with the terms of this Section and thereafter the Applicant shall be released from its obligations under this Agreement, from and after the date of such Assignment and Assumption Agreement, but shall remain liable for any act or omission relating to Applicant's obligations under this Agreement incurred prior to the date of such Assignment and Assumption Agreement in favor of any board of managers of the Condominium.

24. Condominium Conversion. Nothing in this Agreement shall prohibit the Applicant from subdividing the Building on the Premises into commercial and residential condominium units (the "Condominium Units"), so long as (a) the Department approves any condominium documents, including, but not limited to, the Declaration, necessary to effectuate such subdivision of the Building, (b) the Condominium meets residential requirements of Section 339-m of the Real Property Law, and (c) the Department determines that the Affordable Housing Units will be operated pursuant to the requirements set forth in the Program, and (d) the Memorandum of Regulatory Agreement in the form attached hereto as Exhibit J has been recorded against the Affordable Housing Units prior to receipt of a Certificate of Completion of Affordable Housing Units in accordance with Section 9 of this Agreement.

25. Investigation Clause. Applicant and Administering Agent shall be bound by and comply with the provisions of the Investigation Clause annexed hereto as Exhibit K.

26. Modifications.

(a) No provision of this Agreement may be extended, modified, waived or terminated orally, but only by an instrument in writing signed by the party against whom enforcement is sought.

(b) Applicant and/or the Administering Agent, as applicable, shall comply with all modifications to Program reporting requirements as set forth in the Guidelines, of which the Applicant shall be deemed to have constructive notice, concerning: (i) the type of documents to be retained; (ii) the length of time for which such documents must be retained; and (iii) the form and method of submitting such documents to the Department.

27. Counterparts. This Regulatory Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall be deemed one and the same instrument.

28. Notices. All notices, approvals, requests, waivers, consents or other communications given or required to be given under this Agreement shall be in writing and sent or transmitted as follows:

If to Applicant:
500 Waverly Property Owner LLC
c/o Orange Management Inc.
350 Seventh Avenue, Suite 1604
New York, NY 10001
Attn: Andrew Bradfield
Facsimile 212-208-4694

with a copy to:
Holland & Knight LLP
31 West 52nd Street
New York, New York 10019
Attn: Paul J. Proulx, Esq.
Facsimile 212-385-9010

If to the Department:
Department of Housing Preservation and Development
100 Gold Street
New York, NY 10038
Attn: Assistant Commissioner for Housing Incentives
Facsimile (212) 863-5899

with a copy to:
Department of Housing Preservation and Development
100 Gold Street
New York, NY 10038
Attn: General Counsel
Facsimile (212) 863-8375

Notices must be hand delivered, transmitted via facsimile or sent by certified or registered U.S. mail, return receipt requested or overnight delivery by a reputable national carrier. Notice shall be deemed to have been given upon (i) delivery if sent by hand delivery or U.S. mail; and (ii) confirmed receipt, if sent by facsimile, to both the addressee and the person entitled to receive a copy thereof. Each party named above

may designate a change of address by written notice to all of the other parties

29. Recordation.

(a) Applicant shall cause this Agreement to be recorded against the Premises upon execution, in the Office of the City Register for the County in which the Premises are located and shall pay all required fees and taxes in connection therewith.

(b) If the conversion of the Building to Condominium Units, including without limitation the filing of the Declaration and other actions required to complete such conversion of the Building have not occurred prior to the time when this Agreement is required to be recorded against the Premises, or any other document required hereunder to be recorded against the Premises, then, notwithstanding anything contained herein to the contrary, this Agreement and such other documents shall be recorded against the entire Premises. In such event, at the time of condominium conversion, provided that the Memorandum of Regulatory Agreement referred to in Section 24 is recorded simultaneously therewith, the Department will release the Condominium Units other than the Condominium Unit containing the Affordable Housing.

30. More Restrictive Provisions Govern. If the Affordable Housing Units are also subject to any other Regulatory Agreement, then (a) in the event of any conflict or ambiguity between the provisions of this Agreement and such other Regulatory Agreement, the more restrictive of the applicable provisions of the Agreement and the such other Regulatory Agreement shall govern and (b) nothing herein, including but not limited to, Sections 7, 8 and 11 hereunder, shall limit, reduce or affect in any way the duration of any restrictions imposed on the operation or occupancy of the Affordable Housing Units by this Agreement.

31. Choice of Law. The covenants, provisions and terms of this Agreement and the rights and obligations of the parties hereunder shall be governed by the construed and interpreted in accordance with the laws of the State of New York, and shall be binding upon and inure to the benefit of Applicant, Owner, the Administering Agent and the Department, and their respective successors, transferees, and assigns.

32. Termination

(a) The Department reserves the right to terminate this Agreement with notice, in accordance with Section 28, to Applicant if Applicant does not complete the Affordable Housing Units by the Completion Deadline.

(b) Applicant may terminate this Agreement with notice, in accordance with Section 28, to the Department at any time prior to the issuance of the Certificate of Completion of Affordable Housing Units, and upon such termination the Department shall provide written confirmation of termination in recordable form.

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

Department of Housing Preservation and
Development of the City of New York

By: _____
Louise Carroll, Assistant Commissioner for
Housing Incentives

500 Waverly Property Owner, L.L.C.

By: _____
Name: Jason Hart
Title: Authorized Signatory

APPROVED AS TO
FORM BY STANDARD
TYPE OF CLASS FOR USE
UNTIL May 30, 2015

/s/Howard Friedman
Howard Friedman
Acting Corporation Counsel

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

Department of Housing Preservation and
Development of the City of New York

By:_____
Louise Carroll, Assistant Commissioner for
Housing Incentives

500 Waverly Property Owner, L.L.C.,
a Delaware limited liability company

By:_____
Name: Jason Hart
Title: Authorized Signatory

APPROVED AS TO
FORM BY STANDARD
TYPE OF CLASS FOR USE
UNTIL May 30, 2015

/s/Howard Friedman
Howard Friedman
Acting Corporation Counsel

UNIFORM ACKNOWLEDGEMENTS

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this 19th day of May, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared Louise Carroll, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

JOYA COHEN
NOTARY PUBLIC-STATE OF NEW YORK
No. 02CO06319177
Qualified In Kings County
My Commission Expires February 09, 2019

NOTARY PUBLIC

STATE OF NEW YORK)
) SS:
COUNTY OF)

On this _____ day of _____, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that [s]he executed the same in [her]his capacity, and that by [her]his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

_____
NOTARY PUBLIC

UNIFORM ACKNOWLEDGEMENTS

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this _____ day of May, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared Louise Carroll, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

_____
NOTARY PUBLIC

STATE OF NEW YORK)
) SS:
COUNTY OF NY)

On this 19 day of May, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared Jason Hart, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that [s]he executed the same in [her]his capacity, and that by [her]his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

Deborah A Evans
NOTARY PUBLIC

DEBORAH A. EVANS
Notary Public - State of New York
No. 01EV6190077
Qualified in Nassau County
My Commission Expires July 14, 2016

3020-752769

AMENDMENT TO REGULATORY AGREEMENT

THIS **AMENDMENT** ("Amendment") made as of September 8, 2015 between 500 Waverly Property Owner, L.L.C., a Delaware limited liability company formed pursuant to the laws of the State of Delaware, ("Applicant"), having an office at 350 Seventh Avenue, 16th Floor, New York, New York 10001, and the City of New York (the "City"), a municipal corporation acting by and through its Department of Housing Preservation and Development ("Department"), having an office at 100 Gold Street, Ninth Floor, New York, NY 10038.

WHEREAS, Applicant is owner of premises located in the City, County and State of New York, known as Block 2011, Lot 30 on the Tax Map of the City of New York (as improved pursuant to this Regulatory Agreement, the "Premises"), as is more particularly described in Schedule A attached hereto; and

WHEREAS, Applicant and HPD have entered into that certain Regulatory Agreement, (the "Regulatory Agreement") dated May 19, 2015, recorded in the New York County Office of the City Register as CRFN 2015000176820; and

WHEREAS, Paragraph 15(c) of the Regulatory Agreement incorrectly identified the amount of the surcharge applied as part of the applicable Monthly Fees charged to owners of Affordable Housing Units; and

WHEREAS, the parties hereto wish to amend the Regulatory Agreement as provided herein.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

1. Section 15 (c) of the Regulatory Agreement shall be amended and restated as follows:

(c) Administering Agent Reserve Account. The Administering Agent Reserve Account shall initially be financed by Applicant by depositing, simultaneous with or prior to the issuance of a Certificate of Completion of Affordable Housing Units, an amount equal to one per cent (1%) of the sum of the Initial Prices for all Affordable Housing Units as determined pursuant to Exhibit D of this Agreement, as the same may be modified, as determined by HPD prior to the Contract Date, in a blocked reserve account to be administered by the Department or its designee. Thereafter, the Administering Agent Reserve Account shall be funded as follows: (1) a surcharge in the amount of forty five dollars and forty five cents ($45.45) per year applied to each of the Affordable Housing Units, to be charged in equal monthly installments and applied as part of the applicable Monthly Fees charged to owners of Affordable Housing Units and (2) a Flip Tax at Resale.

2. Applicant shall cause this Amendment to be recorded against the Premises upon execution hereof, in the Office of the City Register for the County in which the Premises are located and shall pay all required fees and taxes in connection therewith.

3. This Amendment may be executed in counterparts, each of which shall be deemed an original but all of which together shall be deemed one and the same instrument.

4. Except as otherwise expressly set forth hereinabove, all the other provisions of the Agreement shall remain unchanged and in full force and effect and all "defined terms" shall have those certain meanings as set forth in the Agreement.

5. This Amendment shall be govered by and interpreted in accordance with the laws of the State of New York.

No further text on this page

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

Department of Housing Preservation and Development of the City of New York

By: _____
Louise Carroll,
Assistant Commissioner for Housing Incentives

500 Waverly Property Owner, L.L.C.

By: _____
Andrew Bradfield
Authorized Signatory

SCHEDULE A

Description of Premises

All those certain plots, pieces and parcels of land, with the buildings and improvements thereon erected, situate, lying and being in the City and State of New York, designated on the Tax Map of the City of New York:

Tax Map Block(s)	Tax Map Lot(s)	Street Address(es)
2011	**30**	**500 Waverly**

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH OF BROOKLYN, COUNTY OF KINGS, CITY AND STATE OF NEW YORK BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE CORNER FORMED BY THE INTERSECTION OF THE WESTERLY SIDE OF WAVERLY AVENUE, WITH THE SOUTHWESTERLY SIDE OF FULTON STREET;

RUNNING THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY SIDE OF FULTON STREET, 105.83 FEET (105.75 FEET PER DEED; 105 FEET 10 INCHES TAX MAP);

THENCE WESTERLY 3.33 FEET;

THENCE SOUTHERLY AND PARALLEL WITH WAVERLY AVENUE 100 FEET;

THENCE EASTERLY 20 FEET;

THENCE SOUTHERLY AND AGAIN PARALLEL WITH WAVERLY AVENUE 50 FEET;

THENCE EASTERLY TO THE WESTERLY SIDE OF WAVERLY AVENUE 80 FEET;

THENCE NORTHERLY ALONG THE WESTERLY SIDE OF WAVERLY AVENUE 107.00 FEET (107.12 FEET PER DEED)

TO THE POINT OR PLACE OF BEGINNING.

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:

On the 8 day of September in the year 2015 before me, the undersigned, a Notary Public in and for said State, personally appeared Louise Carroll, 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 she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

JOYA COHEN
NOTARY PUBLIC-STATE OF NEW YORK
No. 02CO06319177
Qualified in Kings County
My Commission Expires February 09, 2019

Notary Public

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:

On the 31 day of ~~September~~ AUGUST in the year 2015 before me, the undersigned, a Notary Public in and for said State, personally appeared Andrew Bradfield, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

Notary Public

Richard Diego
NOTARY PUBLIC, STATE OF NEW YORK
No. 01DI6205425
Qualified in Kings County
Commission Expires July 22, 2017

AMENDMENT TO REGULATORY AGREEMENT

BETWEEN

THE CITY OF NEW YORK

AND

500 WAVERLY PROPERTY OWNER, L.L.C.

Tax Map Block(s)	Tax Map Lot(s)	Street Address(es)
2011	30	500 Waverly Avenue

In the County of Kings

RECORD AND RETURN TO:
Joya Cohen, Esq.
NYC Department of Housing Preservation
and Development
Office of Legal Affairs
100 Gold Street, Room 5U-10
New York, NY 10038

FORM OF 421-a RESTRICTIVE DECLARATION

THIS RESTRICTIVE DECLARATION ("Restrictive Declaration"), entered into as of the_____ day of____, 201_, by_____, having its principal office at_____ ("Owner") *[if subject to a ground lease: and_, having its principal office at_____ ("Applicant")]*.

WHEREAS, Owner holds title to certain real property located in the Borough of_____ in the City and State of New York, known as and by the street address [*address*], and identified as Block_____, Lots(s)_____ on the Tax Map of the City of New York ("Property"); and

[if subject to a ground lease: WHEREAS, Applicant holds title to the leasehold estate in the Property pursuant to that certain lease having a term ending on_____between Owner and Applicant, dated_____,201_ ("Lease");and]

WHEREAS, the Property contains one or more multiple dwellings receiving an exemption from real property taxation pursuant to Real Property Tax Law §421-a, Administrative Code §11-245, §11-245.1, and §11-245.1-b, and Chapter 6 of Title 28 of the Rules of the City of New York (collectively "§ 421-a") pursuant to § 421-a Application TEOXXXX; and

WHEREAS, the Property is located in a geographic exclusion area, as such term is defined in §421-a; and

WHEREAS, eligibility for exemption from real property taxation pursuant to §421-a in a geographic exclusion area is conditioned upon not less than twenty percent (20%) of the dwelling units situated onsite in the multiple dwelling in such Property ("Affordable Units") meeting the affordability requirements set forth in Real Property Tax Law §421-a(7)(c): (a) if the multiple dwelling is to be operated as a rental property, upon the initial rental of such units and upon all subsequent rentals of such units after a vacancy, or (b) if the multiple dwelling is to be operated as a homeownership property, only upon the initial sale of such units ("Affordability Requirement");and

WHEREAS, if the prospective cooperative or condominium plan for a homeownership property has not been declared effective for filing at a time fifteen months after issuance of the Final Certificate of Eligibility, eligibility for exemption from real property taxation pursuant to §421-a is also conditioned upon the Affordable Units being registered as rent stabilized units with the State Division of Housing and Community Renewal or any successor agency or department thereto ("Rent Stabilization Requirement"); and

WHEREAS, to ensure compliance with the Affordability Requirement, if the multiple dwelling is to be operated as a rental property due to the fact that its prospective cooperative or condominium plan was not declared effective for filing at a time fifteen months after issuance of the Final Certificate of Eligibility , §421-a mandates that initial rents for Affordable Units as registered and subsequently adjusted by the Rent Stabilization Law of 1969 and the Emergency Tenant Protection Act of 1974 and all regulations promulgated in connection therewith ("Rent Stabilization Laws") cannot exceed 30% of the applicable income limit for such Affordable Units, minus the amount of any applicable utility allowance if the tenant makes utility payments in addition to rent payments.

NOW THEREFORE, in order to obtain exemption from real property taxation pursuant to §421- a, the Owner has *[if subject to a ground lease: and Applicant have]* agreed to execute and record this instrument, which provides as follows:

1. The Property shall be subject to the Affordability Requirement for a period commencing upon the date of completion of construction, which shall be deemed to have occurred upon the issuance of the earlier of (a) the first temporary certificate of occupancy for all of the Affordable Units or (b) a permanent certificate of occupancy for all of the Affordable Units ("Completion Date"), and terminating on a date which is thirty-five (35) years from the date of completion of construction ("Term"). Notwithstanding the foregoing, if the multiple dwelling is operated as a homeownership project, the Affordability Requirement shall only apply to the initial sale of any Affordable Unit during the Term and shall not apply to subsequent sales of any such Affordable Unit during or after the Term. Furthermore, if the multiple dwelling is operated as a homeownership project, any purchaser of an Affordable Unit that is subject to the Affordability Requirement shall not be obligated to pay the following costs at the closing of such purchase: New York City Transfer Tax, New York State Transfer Tax, the legal fees of the attorneys for the Owner and/ or the homeownership plan's sponsor, a contribution towards the homeownership project's working capital fund, a contribution towards the homeownership project's reserve fund, a contribution towards the homeownership project's application for tax exemption benefits pursuant to §421-a and a contribution towards the superintendent's unit(s).

2. If the multiple dwelling is operated as a rental property, the Affordable Units shall be subject to the Rent Stabilization Requirement during the Term.

3. If the multiple dwelling is operated as a rental property, the rents for each Affordable Unit during the Term shall be the lesser of (a) the rent permitted under the Rent Stabilization Laws, or (b) 30% of the applicable income limit for such Affordable Unit, minus the amount of any applicable utility allowance if the tenant makes utility payments in addition to rent payments ("Rent Cap").

4. If the multiple dwelling is operated as a rental property, tenants in occupancy of Affordable Units at the expiration of the Term shall continue to be subject to the Rent Stabilization Requirement for the duration of their occupancy ("Continuation Requirement").

5. This Restrictive Declaration may be enforced by the City of New York and any of its agencies and instrumentalities, the State of New York and any of its agencies and instrumentalities, and any homeowner or tenant**,** as applicable.

6. The Affordability Requirement, and, if applicable, the Rent Stabilization Requirement, Rent Cap and Continuation Requirement, set forth in this Restrictive Declaration shall run with the land, shall inure to the benefit of the City of New York, the State of New York, and all occupants of the Property, and shall bind and be enforceable against Owner and its successors and assigns to the fullest extent permitted by law and equity.

[7. [if subject to ground lease: Applicant shall be obligated to perform or cause performance of the terms of this Restrictive Declaration during the term of the Lease and Owner shall be obligated to perform or cause performance of the terms of this Restrictive Declaration following the termination of the Lease. Further, in such instance, Owner shall have the right to enter into another lease of the Property, in which event the tenant thereunder shall be the party obligated under this Restrictive Declaration.]

8. At any time prior to the Completion Date *[if subject to ground lease: and following termination of the Lease]*, the Owner may terminate this Restrictive Declaration by written notice to the City of New York Department of Housing Preservation and Development *[if subject to ground lease:("HPD")]*. *[if subject to ground lease: At any time prior to the Completion Date, the Applicant may terminate this Restrictive Declaration by written notice to HPD.]* The exemption from real property taxation pursuant to §421-a shall thereafter terminate, retroactive to the effective date of such exemption. After the Completion Date, Owner *[if subject to ground lease: and/or Applicant]* may not terminate this Restrictive Declaration.

_____

By: _____

STATE OF NEW YORK)) SS: COUNTY OF NEW YORK)

On this_____day of_____, 201_, before me, the undersigned, a Notary Public in and for said State, personally appeared., personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that [s]he executed the same in [her]his capacity, and that by [her]his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

_____
NOTARY PUBLIC

Record and Return to:
Elaine R. Toribio, Director
Tax Incentives Programs
Department of Housing Preservation and Development
100 Gold Street, Room 8-D09
New York, New York 10038

PRIVATE ADMINISTERING AGENT AGREEMENT

500 WAVERLY PLACE
PRIVATE ADMINISTERING AGENT AND MARKETING SERVICES AGREEMENT

This **Private Administering Agent and Marketing Services Agreement** (the "Agreement") is made as of May 15, 2015 by and between 500 WAVERLY PROPERTY OWNER, L.L.C., a Delaware limited liability company formed pursuant to the laws of the State of Delaware, having an office c/o Orange Management Inc., 350 Seventh Avenue, 16th Floor, New York, New York 10001 ("Owner") and HOUSING PARTNERSHIP DEVELOPMENT CORPORATION, a New York not-for-profit corporation, having an office at 242 West 36th Street, 3rd Floor, New York, New York 10018 ("Agent").

WHEREAS, Owner holds title to fee simple interest to that certain real property known as 500 Waverly Place, Brooklyn, New York, and identified as Block 2011, Lot 30 on the Tax Map of the City of New York, County of Kings (the "Premises"), as such Premises are more particularly described on Exhibit A attached hereto and made a part hereof; and

WHEREAS, Agent is a New York not-for-profit corporation that, among other things, assists in the creation and management of affordable condominium housing in New York City; and

WHEREAS, Owner intends to establish a condominium regime on the Premises, comprised of: (i) forty-eight (48) residential condominium units (collectively, the "Residential Units") of which (A) eleven (11) will be Affordable Homeownership Units, as defined below, together with any such appurtenant common elements and operating systems necessary to the operation and maintenance thereof; and (B) thirty-seven (37) will be market rate condominium units (collectively, the "Market Rate Units"), and (ii) four (4) non-residential condominium units containing approximately 7,071 square feet of ground floor commercial space (the "Commercial Unit"), and a parking garage (the "Garage"; together with the Commercial Unit, the Affordable Homeownership Units and the Market Rate Units, the "Condominium" or the "Building"); and

WHEREAS, Owner intends that eleven (11) of the Residential Units shall constitute "Homeownership Affordable Housing" within the meaning of Section 23-90 (Inclusionary Housing) inclusive of the New York City Zoning Resolution (the "Zoning Resolution") and Chapter 41 of Title 28 of the City of New York (the "Guidelines") (the Zoning Resolution and the Guidelines, as same may be amended from time to time, are hereinafter collectively referred to as the "IH Program" and the 11 Affordable Homeownership Units subject to the IH Program, the "Affordable Homeownership Units"); and

WHEREAS, Owner intends to offer the Affordable Homeownership Units for sale as condominium units; and

WHEREAS, Owner intends to enter into a regulatory agreement (the "Regulatory Agreement") with the City of New York, through its Department of Housing Preservation and Development ("HPD"), which Regulatory Agreement sets forth the rights and obligations of Owner and HPD concerning the Affordable Homeownership Units, and which is incorporated herein by reference; and

WHEREAS, the Regulatory Agreement and the IH Program require that a not-for-profit entity that has been approved by HPD be responsible for performing the duties of an Administering Agent (as such term is defined in the Regulatory Agreement and the IH Program) with respect to the Affordable Homeownership Units, including without limitation, providing marketing and sales services and on-going compliance with respect to the Affordable Homeownership Units and the sale and resale of Affordable Homeownership Units on the terms and conditions set forth herein; and

WHEREAS, simultaneously with the execution and delivery of the Regulatory Agreement, Agent shall enter into an Administering Agent Agreement with HPD pursuant to which Agent agrees to perform the duties of an Administering Agent with respect to the Affordable Homeownership Units; and

WHEREAS, the Owner wishes to engage Agent to provide marketing and sales services and on-going compliance with respect to the Affordable Homeownership Units and the resale Affordable Homeownership Units in accordance with the Marketing Guidelines, the IH Program, the Regulatory Agreement, this Agreement and applicable laws, and Agent wishes to accept such engagement, subject to the terms and conditions hereinafter provided.

NOW, THEREFORE, in exchange for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **DEFINITIONS.** All capitalized terms used herein which are not separately defined shall have the same meaning given to those terms in the IH Program or the Regulatory Agreement.

2. **APPOINTMENT OF AGENT.** Owner hereby engages Agent as Administering Agent and Agent hereby accepts engagement as Administering Agent, with respect to the Affordable Homeownership Units, for the Term (as defined below) and on the terms and conditions hereinafter provided. The Market Rate Apartments and the retail space shall be excluded for purposes of Agent's services under the Agreement.

3. **TERM.**

3.01 The term of this Agreement (the "Term") shall commence as of the date of this Agreement and shall remain in effect until the fifth (5th) anniversary of the date on which the first Eligible Buyer takes occupancy of a Affordable Housing Unit, subject to the provisions of Sections 3.02 and 3.03 below. The Agreement shall remain in effect on a month to month basis after the expiration of the Term until either party delivers to the other a sixty (60) day notice to terminate, subject to the provisions of Section 3.03 below.

3.02 This Agreement is subject to termination by either party with or without cause and without penalty by giving the other party thirty (30) days prior written notice, subject to the provisions of Section 3.03 below.

3.03 Notwithstanding anything to the contrary contained in Sections 3.01 and 3.02 above or elsewhere in this Agreement, this Agreement shall not terminate and no termination of this Agreement shall be effective until the date that all of the following has occurred (the

"Effective Termination Date"): (i) Owner has replaced Agent with a new Administering Agent; (ii) such new Administering Agent has been approved by HPD; (iii) this Agreement has been assigned to and assumed by the new Administering Agent pursuant to an Assignment and Assumption Agreement in form and substance mutually acceptable to Owner and Agent, or this Agreement has been terminated and Owner and the new administering agent have entered into a new administering agent agreement; and (iv) the Administering Agent Agreement between HPD and Agent dated of even date herewith has been assigned to and assumed by the new Administering Agent pursuant to an Assignment and Assumption Agreement in form and substance satisfactory to HPD, or HPD and the new administering agent have entered into a new administering agent agreement in form and substance satisfactory to HPD.

3.04 On the Effective Termination Date, Agent shall (i) deliver to Owner all original books, records, reports and other documents kept and maintained by Agent in the performance of Agent's obligations hereunder, it being understood and agreed that Agent shall have the right to retain copies of all such books, records, reports and other documents delivered to Owner pursuant to this Section 3.04, and (ii) execute such documents as Owner shall reasonably require to remove and release Agent from any other agreements relating to the Affordable Homeownership Units or the Premises.

3.05 In the event that either party delivers to the other party a notice of termination of this Agreement pursuant to Sections 3.01 or 3.02, or this Agreement expires by its terms, Owner shall immediately and diligently seek a new Administering Agent to replace Agent as set forth in Section 3.03 and shall diligently seek HPD approval for such new Administering Agent. The party receiving a notice of termination (the "Terminated Party") agrees to cooperate with the party providing the notice of termination (the "Terminating Party"), at no additional expense to the Terminating Party, in finding a replacement Administering Agent, obtaining HPD approval for such new Administering Agent, executing such documents as are necessary to engage the new Administering Agent, and furnishing such information as may be reasonably requested by the Terminating Party in connection therewith. In the event that this Agreement is terminated, by either party, pursuant to Sections 3.01 or 3.02, Agent shall serve as the Administering Agent until the Effective Termination Date. Agent shall be entitled to compensation for services rendered prior to the Effective Termination Date, but such compensation shall be pro-rated on a daily basis for any period that is less than one year.

4. **DUTIES OF AGENT.** During the Term, Agent shall perform the duties of the Administering Agent as set forth in the IH Program, the Regulatory Agreement and this Agreement, including, without limitation, the following:

4.01 Ensure that the Affordable Homeownership Units are occupied by Eligible Buyers or, in the case of a sublet, that the Affordable Homeownership Units are occupied by a low income household who meets the subletting requirements set forth in the IH Program;

4.02 Ensure that the procedures established by HPD for the initial sale of the Affordable Homeownership Units are strictly followed, including, without limitation:

(a) Agent shall verify the household income of a proposed homeowner in accordance with the IH Program prior to the sale date of any Affordable Homeownership Unit in order to ensure that upon sale, it is a low income household, moderate household or middle income

household, as applicable, and that upon resale, the proposed homeowner is an Eligible Buyer.

(b) Agent shall verify that the initial price of the Affordable Homeownership Unit is the price approved by HPD.

(c) Agent shall be responsible for ensuring that any mortgage loan to be secured by a Affordable Homeownership Unit is in accordance with the IH Program.

(d) Agent shall either provide HPD-approved classes for homebuyers concerning the responsibilities of homeownership or direct potential buyers to HPD-approved providers of such classes. Agent shall ensure, to the extent reasonably within its control, that each applicant for a Affordable Homeownership Unit provides evidence of completion of such course to Agent.

(e) Agent shall ensure that the initial sale of the Affordable Homeownership Units are conducted in accordance with HPD's Rules and marketing guidelines and the IH Program, including, but not limited to, the internal transfer and first-time homebuyer preferences set forth in the Guidelines.

(f) Agent shall ensure that any subletting of a Affordable Homeownership Unit is in accordance with the IH Program.

4.03 Ensure that the procedures established by HPD for the resale of the Affordable Homeownership Units are strictly followed, including, without the limitation, the following:

(a) Agent shall notify HPD of its receipt of an HPD-approved form of notice from a Homeowner of its intent to sell a Affordable Homeownership Unit ("Homeowner's Notice of Intent to Sell") within fourteen (14) days from its receipt thereof by using an HPD-approved form ("AA Notification to HPD"). The form of AA Notification to HPD shall contain the following information:

(i) the date upon which Agent received the Homeowner's Notice of Intent to Sell form;

(ii) the address of the Affordable Homeownership Unit specified in the Homeowner's Notice of Intent to Sell form and the Community Board(s) in which the Affordable Homeownership Unit is located;

(iii) the unit size of the Affordable Homeownership Unit specified in the Homeowner's Notice of Intent to Sell form (including the square footage of the rooms);

(iv) the unit type;

(v) the last sale date of the Affordable Homeownership Unit and the price at which it sold on such date;

(vi) the estimated Monthly Housing Costs for the Affordable Homeownership Unit;

(vii) the Maximum Resale Price of the Affordable Homeownership Unit;

(viii) the Down Payment required to purchase the Affordable Homeownership Unit;

(ix) the Income Marketing Band for the Affordable Homeownership Unit; and

(x) the Flip Tax applicable to the Affordable Homeownership Unit.

(b) Agent shall, within fourteen (14) business days from its receipt of the Homeowner's Notice of Intent to Sell, list the availability of the Affordable Homeownership Unit on the Agent's website and send a copy of such listing to the Community Board(s) in which the Affordable Homeownership Unit is located and to the Council Member(s) that represents the council district(s) in which the Affordable Homeownership Unit is located. Such listing must include the items set forth in Section 4.03 (b)(ii), ((iii), (iv), (v), (vi), (vii), (viii), (ix) and (c) above. Agent shall deliver to potential buyers an HPD-approved application form on which the potential buyers are directed to return the application form with supporting documentation to HPD and are informed that the Agent is prohibited from charging an application fee. Agent shall also advise potential buyers of the Application Deadline.

(c) Prior to any resale of a Affordable Homeownership Unit, Agent shall set the Maximum Resale Price for such Affordable Homeownership Unit in accordance with the IH Program, including, but not limited to, Section 23-913 of the Zoning Resolution and Section 41-03 of the Guidelines, as same may be amended from time to time.

(d) Agent shall select Eligible Buyers from the list of potential buyers created by HPD, beginning with the first name on the potential buyer list. Agent shall ensure that the first potential buyer who meets the requirements of the IH Program will be offered an opportunity (i) at least two weeks prior to the closing date for the Affordable Homeownership Unit, to inspect the Affordable Homeownership Unit; and (ii) to purchase the Affordable Homeownership Unit, subject to financing.

(e) Agent shall not approve any resale unless the selected Eligible Buyer provides a Down Payment as specified in the IH Program.

(f) The mortgage loan to be secured by a Affordable Homeownership Unit is subject to Agent's review and prior approval.

(g) Agent shall verify the household income of a proposed homeowner in accordance with the IH Program prior to the sale date of any Affordable Homeownership Unit in order to ensure that upon sale, it is a low income household, moderate household or middle income household, as applicable, and meets the income qualification/assets test, and that upon resale, the proposed homeowner is an Eligible Buyer.

(h) Agent shall either provide HPD-approved classes for homebuyers concerning the responsibilities of homeownership or direct potential buyers to HPD-approved providers of such classes. Agent shall ensure, to the extent reasonably within its control, that each applicant for a Affordable Homeownership Unit provides evidence of completion of such course

to Agent.

(i) Agent must ensure that the Resale of the Affordable Homeownership Units is conducted in accordance with HPD's marketing guidelines and the Guidelines' internal transfer and first-time homebuyer preferences.

4.04 Determine whether the owners of Affordable Homeownership Units occupy the Affordable Homeownership Unit as their primary residence in accordance with the New York State Department of Housing & Community Renewal's criteria for primary residence occupancy for rental units in Rent Stabilization. Agent shall mail an owner occupancy letter to each Homeowners on an annual basis and request in such letter that each Homeowner annually certify under penalty of perjury the Homeowner's use of such Affordable Homeownership Unit as her or her primary residence by signing and returning to Agent, within ten (10) business days from the Homeowner's receipt of the owner occupancy letter, a notarized copy of such letter with any supporting documentation.

4.05 Meet all reporting requirements set forth in the IH Program, including, without limitation:

(a) Agent shall provide HPD with information on each sale and resale.

(b) Each year after the Commencement Date, as such term is defined in the Regulatory Agreement, in the month specified in the Regulatory Agreement, Agent shall submit an affidavit to HPD attesting that each resale of a Affordable Homeownership Unit during the preceding year complied with all applicable requirements on the resale date.

(c) Agent shall retain records that form the basis of any affidavit submitted to HPD for the duration of the homeowner's ownership of a Affordable Homeownership Unit plus six (6) years after such homeowner no longer owns such Affordable Homeownership Unit.

4.06 Approve or disapprove a Homeowner's request to sublet a Affordable Homeownership Unit, based on the following:

(a) The proposed sublessee must be a low income household.

(b) The sublease term must not exceed a total of two years in accordance with Section 23-962(a)(2) of the Zoning Resolution.

(c) The aggregate payments made by any sublessee in any calendar year shall not exceed the combined monthly common charges, mortgage loan payments and utilities paid by the sublessor.

4.07 Approve or disapprove a title change pursuant to Section 41-10 of the Guidelines, upon receiving a written notarized notification from the Homeowner seeking a title change of Homeowner's intent to modify title to the Affordable Homeownership Unit, along with document supporting such proposed modification and an affidavit from the Homeowner that the Homeowner has not received and will not receive any consideration for the title change.

4.08 Determine whether a Successor qualifies as an Eligible Buyer pursuant to Section 41-11 of the Guidelines.

4.09 Ensure that the procedures established by HPD for a Homeowner to refinance an existing mortgage encumbering a Affordable Homeownership Unit are strictly followed, including, without limitation:

(a) Agent shall verify that the new mortgage loan meets the following limitations:

(i) the value of the new loan will not exceed ninety (90%) percent of the Maximum Resale Price, calculated as of the date that a Homeowner notifies the Agent of an intent to refinance;

(ii) the new loan must be at a fixed rate of interest; and

(iii) the new loan must be from an approved institutional lender.

(b) Agent shall ensure that the refinancing complies with the IH Program.

(c) If the proposed new loan will increase the amount of the Mortgage Payments, Agent shall require the Homeowner to show that the Monthly Housing Costs are affordable to such Homeowners in accordance with the IH Program;

(d) Within seven (7) business days from Agent's receipt of a HPD-approved form of notice of intent to refinance ("Notice of Intent to Refinance") from a Homeowner seeking to refinance an existing Mortgage, Agent shall notify Homeowner of the Maximum Resale Price and the permissible Mortgage, which cannot exceed ninety (90%) percent of the Maximum Resale Price, as calculated in accordance with the IH Program.

(e) Agent shall review and approve the refinancing project within five (5) business days after a Homeowner has submitted to Agent a request for approval of the refinancing product form, along with information concerning the term of the refinancing product, the applicable interest rate and the lender, unless the refinancing project fails to comply with the IH Program, in which case Agent shall notify the Homeowner of such non-compliance and disapproval within five (5) days after a Homeowner has submitted to Agent a request for approval of the refinancing product form.

(f) Agent shall review all loan documents for the refinancing of a Affordable Homeownership Unit prior to execution for compliance with the requirements set forth in this Section 4.09. Agent must review and make a determination as to whether the loan documents comply with the requirements set forth in Section 41-11 of the Guidelines within ten (10) business days for receipt of such loan documents and inform the Homeowner and HPD of such determination within fourteen (14) business days of receipt of the loan documents. All loans must be subordinated to all IH Program requirements.

4.10 Ensure that each Affordable Homeownership Unit meets the requirements set forth in the IH Program. Owner represents that the Affordable Homeownership Units will meet the Minimum Quality Standards of the New York City Building Code and Housing Maintenance Code at the time of the issuance of the Certificate of Completion (as defined in the Regulatory Agreement) and at the time of the issuance of a Temporary Certificate of Occupancy for the

Building. Owner hereby indemnifies and holds Agent harmless from and against any and all claims, causes of action, lawsuits, damages, liabilities and costs and expenses (including reasonable attorneys' fees) actually incurred by Agent as a result of Owner's breach of the foregoing representation.

5. **MARKETING AGENT DUTIES OF AGENT.** Agent shall provide marketing and sales services with respect to the Affordable Homeownership Units pursuant to and in accordance with the Marketing Guidelines of HPD and the New York City Housing Development Corporation updated March 2012, as same may be amended from time to time (collectively, the "Marketing Guidelines"), the Regulatory Agreement, the IH Program and the Fair Housing Laws. The Market Rate Units, the Garage, and the Commercial Unit shall be excluded from the marketing and sales services to be provided by Agent under this Agreement.

During the Term, Agent shall provide the following marketing and sales services (collectively, the "Marketing Services") with respect to the Affordable Homeownership Units:

a. Developing a marketing plan for the Affordable Homeownership Units in accordance with the IH Program and Marketing Guidelines and any modifications, if needed or required by HPD, subject to Owner's review and approval;

b. Developing outreach goals for the community with respect to the Affordable Homeownership Units (Brooklyn Community Board 2) and other priority populations;

c. Developing a viable minimum income basis;

d. Conducting outreach to special markets by communicating with community resource organizations;

e. Conducting a minimum of two informational seminars in the community;

f. Informing Brooklyn Community Board 2 of marketing and outreach efforts with respect to the Affordable Homeownership Units;

g. Placing and reviewing advertisements with respect to the Affordable Homeownership Units to assure Equal Opportunity compliance;

h. Developing an application form and standard forms for all correspondence;

i. Developing selection process and procedures;

j. Selecting Eligible Buyers for the Affordable Homeownership Units in a manner that meets city, state and federal regulations, the IH Program and the Marketing Guidelines;

k. Providing homebuyer counseling for eligible applicants offered the opportunity to purchase an Affordable Homeownership Unit (at an additional cost to the applicant);

l. Coordination of the program with the Owner and HPD;

m. Reviewing and responding to all applicant appeals of rejection;

n. Providing one (1) full-time project manager and one (1) full-time administrative/support staff to handle the marketing program. A senior Agent staff person will be present one day per week to handle appeals and review files; and

6. **DUTIES OF OWNER.** The Owner shall be responsible for:

a. The cost of all promotional activities and advertising required by the Marketing Guidelines, as may be approved by the Owner;

b. The cost of the post office box, any lock-box and staffing requirements in connection with the lottery required by the Marketing Guidelines;

c. Any actual third-party out of pocket expenses incurred by Agent in fulfilling any of its obligations, including but not limited to supplies, postage, printing, copying, and translation; and

d. Any other obligations of the Owner under the Marketing Guidelines not specifically listed as an obligation of Agent under this Agreement.

7. **AGENT'S COMPENSATION.**

7.01 Assuming eleven (11) Affordable Homeownership Units are constructed at the Project, the fee for the initial marketing and sales of the Affordable Homeownership Units will be $55,000 (the "Marketing Fee") based on $5,000 per Affordable Homeownership Unit. The first 10% of the Marketing Fee ($5,500) is due and payable on the date hereof, and is non-refundable. The balance of $49,500 will be due and payable as follows: 25% ($12,375) will be due and payable on the publication date of the newspaper advertisement requirement by the Marketing Guidelines; another 25% ($12,375) will be due and payable upon HPD's creation of the list of potential buyers following the lottery; and the remaining 50% ($24,750) will be due and payable pro rata ($2,475) at the closing of title to each Affordable Homeownership Unit.

7.02 As compensation for the Administering Agent services performed this Agreement, Owner shall pay Agent Five Thousand Dollars and 00/100 ($5,000.00) per annum, commencing on the date that the first Eligible Buyer takes occupancy of an Affordable Homeownership Unit and on the annual anniversary thereof, except that after the 5th anniversary this Agreement, and the annual fee, shall subject to revision as mutually agreed between Owner and Agent. If no agreement can be reached on such revised annual fee, either party shall have the right to terminate this Agreement pursuant to the provisions of Section 3 of this Agreement. Such compensation shall be pro-rated on a daily basis for any period that is less than one year.

8. INDEMNIFICATION.

8.01 Agent agrees to defend, indemnify and hold the Owner harmless from and against any liability or expense (including, without limitation, reasonable attorneys' fees) arising out of any claim, action or procedure made or instituted against the Owner by virtue of a breach of this Agreement by Agent or the negligent acts or omissions of Agent under this Agreement or by virtue of Agent's violation of applicable fair housing laws, including, without limitation, any and all claims which may be imposed upon or incurred by or asserted against the Owner by any other broker or agent claiming to have dealt with Agent in connection with the leasing of any of the Affordable Homeownership Units, but excluding claims by any brokers or agents with whom the Owner has dealt.

8.02 Agent agrees to defend, indemnify and hold Owner harmless from and against any liability or expense (including, without limitation, reasonable attorneys' fees) arising out of any claim, action or procedure made or instituted against Owner by virtue of a breach of this Agreement by Agent or the negligent acts or omissions of Agent under this Agreement or a failure by Agent to comply with the Regulatory Agreement, the Marketing Guidelines, the IH Program, this Agreement and applicable laws.

8.03 Owner agrees to defend, indemnify and hold Agent harmless from and against any and all claims which may be imposed upon or incurred or asserted against Agent by any third party or party as a result of any failure of Owner to comply with the Regulatory Agreement, the Marketing Guidelines, or the IH Program which is not specifically made the obligation of Agent under this Agreement.

9. **NOTICES.** All notices given or required to be given hereunder shall be sent by registered or certified mail, return receipt requested and deposited postage prepaid in a post office branch or box regularly maintained or by a reputable national overnight service (for next business day delivery) or by facsimile transmission, provided a copy of any notice sent by facsimile transmission is also sent by overnight mail (for next business day delivery) and addressed to the parties at their respective addresses set forth herein below:

If to the Owner:
500 Waverly Property Owner, L.L.C.
c/o Orange Management Inc.
350 Seventh Avenue, 16th Floor
New York, New York 10001
Attn: Andrew Bradfield

With a copy to:
Holland & Knight
31 West 52nd Street
New York NY 10019
Attn: Paul J. Proulx

If to Agent: Housing Partnership Development Corporation
242 West 36th Street, 3rd floor
New York, NY 10018
Attn: Shelia Martin

Any such notice shall be sent to such other address as either party may designate in accordance with this paragraph. Any such notice shall be deemed effective on the earlier of receipt (with acknowledgment) or the third business day after mailing or the next business day after delivery to such overnight service, except that any notice of change of address shall be effective only upon actual receipt.

10. **MISCELLANEOUS**

10.01 This Agreement may be signed by Owner and Agent in counterparts, all of which, when taken together, shall be deemed an original Agreement.

10.02 This Agreement shall not be amended, modified, changed, supplemented, or terminated, nor may any obligations hereunder be waived without the prior written consent of the parties (or their successors and/or assigns as applicable).

10.03 This Agreement supercedes all prior negotiations, discussions, understandings and agreements heretofore had between the parties, whether oral or written, and constitutes the sole and entire agreement of the parties.

10.04 This Agreement and all of the rights and obligations set forth herein shall binding upon and inure to the benefit of the heirs, executors, successors, legal representatives and assigns of the respective parties hereto.

10.05 The provisions of this Agreement shall be construed in accordance with the laws of the State of New York.

10.06 If any provision of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement (or the application of such provision to persons or circumstances other than those in respect to which the determination of invalidity or unenforceability was made) will not be affected thereby and each provision of this Agreement will be valid and enforceable to the fullest extent permitted by law.

10.07 The captions and headings of various sections of this Agreement are for purposes of reference only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular, and the masculine, feminine and neuter shall be freely interchangeable.

10.08 This Agreement is not assignable by Agent without the prior written consent of the Owner, provided, however, that if Agent delivers to Owner a notice of termination of this Agreement pursuant to Sections 3.01 or 3.02, and has identified a new Administering Agent acceptable to HPD, Owner shall not unreasonably withhold its consent to such the assignment of this Agreement to such new Administering Agent. Owner may assign this Agreement upon sale of the Building, pursuant to an assignment and assumption agreement to be executed by Owner

and the transferee, provided, however, that Developer must provide Agent with written notice of any pending sale or other transfer of the Project as soon as practicable and in any event no later than ten (10) business days after execution of a contract of sale or any other agreement pertaining to the sale or transfer of the Project.

10.09 Each of the signatories to this Agreement represents that he or she has the full power, authority and legal right to execute this Agreement and is the fully authorized representative of each of the respective parties to this Agreement.

10.10 The captions and headings of various sections of this Agreement are for purposes of reference only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular, and the masculine, feminine and neuter shall be freely interchangeable.

10.11 This Agreement may be executed in one or more counterparts, each of which so executed and delivered shall be deemed an original, and all of which taken together shall constitute but one and the same instrument. This Agreement may be executed by facsimile signature and such facsimile signature shall be deemed to be an original signature.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

HOUSING PARTNERSHIP DEVELOPMENT CORPORATION
a New York not-for-profit corporation

By: _____
Name: Marie C. Iammatteo
Title: Treasurer

500 WAVERLY OWNER PROPERTY OWNER LLC
a Delaware limited liability company

By: _____
Name: Andrew Bradfield
Title: Authorized Signatory

SCHEDULE A

All those certain plots, pieces and parcels of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Kings, in the City and State of New York, designated as Block 2011, Lot 1, County of Kings, City and State of New York and more specifically described as follows:

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH OF BROOKLYN, COUNTY OF KINGS, CITY AND STATE OF NEW YORK BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE CORNER FORMED BY THE INTERSECTION OF THE WESTERLY SIDE OF WAVERLY AVENUE, WITH THE SOUTHWESTERLY SIDE OF FULTON STREET;

RUNNING THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY SIDE OF FULTON STREET, 105.83 FEET (105.75 FEET PER DEED; 105 FEET 10 INCHES TAX MAP);

THENCE WESTERLY 3.33 FEET;

THENCE SOUTHERLY AND PARALLEL WITH WAVERLY AVENUE 100 FEET;

THENCE EASTERLY 20 FEET;

THENCE SOUTHERLY AND AGAIN PARALLEL WITH WAVERLY AVENUE 50 FEET;

THENCE EASTERLY TO THE WESTERLY SIDE OF WAVERLY AVENUE 80 FEET;

THENCE NORTHERLY ALONG THE WESTERLY SIDE OF WAVERLY AVENUE 107.00 FEET (107.12 FEET PER DEED) TO THE POINT OR PLACE OF BEGINNING.