**CONDOMINIUM OFFERING PLAN FOR**

**78 IRVING PLACE CONDOMINIUM**

**78 Irving Place**
**New York, New York 10003**

**New York County**

| | |
|---|---|
| 7 Condominium Residences | $53,450,000 |
| 2 Storage Bin Licenses | $ 73,500 |

| SPONSOR: | SELLING AGENT: |
|---|---|
| Irving Place Investor LLC<br>825 Third Avenue, 37th Floor<br>New York, New York 10022 | Douglas Elliman Real Estate<br>575 Madison Avenue<br>New York, New York 10022 |

Date of Acceptance for Filing: _____.

The term of the initial offer is twelve (12) months commencing on the Date of Acceptance for Filing. The term may be extended by a duly filed amendment to the offering plan.

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

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

**THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE (1).**

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# PART I

## A. SPECIAL RISKS TO BE CONSIDERED BY PURCHASERS

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.

1. **Units.** 78 Irving Place Condominium (the "Condominium") contains seven (7) Units that are being offered for sale under this Offering Plan and two (2) Storage Bins being offered pursuant to licenses. The Units may generally be used only for residential purposes and, subject to compliance with the Declaration and the By-Laws, for lawful home occupation as defined in the New York City zoning resolution; and may be leased by the Unit Owners thereof to tenants only for periods of not less than one year. Please refer to the section of the Plan entitled "Introduction" for further details.

2. **Sponsor Obligation to Sell.** Sponsor will endeavor in good faith to sell all of the Units in a reasonably timely manner; however, there is no certainty as to the period of time required to sell all of the Units. The Sponsor may decide to rent certain Units from time to time after consummation of the Plan (except pursuant to an interim lease), however it should be noted that Sponsor must obtain consent from its lender to rent rather than sell Units. As a consequence of the foregoing, residents of the Building may be comprised of both Unit Owners and tenants leasing from Sponsor or other Unit Owners. It is possible that a significant proportion of Unit Owners will not be residents of the Building and that a significant portion of residents in the Building may not be Unit Owners, and a Unit Owner seeking to resell or refinance a Unit may experience difficulty. Because Sponsor is not limiting the conditions under which it will rent rather than sell units, there is no commitment to sell more units than the fifteen percent (15%) necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. See Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.

3. **Down Payment.** At the time a Purchase Agreement is executed, a Purchaser is required to make a down payment in an amount equal to at least fifteen percent (15%) of the purchase price, and an additional five percent (5%) on the earlier of four (4) months after the execution of the Purchase Agreement or thirty (30) days after the Plan is declared effective. Notwithstanding the foregoing, foreign governments and persons with diplomatic immunity will be obligated to make a down payment in an amount equal to at least fifty (50%) percent of the Purchase Price on the execution of an Agreement. In the event a Purchaser defaults under his or her Purchase Agreement and does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default, Sponsor may, at its option, cancel such Agreement and retain, as liquidated damages, the entire down payment made by the Purchaser, together with interest earned thereon, if any. TIME IS OF THE ESSENCE to a Purchaser as to a Purchaser's obligations pursuant to the Agreement, including, without limitation, for the payment of the balance of the Purchase Price.

Purchasers are advised that a Purchaser's funds are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 in the aggregate per account type per insured bank. If a Purchaser makes a Down Payment in excess of $250,000 for the purchase of a Unit, such Down Payment will not be federally insured in excess of $250,000. Additionally, if Purchaser has an account at the Escrow Bank, the aggregate of Purchaser's funds at the Escrow Bank, including funds in the account and the Down Payment, may not be insured in excess of $250,000. Therefore, if a Purchaser has an account at the Escrow Bank, a Purchaser's Down Payment, including a Down Payment that is less than $250,000, may not be insured in part or in its entirety. Furthermore, while the Down Payment is in the non-interest bearing checking portion of the Master Escrow Account, the Down Payment may not be fully federally insured, even if the Down Payment does not exceed $250,000. Purchasers should consult with the FDIC website and with their attorneys to determine which part, if any, of their funds are insured by the FDIC.

For purposes of this Plan and the Agreement, the term "TIME BEING OF THE ESSENCE" shall mean that a failure by Purchaser to do what is required at the time specified in the Agreement is a material breach of the Agreement and an Event of Default entitling Sponsor to the remedies set forth in this Plan and the Agreement. Please refer to the Section entitled "Procedure to Purchase" for further details.

4. **Purchaser Default.** If a Purchaser fails for any reason to close title to his or her Unit on the originally scheduled Closing Date and Sponsor elects not to cancel the Purchaser's Agreement as a result of the same, (a) the Closing apportionments to be made at the Closing will be made as of midnight of the date preceding the originally scheduled Closing Date, and (b) the Purchaser will be required to pay to Sponsor an amount equal to 0.04% of the purchase price of his or her Unit for each day that the Closing is adjourned. Please refer to the Section entitled "Procedure to Purchase" and the Purchase Agreement located in Part II of the Plan for further details.

5. **Upgrades.** All funds received by the Sponsor for upgrades or extras shall initially be placed in an escrow account. However, Purchasers should note as a special risk that such funds may be released from the escrow account by the escrow agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras. Notwithstanding the foregoing, if Sponsor abandons the Plan, all funds received by Sponsor for upgrades or extras will be returned to Purchasers. Please refer to the Section of the Plan entitled "Procedure to Purchase" for further details.

6. **No Financing Contingency.** Although a Purchaser may obtain financing from a lending institution or any other source, his or her obligation to purchase a Unit pursuant to his or her Agreement shall not be contingent on obtaining financing for such purchase. Neither Sponsor nor the Selling Agent makes any representations as to the terms or availability of any mortgage financing. Prospective Purchasers are, therefore, advised to pre-qualify for financing with their lender before signing an Agreement. However, prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be fixed, and it could expire before the Closing

Date. In addition, given the current economic climate, a lending institution could withdraw its commitment if, for example, it believes a Purchaser's financial condition has worsened or that the Unit's appraised value has decreased. Please refer to the Section of the Plan entitled "Procedure to Purchase" for further details.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Some restrictions include requiring that a certain percentage (e.g. 70% or more) of the Units in a building be sold before the lender will consider making a loan. Even after the First Closing has occurred, lenders may still impose minimum sales requirements as a condition to making a loan for which commitments have been issued. It may be possible for a Purchaser to experience difficulty obtaining a loan in a building where the percentage of Units purchased is lower than a lender's particular sales minimum. Moreover, in the current economic climate, lenders are imposing higher loan to value requirements, making it more difficult for Purchasers to obtain a loan to finance the purchase of their Unit. Please refer to the section entitled "Procedure to Purchase" for further details.

To the extent permitted by applicable Law, the provisions of the Declaration and By-Laws may comply with certain requirements of Federal National Mortgage Association ("Fannie Mae") and the Federal Housing Authority ("FHA"). Sponsor, at its sole cost and expense, may file applications with Fannie Mae and FHA in order to have the Condominium added to a list of "approved" condominiums. There is no guaranty or assurance that Sponsor will complete said applications or satisfy the criteria for approvals, or in the event that either or both of the Fannie Mae and FHA requirements are satisfied, whether the Condominium will continue to satisfy such criteria. Purchasers should further be advised that if FHA approval is granted to the Condominium, no more than thirty percent (30%) of the total Units may be encumbered by FHA securitized, guaranteed or insured loans. It shall not be a basis for a Purchaser to rescind an Agreement if for any reason, Sponsor's application to either or both of Fannie Mae and FHA, is not submitted or approved. In addition, in accordance with the requirements of Fannie Mae and FHA, at least ten percent (10%) of the total operating budget for the first year of Condominium operation is required to be set aside for a capital repair and replacement reserve fund in order to fund the replacement reserves for capital expenditures and deferred maintenance (the "Replacement Reserve"), as more particularly described in the projected "Budget for First Year of Condominium Operation, Schedule B", in Part I of the Plan. There is no guarantee or assurance that the Replacement Reserve will be provided as a line item in the operating budget after the first year of Condominium operation or that Purchasers will be able to obtain mortgages insured by Fannie Mae and/or FHA. The Board reserves the right, in its sole discretion (including without limitation during the Initial Control Period) to use the Replacement Reserve towards any capital expenditures it deems appropriate. The Replacement Reserve can only be used for the repair and replacement of the Common Elements, as the case may be. Please refer to the section of the Plan entitled "Introduction" for further details.

7. **Mortgage Recording Tax.** If Purchaser obtains a mortgage loan for the purchase of the Unit (the "Purchase Money Mortgage"), the Purchaser will pay to Sponsor a sum equal to the partial mortgage tax credit to which the Purchaser may be entitled pursuant of Section 339-ee(2) of the Condominium Act, which sum shall be paid as a reimbursement for the mortgage

recording tax previously paid by Sponsor in connection with any existing mortgage(s). Alternatively, Sponsor may require in its sole discretion a Purchaser who is financing the purchase of said Unit with a Purchase Money Mortgage, to cause the lender making such loan to accept from the Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to the Purchase Money Mortgage as determined by Sponsor. Upon such assignment, that portion of the Purchase Money Mortgage assigned by Sponsor, will be exempt from mortgage recording tax under Section 255 of the Real Property Tax Law. Sponsor shall be solely entitled to the benefits of such exemption and accordingly, Purchaser must pay to Sponsor an amount equal to the mortgage recording tax which would have otherwise been due in connection with the recording of the Purchase Money Mortgage. Please refer to the section of the Plan entitled "Closing Costs and Adjustments" for further details.

8. **Right to Enforce Terms.** No party other than the respective 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 (including without limitation, parties purchasing from Purchasers) shall be deemed to have received any benefit as a result of any of the provisions of the Plan. Please refer to the Section entitled "General" in Part I of the Plan for further details.

9. **Control of the Condominium.** The Condominium will have a Condominium Board (the "Board"), which will, after the Initial Control Period, as hereafter defined, consist of three (3) representatives elected by the Unit owners. Sponsor, as the owner of Unsold Units will have voting control of the Board during the period which continues until the earlier to occur of: (i) the sale by the Sponsor of all the Units or (ii) five (5) years after the First Closing (the "Initial Control Period"). During the period that Sponsor controls the Board, Sponsor will have control of maintenance, facilities and services to be provided to Unit Owners and will determine the Common Charges to be paid by all Unit Owners. At all meetings, each Unit Owner (or his or her proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Units) shall be entitled to cast one vote for each percentage of Common Interests pertaining to the Unit Owners' Unit.

Although Sponsor and its designees may exercise veto power over some actions of the Board, Sponsor may not exercise veto power over expenses in Schedule B, or expenses required to remedy any notice of violation, or to remedy any work ordered by an insurer. Sponsor may exercise veto power over expenses other than those described in the foregoing sentence, for a period ending not more than five (5) years after the Closing of the first Unit or whenever the Unsold Units constitute less than twenty-five percent (25%) of the Common Interest, whichever is sooner. Until Sponsor and its designees have conveyed title to all of the Units, but in no event later than five (5) years after the Closing of the first Unit (the "First Closing"), the 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 for the creation of, addition to or replacement of all or part of a working capital, reserve, Replacement Reserve or surplus fund, or (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, or (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of

the First Closing or otherwise provide services in excess of those referred to in the Plan, except as it required to reflect normal annual increases in operating services, 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 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 (and no other alternative is available) to enable the Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium or for the health and safety of the occupants of the Building. Please refer to the section entitled "Control By Sponsor" for further details.

During the Initial Control Period, the Board shall consist of two (2) persons designated by Sponsor, although, Sponsor reserves the right to designate fewer than two (2) persons to the Board. Commencing with the First Annual Meeting, the Board shall consist of three (3) persons.

The Board shall have the powers and duties necessary and incidental to the administration of the affairs of the Condominium. All determinations with respect to the continuance or discontinuance of any of the services in the Building, will be made by the Board, which will be controlled by Sponsor for so long as the Sponsor owns any of the Units in the Condominium or until five (5) years after the First Closing, whichever is earlier. (See the Section entitled "Control by Sponsor"). Please refer to the Description of the Property set forth in its entirety in Part II of the Plan for further details regarding services and facilities at the Property.

The By-Laws do not include a provision that after the expiration of the Initial Control Period a majority of the Board must be Unit Owner-occupants or members of a Unit Owner-occupant's household who are unrelated to Sponsor and its principals. Owner-occupants non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment.

At the First Annual Meeting and at all times thereafter, Sponsor may be able to elect members of the Board as a result of its ownership of or interest in Unsold Units. Sponsor shall retain voting control of the Board, if Sponsor and its designees are able to cast sufficient votes at such meetings to establish such control. In addition, Sponsor, for so long as Sponsor owns at least one (1) Unit, shall also have the right, at its option, to designate at least one member of the Board.

Special meetings of the Unit Owners can be called by the President of the Board, by a majority of the Board, or by a petition signed by 25% in Common Interests of Unit Owners.

As further described in Special Risk 24, Sponsor reserves the right to delay the commencement of collection of Common Charges. During any such delay (the "Waiver Period"), Sponsor will timely pay all expenses of the Condominium.

Please refer to Special Risk 24 and the Section of the Plan entitled "Condominium Board" for further details.

**10. Continuation of Services.** Neither Sponsor, the Managing Agent nor the Board will in any event be liable for the availability, interruption, discontinuance or quality of any services in the Building, including, but not limited to, any services provided by any outside company or person, or for any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents, except to the extent that any such injury to person or damage to property occurs as a result of the negligence of Sponsor, the Managing Agent or the Board, as the case may be. Please refer to the Section entitled "Description of Property and Improvements" in Part II of the Plan for further details.

**11. Right of First Refusal.** The sale or lease of Units is subject to a right of first refusal by the Board. Leases of Units, other than Unsold Units, may not be for terms shorter than one (1) year. The Board has the right to reject sales and leases to purchasers and tenants who themselves (or residents of their Units) have diplomatic immunity or have been convicted of violent crimes or child molestation without being required to exercise the right of first refusal. The right of first refusal contained in the By-Laws will not apply to a Mortgagee or its assignee to: a) foreclose or take title to a condominium unit pursuant to the remedies in the mortgage; b) accept a deed or assignment in lieu of foreclosure in the event of a default by mortgagor; c) sell or lease a unit acquired by the Mortgagee or its assignee; or d) transfer to another lender or affiliate. Please refer to the section of the Plan entitled "Rights and Obligations of Units Owners and the Condominium Board" for further details.

**12. Amendments.** No amendment, modification, addition or deletion of the Declaration, By-Laws or Rules and Regulations shall be effective in any way without the prior written consent of Sponsor or its designee or the owner of any Unsold Units, as the case may be, with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any Unsold Units, as the case may be, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Units, as the case may be. Please refer to the section of the Plan entitled "Rights and Obligations of Unit Owners and the Condominium Board" for further details.

**13. Power of Attorney.** Each Purchaser will be obligated to enter into a power of attorney at the Closing of title to a Unit. The form of power of attorney, set forth in Part II of the Plan, grants broad powers to the Board to enter into agreements affecting the Common Elements. The power of attorney also grants to Sponsor the right to amend the Condominium Declaration with respect to any Unsold Unit. Please refer to the form of power of attorney set forth in its entirety in Part II of the Plan.

**14. Construction.** Construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and architectural systems. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. During at least the first year of Condominium operations, construction workers and related personnel will be at the Property from time to time making adjustments and performing various tasks related to the completion of construction. Various systems, including but not

limited to the amenities, water supply, air conditioning, heating, cooling, ventilating and elevators, may require more than a year after any Unit Closing to complete. Although operable, these systems may need to be shut down temporarily from time to time. Various other adjustments, to windows and elevators and other systems and amenities, may require eighteen (18) months or more after the First Closing to complete. Sponsor may not fully complete the decoration of the Lobby or the corridors in the Building, including but not limited to installing light fixtures, hanging wall coverings or laying carpeting, until that particular floor is fully occupied by Unit Owners.

During the period when Sponsor is completing the renovations to the Building, move-ins into the Building may be restricted to certain periods when the elevators and other access to the Building are not being utilized by the construction trades. The first temporary certificate of occupancy may be issued for some but not all of the Units and Sponsor may complete construction of certain Units before others.

Please refer to the Section of the Plan entitled "Description of Property" for further details.

15. **Closing of Units.** Purchasers should also note that even if the First Closing occurs on or before January 1, 2016 (or such other date projected as the date of commencement of operation at the time the Agreement was entered into) or within the twelve (12) month period thereafter, the Closing of subsequent Units may be substantially delayed beyond such dates if a temporary certificate of occupancy has not been issued for such Units or for the floor on which such Units are located. Accordingly, Purchasers may not be able to close title to their respective Unit(s) for some period of time after signing their respective Agreement and after the First Closing. In such a case, provided that the Sponsor is pursuing completion of construction and issuance of a certificate of occupancy and is otherwise in compliance with its obligations under the Plan, a Purchaser will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of substantial delays and will not be excused from paying the full purchase price for the Unit. **PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.** Please refer to the section of the Plan entitled "Description of Property" for further details.

16. **Sponsor's Obligations.** As more fully set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor" Sponsor is obligated to renovate the Building in accordance with all applicable Laws and the Plans and Specifications as well as the provisions of this Offering Plan. The Housing Merchant Implied Warranty Law (General Business Law Article 36-B) is not applicable to this offering. Sponsor is not making any express or implied warranties of fitness for a particular purpose, merchantability or habitability of any Unit or Common Element. Unless caused by a violation of the sound transmission code, noise code or other applicable code, there is no warranty as to sound transmission. Unless caused by a failure of Sponsor to comply with the Laws and the Plans and Specifications, Sponsor is not responsible for, nor can it make any guarantees regarding odors, levels of noise or vibrations resulting from the operation of the Building or the Units or the degree of privacy which will be afforded to Unit Owners in their

Units. Unless caused by a code violation or a violation of Law, there is no warranty with respect to mold, mildew, spores, fungi or other toxins.

**17. Warranties.** There is no warranty as to air, view or light quality. Sponsor's obligation, regardless of any limitations in the warranty, is to construct the premises in accordance with all applicable Laws, the Plans and Specifications, and any conflict between (a) the disclaimers and (b) Sponsor's obligation to construct the premises in accordance with all applicable Laws the Plans and Specifications, shall be resolved in favor of the latter. In no event will Sponsor be liable for incidental, special or consequential damages. Please refer to the Section of the Plan entitled "Description of Property and Improvements" for further details.

**18. Permanent Certificate of Occupancy.** Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy covering the entire building but with only a temporary certificate of occupancy, 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 temporary and final certificates of occupancy are issued by the New York City Department of Buildings. A temporary certificate of occupancy 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 New York City Department of Buildings. All temporary certificates of occupancy have an expiration date. A temporary certificate of occupancy typically expires 90 days after the date of issuance. When a temporary certificate of occupancy expires and is not renewed, it may be difficult or impossible to buy insurance or sell or refinance a Unit. If a temporary certificate of occupancy expires before it is renewed or a permanent certificate of occupancy is obtained, residential occupancy of the premises will be in violation of the Multiple Dwelling Law. In New York City, it is common for sponsors to commence unit Closings when some or all units are covered by a temporary certificate of occupancy rather than a final certificate of occupancy. Sponsor anticipates this scenario may occur. Sponsor will undertake the responsibility for extending each temporary certificate of occupancy received prior to expiration thereof, and ultimately for obtaining a final certificate of occupancy covering the entire building within two (2) years from the date of the issuance of the first temporary certificate of occupancy. However, Sponsor makes no representation or guarantee that the New York City Department of Buildings will issue the final certificate of occupancy within such two year period. Notwithstanding the foregoing, Sponsor is obligated to procure the final certificate of occupancy for the entire building, and shall exercise best efforts to obtain the final certificate of occupancy within such two year period while keeping the temporary certificate of occupancy current. Unit Owners and the Board shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

Furthermore, because Sponsor and the By-Laws of the Condominium may permit Unit Owners to undertake renovations to individual Units prior to the procurement of a final certificate of occupancy, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor and its principal(s) are obligated to procure the final certificate of occupancy.

The NYC Department of Buildings advises purchasers of houses and apartments who close with only a TCO in place, to consult with their attorney and engineers to assure that sufficient funds are escrowed or otherwise secured for Sponsor to obtain a permanent or final CO. It is strongly recommended that buyers consult the "DOB Website/Consumers Tips" for its recommendation when buying units in a building that does not have a Final Certificate of Occupancy.

Purchasers should seriously consider negotiating Closing based on a permanent certificate of occupancy, not a temporary certificate of occupancy. If purchasing a Unit covered by a temporary certificate of occupancy, Purchasers should consult a licensed architect or engineer to determine what work has to be done in order for the Building to receive a permanent certificate of occupancy. Purchasers are advised to visit the Department of Buildings' website for further recommendations when purchasing a Unit that does not have a permanent certificate of occupancy.

Please refer to the Section of the Plan entitled "Description of Property and Improvements" in Part I of the Plan for further details.

**19. Sponsor Reserves Right to Change Units.** In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor 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 Board, Unit Owner or Mortgagee, to (a) change the layout of, or number of rooms in any Unsold Unit, (b) change the size and/or number of Unsold Units by dividing one or more such Units into two or more separate Unsold Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Unsold Units, altering the boundary walls between one or more Unsold Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Unit, and (c) if appropriate, reapportion among the Unsold Units affected by any such change, their aggregate Common Interests. With the consent of the Unit Owners, Sponsor also 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, to designate a Common Element as part of an Unsold Unit or designate all or part of an Unsold Unit as a newly created Common Element. Please refer to the Section of the Plan entitled "Changes in Prices and Units" for further details.

On Closing of the acquisition of a Unit, the Purchaser will receive warranties for the appliances in the Unit. Except as contained on Purchaser's inspection statement Sponsor shall not be obligated to correct, repair, or replace any defects relating to construction of the Units, the Common Elements, or in the installation or operation of any appliances, fixtures, or equipment therein, except as expressly provided in this Plan.

**20. Limitation on Alterations.** The Sponsor as well as the Board may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Building has been completed and a permanent certificate of occupancy has been obtained therefor. In addition, certain services, such as cable, computer, and other similar services may be provided by outside

suppliers and delays in these services will not be the responsibility of the Sponsor unless such delays are caused by Sponsor. Please refer to the Section of the Plan entitled "Description of Property and Improvements" in Part I of the Plan for further details.

21. **Real Estate Tax Estimates.** The real estate tax estimates for each Unit were calculated on the assumption that the real estate taxes payable with respect to each Unit for the first year of Condominium operation will be allocated in proportion to each Unit's percentage interest in the Common Elements. Upon determination of individual tax lots and individual Unit assessments, the New York City tax authorities may allocate taxes between the Units in proportion to each Unit's purchase price rather than its percentage interest in the Common Elements, and, if so, Units having the same percentage interest may pay different real estate taxes. The real estate taxes payable for the first year of the Condominium's operation are based on an assessment of the Building as complete for only a portion of the year. Once the Building is fully assessed, the real estate taxes will be higher. Please refer to the Section of the Plan entitled "Real Estate Taxes" in Part I of the Plan for further details.

In addition, the New York City tax authorities may assess taxes against the Building in a different manner and in a different amount than that assumed by Sponsor's real estate tax attorney and, if so, Unit Owners may pay significantly different real estate taxes than those set forth on Schedule A. Sponsor can only estimate, based on reasonable, professional third party expert assumptions, what the real estate taxes for each Unit will be. Only the New York City tax authorities will make the actual determination upon the filing of tax lots. Please refer to the Sections entitled "Offering Prices and Related Information, Schedule A" and "Real Estate Taxes" in Part 1 of the Plan for further details.

Purchasers should note that the real estate taxes for the first year of Condominium operation are less than the taxes will be for the second year of Condominium operation benefits since the first year's tax estimate includes six (6) months of assessed valuation of the Property prior to the completion of the Building which is a substantially lower valuation. Assuming the Property does not receive any abatement from real estate taxes, the taxes during the second year of operation, and subsequent years, will be higher than the taxes during the first year of operation.

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

22. **Waiver of Diplomatic Immunity.** Purchasers who have diplomatic immunity will be required to expressly waive any and all immunity from suit by the Sponsor and the Board. In addition, 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) will be required at the time of Closing of title to such Purchaser's Unit, to deposit with the Board an amount equal to two years' estimated Common Charges. Please refer to the Sections entitled "Rights and Obligations of Unit Owners and the Condominium Board" in Part 1 of the Plan and Section 8.1.9 of the By-Laws in Part II of the Plan for further details.

23. **Budget Contingency.** The Contingency provided for in the projected budget for the first year of Condominium operation (Schedule B) is intended to provide a fund for unanticipated expenses not included in the budgets and for increases in operating expenses above the amounts projected. Additionally, a Replacement Reserve has been established to conform to Fannie Mae requirements of an amount to be set aside as a reserve for capital repairs and replacements. These budget line items may not be sufficient to meet the cost of any major capital repairs or replacements which may be required. If funds are required to meet such costs, it may be necessary to increase Common Charges or institute a special assessment. Please refer to the Section of the Plan entitled "Working Capital Fund" for further details.

24. **Waiver of Common Charges.** During the Condominium's initial two (2) fiscal years, the authority of the Board shall include the right to base the amount of Common Charges on actual costs and expenditures and/or to make retroactive adjustments to the amount of Common Charges payable by Unit Owners for any period to reflect actual operating costs for such period. Sponsor reserves the right, in its sole and absolute discretion, to cause its designees on the Board (the "Sponsor's Board Designees") to waive, in their sole discretion, the collection of Common Charges from the Unit Owners for a period of time beginning from the date of the First Closing until the Sponsor's Board Designees, in their sole discretion, otherwise determine (such period the "Waiver Period"), provided, however, that Sponsor during the Waiver Period shall be solely responsible for the payment of all expenses to operate the Building (the "Operating Expenses"). The Operating Expenses will not include the funding of the Contingency for repairs. The Unit Owners shall not be responsible for the payment of Common Charges until the expiration of the Waiver Period and the Unit Owners will not be subject to any special assessments for Operating Expenses incurred during the Waiver Period.

Pursuant to the foregoing, Sponsor reserves the right to delay the commencement of collection of Common Charges. During any such delay, the Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments required by lenders. Upon commencement of collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium. Sponsor shall remain obligated to update the budget for the Condominium as provided for in governing regulations. In the event Sponsor elects to delay the collection of Common Charges, it will disclose such fact in the Closing notice to Purchasers and will further disclose such fact in the Post-Closing Amendment to the Offering Plan. Such Amendment will also disclose the anticipated period of delay. Sponsor will notify all Unit Owners in writing of the expiration of the delay period at least thirty (30) days prior to the commencement of collection of Common Charges and will disclose such fact in the following amendment to the Offering Plan.

Please refer to the Section of the Plan entitled "Rights and Obligations of Sponsor" in Part I of the Plan for further details.

25. **Bulk Sale of Units.** Sponsor reserves the right to sell two (2) or more Units to a single purchaser and to designate the purchaser of such blocks of Units as "sponsor" under this Plan and the Declaration. The party so designated as a "sponsor" will have those additional rights

and obligations of a "Sponsor" as more fully described in the Plan. Please refer to the Section of the Plan entitled "Rights and Obligations of Sponsor" in Part I of the Plan for further details.

**26. No Security for Sponsor Performance.** Except as set forth in the Plan or as required by law or governmental regulation, 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 it is called upon to perform. No representation can be made that it 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 which are to be performed after Closing, shall survive the delivery of the respective Unit deeds. In the event Sponsor is not financially able to perform its obligations under the Plan, sales will cease and the Plan will be amended to offer rescission to purchasers, if any. Please refer to the Section of the Plan entitled "Rights and Obligations of Sponsor" in Part I of the Plan for further details.

**27. Allocation of Common Interests.** The Common Interest of each of the Units has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act and accordingly based upon a comparison of the floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use and the overall dimensions of the particular Unit. Based upon final specifications, construction conditions and/or "as-built" plans for the Building reflecting relative measurements, areas and uses of portions of the Building, application of such method of allocation of Common Interest may justify a minor increase or decrease in the aggregate Common Interest appurtenant to the Units. In such event, the Common Interest appurtenant to each individual Unit would be adjusted (by a minimal amount) pro rata. Sponsor expressly reserves the right, from time to time prior to the First Closing, to effect such a change in the Common Interests and to amend the Plan so as to reflect the same. In no event, however, will the Common Interest of any Unit be increased as a result of any of the foregoing by more than 5%. Please refer to the Sections of the Plan entitled " Offering Prices and Related Information, Schedule A" and "Changes in Units and Prices" for further details.

**28. Floor Plans.** The Floor Plans set forth in Part II depict the layouts of the Units. The approximate indoor floor area of each Unit has been measured horizontally from the exterior side of the exterior walls (columns, shear walls, 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, and to the centerline of interior walls and partitions separating a Unit from public corridors, stairs, the elevator and other mechanical equipment spaces or any Common Elements not within a Unit. Exterior square footage at the Unit 1B entry and the Penthouse roof terrace is measured from the exterior face of the exterior wall to the centerline of demising walls between exterior square footage and Common Elements. Dimensions measured from exterior walls may not accurately represent the interior space in the Unit and may exaggerate such interior space by as much as ten percent (10%). See the Footnotes to Schedule A for the square footage measurement of each Unit.

**29. Dimensions of Units.** Purchasers should note that the square footage of each Unit as reflected in Schedule A and the Floor Plans set forth in Part II of the Plan is approximate within reasonable tolerances and may change due to field conditions and construction variances and tolerances. An area that is diminished by 5% or less is not material. Because dimensions listed are based on measurements from exterior walls, they do not accurately represent the interior space in the Unit and will exceed the actual floor area. Floor area may include columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available floor area. Each Unit will be measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling. Ceiling heights are estimates only. The clearance between the top of the floor slab on one floor and the top of the floor slab on the next floor will vary among the Units and certain Units may have less clearance and all or portions of the ceilings in certain rooms within other Units may have a lesser clearance as the result of construction variances or the presence of beams, ducts and other and mechanical spaces in such Units. Because dimensions listed are based on measurements from floor slabs, they do not accurately represent the heights of the Units from the finished floor to the finished ceiling. Ceiling heights within any given room may also vary. Please refer to the "Footnotes to Schedule A" in Part I of the Plan for further details.

It is a special risk of this Offering Plan that the approximate Square Footage of a Unit set forth in column numbered (3) of Schedule A is a gross approximate square footage of the Unit, within reasonable tolerances. The outdoor floor area of private roof terrace appurtenant to the Penthouse Unit are not included in the Unit's floor area. As is customary in New York City, these gross square footages may substantially exceed the useable floor area of each Unit.

Any floor layout, plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit or exterior area in question. However, any material change will be set forth in an amendment to the Plan, and no material adverse change will be made in the size, configuration, or layout of a Unit for which a Purchase Agreement has been countersigned by Sponsor and returned to the Purchaser 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 Purchasers, offer the affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with all interest earned thereon.

**30. Window Washing.** The interior glass surfaces of all windows located in any Unit shall be washed and cleaned at the sole discretion of the Unit Owner or occupant thereof as such Unit Owner's sole cost and expense. Please refer to the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Condominium Board" under the subsection entitled "Repairs to and Maintenance of Units and Common Elements" in Part I of the Plan for further details.

**31. Transfer Taxes.** Purchasers shall be obligated to pay the NYC Real Property Transfer Tax and NYS Real Property Transfer Tax (Deed Stamps) which by law are the primary obligation of the Seller. If the purchase price of the Unit is $1,000,000 or more, Purchaser shall also be obligated to pay the New York State Additional Tax pursuant to Article 31 of the Tax

Law, commonly referred to as the "Mansion Tax", currently one percent (1%) of the purchase price, which by law is the primary obligation of the Purchaser. For purposes of calculating the taxes payable, the amounts of such taxes (other than the Mansion Tax) will be included in the consideration subject to such tax. Regarding the Mansion Tax, purchase price and transfer taxes payable by Purchaser are added together by the NYS Department of Finance to arrive at total consideration. Therefore, for example, a Unit priced at $985,000, where Purchaser pays transfer tax, would subject purchaser to liability for Mansion Tax as the aggregate of price plus tax would exceed $1,000,000. (See the Section entitled "Closing Costs and Adjustments" for further details).

**32. Plan Contingent on Being Declared Effective.** Sponsor's offer to sell the Units under this Plan is contingent upon the Plan being declared effective pursuant to Section 20.3(q) of Title 13 NYCRR (i.e., agreements signed by bona fide purchasers for fifteen percent (15%) of the Units offered under the Plan). Sponsor may declare the Plan effective after selling a minimum of fifteen percent (15%) of the Units offered for sale in the Building. Sponsor's construction financing does not contain a minimum number or percentage of units which must be under contract before the Plan can be declared effective. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to submit the Property to a condominium regime and convey Units with fewer than a minimum number of sales if purchasers counted towards effectiveness do not ultimately purchase a Unit. Please refer to the Section entitled "Effective Date" in Part I of the Plan for further details. Sponsor will endeavor in good faith to sell all of the Units in a reasonably timely manner; however, there is no certainty as to the period of time required to sell all of the Units. Sponsor may decide to rent certain Units from time to time. As a consequence of the foregoing, residents of the Residential Section may be comprised of both Unit Owners and tenants leasing from Sponsor or other Unit Owners. It is possible that a significant proportion of Unit Owners will not be residents of the Residential Section and that a significant portion of residents in the Residential Section may not be Unit Owners, and a Unit Owner seeking to resell or refinance a Unit may experience difficulty. See Sections of the Plan entitled "Effective Date" and "Rights and Obligations of Sponsor" in Part I for further detail.

The Plan may, at the option of Sponsor, be abandoned a) at any time before it is declared effective and b) after it is declared effective in the event of: (1) the existence of one or more title defects affecting any one or more Units or the Property that cannot be removed, cured or complied with or without litigation or for less than one percent of the Total Offering; (2) 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 one percent of the Total Offering; or (3) a taking of all or part of the Property in condemnation proceedings or by eminent domain. See the Sections entitled "Description of Property and Improvements", the "Rights and Obligations of Unit Owners and the Condominium Boards", and "Effective Date" for further discussion.

**33. First Closing.** The Sponsor anticipates that the First Closing of a Unit will occur by January 1, 2016. Purchasers will be offered a right of rescission if: (i) the actual date of Closing of title to the first Unit, or (ii) the projected date of Closing of title to the first Unit

occurs later than December 31, 2016, twelve months after the projected date for the First Closing, although the First Closing may occur prior to January 1, 2016. If the Plan is amended to provide for a later projected date for the First Closing, Purchaser will be entitled to an offer of rescission if the First Closing occurs more than twelve (12) months beyond that amended, later date. However, if the first Unit Closing occurs before December 31, 2016, the Sponsor may schedule the Closing of title to other Units significantly later than such date. Unless your Agreement contains an outside Closing date, the Sponsor is not obligated to schedule your Closing within any specified time frame or to ensure that Closing of title to your Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

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

**34. Closing Costs.** All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's attorneys, Holland & Knight LLP ("Sponsor's Counsel"), in connection with the Closing of title to Purchaser's Unit: (i) the sum of $3,750 to reimburse Sponsor for its legal fees in handling the sale; (ii) if the Purchaser requests the Closing to occur other than at the offices of Holland & Knight LLP or such other place as Sponsor may designate in its Closing notice and Sponsor consents to such change, an attendance fee of $500 for each Closing held within Manhattan and $750 for each Closing held in any borough outside Manhattan; (iii) if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Agreement, or for the addition, deletion or substitution of names on the Agreement, Purchaser shall pay a fee of $1,000 to Sponsor's Counsel, payable in advance, for preparation of an assignment agreement (Purchaser may pay more than one fee pursuant to this paragraph with respect to a single Unit); (iv) if Purchaser obtains mortgage financing, then Purchaser shall pay the Sponsor's Counsel an additional fee of $750 to defray the additional costs associated therewith; (v) if the Closing is adjourned through no fault of Sponsor, the Purchaser will be required to pay Sponsor's Counsel an additional fee of $1,000 for each adjournment to help defray the cost of preparing for and coordinating the new Closing; (vi) if any Custom Work is to be done in the Unit, then Purchaser shall pay Sponsor's Counsel an additional fee to defray the additional cost associated therewith for negotiating and preparing the requisite documents on an hourly basis at Holland & Knight LLP's customary rates; (vii) $250 for the preparation of ACRIS transfer documents required by the City of New York; (viii) Purchaser may be required to pay more than one fee pursuant to the preceding provisions of this paragraph with respect to a single unit; and, (ix) Purchaser shall pay Sponsor's counsel the sum of $600 in connection with the consideration, review and processing of any agreement of exchange or the like which Sponsor is requested to execute in connection with any tax deferred exchange under section 1031 of the Internal Revenue Code. Other additional charges may apply. At Sponsor's option (in its sole discretion), any one or more of the foregoing fees to be paid to Sponsor's Counsel shall be paid by Purchaser prior to Closing upon notice to Purchaser.

Purchasers or any other persons entering into an interim lease for a Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon the execution of the interim lease. Such legal fees are estimated to be approximately $2,500 assuming that the Purchaser's counsel does not negotiate the terms of the interim lease. Any fees above $2,500 will be billed on an hourly basis at Holland & Knight LLP's customary rates. In connection with the Closing of a Unit subject to an interim lease, all other charges or other fees due under an interim lease shall be adjusted as of midnight of the day preceding the Closing Date to the Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any interim lease for any Unit. Please refer to the Sections of the Plan entitled "Closing Costs and Adjustments" and "Interim Leases" for further details.

**35. Window Guards.** Each Unit Owner will be required to notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall, or the Board will, at such Unit Owner's expense, install the required window guards in all windows of the Unit. Windows may contain limit stops, which may not be removed. The Unit Owner shall maintain all window stops installed in the Unit and shall not remove same until permitted by applicable law. Please see the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Condominium Board" for further details.

**36. Sponsor's Easement.** The Sponsor, for so long as Sponsor owns any Unsold Units shall have, and the Units and Common Elements shall be subject to, an easement to use the Common Elements of the Building for any lawful purpose including, but not limited to, the purposes of (a) installing, utilizing, operating, maintaining, repairing, altering, rebuilding restoring and replacing satellite dishes and other communication equipment on the Roof and façade of the Building and elsewhere on the Common Elements and the conduit and other Facilities relating thereto provided, however, that no wires or cables shall be hanging on the side of the Building and (b) maintaining any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the installation, operation, maintenance, repair, alteration, rebuilding, restoration or replacement thereof; provided that access to any Unit or Common Element in furtherance of such easements shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of any assignee or licensee of Sponsor for the purpose of servicing the Condominium or any other building or area. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Sponsor for the use of the aforesaid easements or equipment. Any satellite dishes or other facilities placed upon the Roof or façade of the Building or elsewhere on the Common Elements by Sponsor or their assignees or licensees shall be the exclusive property of Sponsor or their assignees or licensees and neither the Condominium nor any Unit Owner shall have any rights with respect thereto. Please see the section of the Plan entitled "Rights and Obligations of Unit Owners and the Condominium Board" under the subsection entitled "Easements" for further details.

**37. Mechanical Equipment.** Mechanical equipment necessary for the maintenance and operation of the Building and the Units will be located in the Cellar and on the Roof. The Board with respect to the Common Elements, will be responsible for ensuring that the

mechanical equipment is operated in accordance with Law, including requirements governing acceptable levels of noise and odor emissions. Sponsor is not responsible for, nor can Sponsor make any guarantees regarding the level or noise or odors resulting from the operation of the Building or the Units. Please refer to the Section of the Plan entitled "Description of Property" in Part II of the Plan for further details.

**38.** **No Live-in Superintendent.** The Condominium will not have a Unit for the superintendent to live on site. There will be janitorial service approved by the Department of Buildings available 24 hours per day, seven (7) days per week, in accordance with the Administrative Code of the City of New York §6-2052. In the event of an emergency, the superintendent will have to return to the Building, which might delay a response. However, even in buildings with superintendents in residence, the superintendents are not always available on site. Please refer to the Section of the Plan entitled "Footnotes to Schedule B" for further details.

**39.** **Qualifications as Homeowners Association.** Sponsor anticipates that the Condominium will qualify as a homeowners association for tax purposes pursuant to Section 528 of the Internal Revenue Code. Assuming 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. The budget for the first year of Condominium operation, Schedule B, does not contemplate any income which might be taxable and accordingly does not budget any amounts for taxes for nonmembership or membership income. 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 regulations relating to entity classification, which were adopted by the United States Treasury Department on December 17, 1996. Please refer to the Attorney's Income Tax Opinion and the Section entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" in Part I of the Plan for further discussion.

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

and no assurance is given that the security systems and procedures of the Condominium will prevent personal injury or damage to or loss of personal property. Please refer to the Section of the Plan entitled "Description of Property and Improvements" under the subsection entitled "General" for further details.

**41. Existing Views.** Changes in zoning or construction of new buildings within the vicinity of the Property could affect existing views. No assurance can be given that the views currently existing (or existing when Purchaser first purchases or occupies a Unit) will continue to exist unchanged. The Units will have large glass windows, which should be covered during the portions of the day when the sun is strongest in order to maintain the temperature of the Units' rooms at comfortable levels and to conserve energy. Portions of the Units will have wood floors. Wood is a natural product and expands and contracts with weather conditions, which causes the floors appearance to change. Moreover, in order to maintain the quality of the floor, the humidity level within the Unit should be kept between 30% and 60% and the floors should be maintained according to the manufacturer's recommendations. The stone finishes in the Units must also be resealed regularly in accordance with the manufacturer's recommendations. Please refer to the Section of the Plan entitled "Description of Property" in Part II of the Plan for further details.

**42. Risk of Loss.** Purchasers are advised that the risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until a Purchaser takes possession of such Unit pursuant to an interim lease or written Agreement with Sponsor, at which time such risk to the contents of the Unit (but not to any portion of the Unit or Common Elements otherwise insured by Sponsor or the Board) shall be assumed by Purchaser to the extent such losses are not covered by insurance), but without any obligation or liability by Sponsor to repair or restore any 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 an Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Unit, the 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 for the subject Unit. In the event of an occurrence of a fire or other casualty, Sponsor shall notify the Purchaser as to whether or not Sponsor will restore the Unit within a reasonable period of time after the date of the occurrence of the fire or other casualty. In addition, 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 respective Board and other Unit Owners, belong entirely to Sponsor. In the event that Sponsor elects to repair or restore a Unit, Sponsor will restore the Unit and Common Elements to substantially the same condition that the Unit and Common Elements existed in immediately prior to the casualty, and essential services (such as utilities and heat) and a reasonable means of ingress and egress to the street, if affected, will be restored. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of an Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of Unit Owners and Condominium Board"), the Agreement shall be deemed canceled and of no further force or effect and Escrow Agent shall return to Purchaser all sums

deposited thereunder, together with interest earned thereon, if any, whereupon the parties to the Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan; provided, however, notwithstanding anything to the contrary herein, Sponsor shall retain the Custom Work Costs and/or restoration costs, if any, together with interest earned thereon, as and for liquidated damages. Please refer to the Section entitled "Procedure to Purchase" in Part I of the Plan.

**43. Limit on Resales.** In order to facilitate the Sponsor's sale of the Units, prior to a Purchaser's Closing of a Unit and for one (1) year after a Purchaser's Closing on its Unit, a Purchaser will not be permitted, without the prior written consent of Sponsor, to sell his or her Unit(s) or list the Unit for resale with any broker or otherwise, or advertise, promote or publicize the availability of his or her Unit for sale or lease. Please refer to the Section of the Plan entitled "Procedure to Purchaser" in Part I of the Plan for further details.

**44. Insurance.** The 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 the Common Elements, that are exclusive and/or appurtenant to the Unit. Consequently, all Unit Owners are required to obtain and maintain a personal liability policy if the Unit Owner is an individual against claims for personal injury death or property damage occurring in, on or about such Unit Owner's Unit and the Common Elements, if any, exclusive and/or appurtenant to his or her Unit affording protection of at least [$1,000,000 per occurrence, plus at least $3,000,000 umbrella liability coverage]. Further requirements with respect to such insurance are more particularly set forth in the By-Laws. In addition, all Unit Owners are urged to obtain personal property insurance with respect to the fixtures, furniture, furnishings and other personal property located within their respective Units. Purchasers are also advised that the insurance policies to be maintained by or on behalf of the Board will be on a "replacement cost" basis and will not cover losses to the extent that "market value" of a Unit may exceed its insured replacement cost. Further, as a result of current fluctuations in the insurance market, the Board will not be required to obtain or maintain terrorism coverage but may do so, and in such event, the cost thereof shall be a Common Expense as described in the Condominium By-Laws. Please refer to Section 6.2 of the By-Laws in Part II of the Plan for further details.

**45. Reservation of Additional Zoning Rights.** At the present time, the Building is overbuilt and does not have any excess Development Rights. However, Sponsor expressly reserves all excess air or developmental rights appurtenant to the Property if the Building is ever upzoned (meaning if the floor area ratio ("FAR") associated with the zoning district designation applicable to the Property is increased from the FAR associated with the current zoning designation) and the Building then has Development Rights in excess of what would be required to bring the Building into conformance with the zoning requirements for the Building at that time. Accordingly, as a result, if the Building is ever upzoned, unless Development Rights are separately acquired therefor on behalf of the Condominium or a Unit Owner, as the case may be, any future expansion of the Building by the Board or of a Unit by any Unit Owner as may otherwise be permitted pursuant to any applicable Legal Requirements, may not be possible or may be limited. Further, as a result of such reservation by Sponsor, if the Building is ever upzoned, Sponsor may transfer or sell such Development Rights to the owner(s) of adjoining

properties or offsite and in such case such properties may be increased as a result of such transfer or sale. Sponsor will not use any Development Rights obtained as a result of an upzoning of the Building to add additional floors to the top of the Building. Please refer to the Section entitled "Reservation of Air and Development Rights" in Part I of the Plan for further details.

**46. Destruction of the Building.** In the event the Building is destroyed by a casualty and could not be rebuilt, the Property would be sold and the proceeds of the sale together with the insurance proceeds would be distributed to the Unit Owners based on the relative fair market value of each Unit (without regard to the furniture, fixtures, equipment and personal property within the Unit, which should be separately insured by the Unit Owners). Please refer to the By-Laws in Part II of the Plan for further details.

**47. Alterations.** All alterations to a Unit or the Building or services for a Unit Owner or the Building shall be performed in a manner which will not interfere with, or cause any labor disturbances or stoppages in, the work of Condominium employees, or other contractors or subcontractors employed in the Units or the Building; and in all events, in compliance with the Declaration, the By-Laws, the Rules and Regulations, the overall Building standards and applicable laws. In furtherance of the foregoing, the Board may require that the Board also assume and/or subject itself to the applicable union contracts. Please refer to the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Condominium Board" in Part I of the Plan for further details.

**48. Custom Work.** Sponsor may agree, in its sole discretion, to perform Custom Work to a Unit (including without limitation combining or further dividing Units). Unless otherwise agreed to by Sponsor, a Purchaser shall bear the Custom Work Costs which Custom Work Costs shall be due and payable by Purchaser to Sponsor upon the execution of the Agreement for the Unit and deposited in an escrow account with Escrow Agent in accordance with the Plan, unless otherwise agreed to by Sponsor. The Custom Work Costs may be released from the Escrow Agent's escrow account upon the Escrow Agent's receipt of written notification from Sponsor's Architect to the Escrow Agent that all or any portion of the Custom Work has been commenced in the Unit. In the event a Purchaser becomes entitled to rescission after the release of the Custom Work Costs or any portion thereof to Sponsor, the Purchaser shall not receive a refund of any Custom Work Costs, if any, used to perform Custom Work in the Unit. Notwithstanding the foregoing, in the event the Plan is abandoned, the Custom Work Costs shall be returned to the Purchaser. Please refer to the Section of the Plan entitled "Procedure to Purchase" in Part I of the Plan for further details.

**49. Reimbursement of Sponsor.** Purchaser shall be obligated to reimburse Sponsor (whether or not Sponsor prevails in defending or enforcing Sponsor's rights) for any legal fees and disbursements incurred by Sponsor in defending or enforcing Sponsor's rights under the Agreement or, if Purchaser defaults under the Agreement beyond any applicable grace period, in canceling the Agreement, or in otherwise enforcing Purchaser's obligations thereunder. The Agreement also provides, that, except as prohibited by law, the parties waive trial by jury in any litigation arising out of, or connected with, or relating to, the Plan, the Agreement or the

relationship created thereby. Please refer to the Section entitled "Procedure to Purchase" in Part I of the Plan for further details.

**50.** **No Invasive Testing.** Prior to the Closing of a Unit, Purchasers shall not be entitled to conduct any invasive testing in the Unit including, without limitation, making holes in the walls or ceiling and/or removing sheet rock, tiles, wood flooring, windows or window panes to test for mold, asbestos, lead paint, mildew, spores, fungi or other toxins or for any other purpose. Please refer to the Sections entitled "Terms of Sale" and "Rights and Obligations of Sponsor" in Part I of the Plan.

**51.** **Liability of Sponsor Principals.** Principals of Sponsor have executed the Certification of Sponsor and Principals for compliance with the Martin Act and Governing Regulations. Consistent with a recent First Department decision, the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual Unit Owners (or a Board on their behalf) in connection with or arising solely 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, 2013 N.Y. Slip Op 03574 (1st Dept. May 16, 2013). Please refer to the Section of the Plan entitled "Procedure to Purchase" in Part II of the Plan for further details.

**52.** **Storage Bins.** The Sponsor will be selling licenses to use Storage Bins. Subject to their availability, the Purchaser of any Unit will have the right to purchase a Storage Bin License (a "License"). Licenses may only be owned by Unit Owners. A Unit Owner who owns a License will only be permitted to sell it to another Unit Owner or the Purchaser of a Unit. There is no certainty that when a Unit Owner sells his or her Unit there will be another Unit Owner, who may want to purchase the License if the Unit Owner's Purchaser is not interested in purchasing it, in which event the Unit Owner will have to surrender it to the Condominium Board. A temporary certificate of occupancy is not required for the sale of use rights with respect to Licenses. Purchasers may be required to consummate their purchase of use rights with respect to a License simultaneously with their Unit(s)' Closing even though a temporary certificate of occupancy has not been issued (and access may not be available) for the "Storage Area" (the area in which the Storage Bins are located). In the event a temporary certificate of occupancy has not been issued for the Storage Area at the time of a Unit Owner's Closing on the Unit(s), the proceeds from the sale of the Storage Bin shall be held in escrow and shall be delivered to the Sponsor at the time of completion of the Storage Bins, as evidenced by the temporary certificate of occupancy. The Storage Bins may only be used for storage purposes, and in no event may the Storage Bins be used as dwelling spaces. No materials which pose a health or safety threat or which otherwise create a nuisance may be stored therein, and Storage Bins may not be used to store toxic, inflammable or combustible items as defined in the Building Code of the City of New York. Failure of a Unit Owner to comply with the use limitations set forth in the immediately preceding sentence may result in issuance by the New York City Department of Buildings of a violation against the Building along with imposition of an associated fine, which fine shall be paid by the violating Unit Owner as more particularly set forth in By-Laws. Notwithstanding the foregoing, Sponsor or its designee shall have the right to

use any unlicensed Storage Bins for any purpose permitted by Legal Requirements (as hereinafter defined) or to change the permitted use of any unlicensed Storage Bins, subject, however, to the provisions of the Declaration. If at any time the licensee of a Storage Bin sells its Unit, it shall simultaneously assign its license of the Storage Bin to another owner of a Unit, and if it fails to do so, the Board shall have the right to terminate the license of the Storage Bin and take possession of the same, without compensation to the licensee. See the "Description of Property and Improvements" Section of Part I of the Plan. The Storage Bins are located at the cellar level of the Building, the Sponsor and the Board cannot make any representation that the Storage Bins will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to personal items placed in the Storage Bins. Unit Owners who place items in the Storage Bins do so at their own risk and Unit Owners are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. Unit Owners must comply with Applicable Law regarding the Storage Bins, which may be subject to periodic inspection by the police and fire department of the City of New York and other governmental agencies having jurisdiction thereover. Please refer to the subsection entitled "Storage Bins" in the Section "Description of Property and Improvements" in Part I of the Plan.

**53.** **Tenant Protection Plan.** As required under Section 28-104.8.4 of the New York City Building Code (the "New Code" as enacted 2008), since the Building is expected to be occupied by tenants and/or Unit Owners prior to the time when a permanent Certificate of Occupancy can be obtained, a tenant protection plan will be distributed to each occupant who will be occupying any dwelling units of the Building during construction.

**54.** **Appliances.** On Closing of the acquisition of a Unit, the Purchaser will receive warranties for the appliances in the Unit. Except as contained on Purchaser's inspection statement Sponsor shall not be obligated to correct, repair, or replace any and all defects relating to construction of the Units, the Common Elements, or in the installation or operation of any appliances, fixtures, or equipment therein, except as expressly provided in this Plan. See the Section of the Plan entitled "Terms of Sale" for further discussion.

**55.** **Services.** All determinations with respect to the continuance of any of the services in the Building, if initially made available, will be made by the Condominium Board, which will be controlled by Sponsor during the Initial Control Period. (See the Section entitled "Control by Sponsor"). Please refer to the Description of the Property set forth in its entirety in Part II of the Plan for further details regarding services and facilities at the Property. Neither Sponsor, the Managing Agent nor the Board will in any event be liable for the availability, interruption, discontinuance or quality of any services in the Building, including, but not limited to, any services provided by any outside company or person, or for any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents, except to the extent that any such injury to person or damage to property occurs as a result of the negligence of Sponsor, the Managing Agent or either of the Boards, as the case may be. Please refer to the Section entitled "Description of Property and Improvements" under subsection "Services and Facilities" for further details.

**56. Rule Against Perpetuities.** In order to preclude any application of the Rule Against Perpetuities which might otherwise invalidate the Purchase Agreement, the Purchase Agreement shall expire, unless otherwise previously terminated, on the date that is the earlier to occur of (i) twenty-one years after the date of the Purchase Agreement, or (ii) the time period legally permitted by the Rule Against Perpetuities in the State of New York, in which case the Down Payment and all interest accrued thereon shall be returned to Purchaser. Please refer to the Section entitled "Procedure to Purchase" in Part I of the Plan.

**57. Maintenance of Stone Surfaces.** Maintenance and cleaning of any stone surfaces by Unit Owners should be done in accordance with the manufacturer's recommendations. The stone finishes in the Units must also be resealed regularly in accordance with the manufacturer's recommendations.

**58. Windows and Wood Floors.** The interior glass surfaces of all windows located in any Unit shall be washed and cleaned at the sole discretion of the Unit Owner or occupant thereof as such Unit Owner's sole cost and expense. The Units will have large glass windows, which should be covered during the portions of the day when the sun is strongest in order to maintain the temperature of the Units' rooms at comfortable levels and to conserve energy.

Wood is a natural product and expands and contracts with weather conditions, which will cause the floors' appearance to change. Moreover, in order to maintain the quality of the floor and avoid cupping, swelling, gapping or shrinking, the relative humidity level within the Unit should be kept between 30% and 60% and the floors should be maintained according to the manufacturer's recommendations.

Please refer to the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Condominium Board" under the subsection entitled "Repairs to and Maintenance of Units and Common Elements" in Part I of the Plan for further details.

**59. Landmarks.** The Building is located in the Gramercy Park Historic District, as designated by the Landmarks Preservation Committee ("LPC"), and is governed by Chapter 8-a of the Administrative Code of New York. Prior to any exterior construction work at the Building requiring a building alteration permit issued by the New York City Department of Buildings and/or Department of Transportation, application must be made to, and approved by, LPC for either a Certificate of No Effect or Certificate of Appropriateness, whichever is applicable. The Condominium Board shall assume responsibility for the costs of maintaining and complying with the requirements of the landmark status of the Building (and/or any portion thereof) and the costs associated therewith shall be a General Common Expense. Sponsor reserves the right, exercisable prior to or at the First Closing, to donate a façade conservation easement to a qualified charitable organization and claim a tax deduction for the distribution. In the event the Sponsor makes the donation. In the future the Condominium Board will need to obtain the consent of the charitable organization prior to repairing or altering the façade. Please refer to the Section of the Plan entitled "Introduction" for further details.

**60. Lot Line Windows.** Lot-Line Windows will be fixed insulated glass windows in a new opening with sprinkler protection. There are two (2) existing Lot-Line window openings

on the south façade of the one-story Building in Unit 1B, as identified on floor plans located in Part II of the Plan. If an adjacent property owner builds or expands the structure which covers the Lot-Line Windows, then they must be closed-up. Legal light and air which is required for the issuance of the Certificate of Occupancy for the Building, is being provided by the windows on the north and west facades. The Lot-Line Windows provide supplementary light and air only. The subsequent sealing of these Lot-Line Windows will not affect the validity of the Certificate of Occupancy. As Lot-Line Windows, the view from such windows may be obstructed or completely blocked in the future if a new building or structure is constructed on the adjoining property. Please see the Section of the Plan entitled "Description of Property" in Part II of the Plan.

Pursuant to the By-Laws of the Condominium, located in Part II of the Offering Plan, in the event that any or all of the Lot-Line Windows must be sealed, all construction to enclose the windows shall be performed by Sponsor, during the time period that Sponsor controls the Board of Managers of the Condominium, or after such control period, by the Board of Managers of the Condominium. The cost and expense of such construction shall be the sole responsibility of the Unit Owner or Owners affected and such cost and expense shall be charged to the individual Unit Owners affected as a Special Assessment. It is estimated that it shall cost approximately $1,500.00 to close each Lot-Line Window.

The Sponsor, if applicable, or the Board of Managers, their agents, contractors and employees, will have the right to enter any Unit(s) necessary to effect the enclosure of such lot line windows, should same be necessary. The Unit side of the enclosure will be finished with the same material originally used therein, if available, or if not available, then with such other finish material as will nearly as possible resemble such original material. Decoration of the affected area on the Unit side of the enclosure will also be the responsibility of the Unit Owner, at his or her sole expense.

**61. Smoking.** No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product (hereinafter referred to collectively as "Smoking Apparatus") in any of the Common Elements at any time. No person may smoke or otherwise bum any Smoking Apparatus in any Unit or Limited Common Element in a manner which causes smoke to be a nuisance or annoyance to any other resident of the Condominium. In addition, no person may smoke or otherwise burn any Smoke Apparatus within twenty-five (25) feet of any outside entrance to the Condominium or within twenty-five (25) feet of any outdoor air intake or operable window opening onto Common Elements or Units.

**62. Asbestos.** Notwithstanding the filing of ACP-5 or ACP-7 reports which the Sponsor may file, the Sponsor makes no representation that any Units or common areas are free of asbestos or asbestos carrying materials. lf asbestos is present in the Building, the Board of Managers would need to institute an operations and maintenance (O & M) program.

**63. Private Entrance.** The Unit Owners that have access to the private entryway of Unit 1B, including its iron gate, and the private roof terrace, both of which shall be Limited Common Elements for the exclusive use of their respective individual Unit Owners, are

responsible for all ordinary maintenance and repair of such Limited Common Elements at their sole cost and expense.

**64. Revocable Consent Agreement.** The Sponsor has entered into a Revocable Consent Agreement with the Department of Transportation dated September 9, 2014 and recorded on October 29, 2014 in CRFN 2014000360301. (See the "Department of Transportation Revocable Consent Agreement" section of the Plan, and the Revocable Consent Agreement in Part II of the Plan, for more detail.) The Revocable Consent Agreement will be transferred to the Condominium as of the First Closing.

**65. Accessory Use for Units 1A and 1B.** Units 1A and 1B each include non-dwelling areas in the Cellar that are accessory to the individual Unit's residential floor area located on the First Floor. The use is permitted by New York City Department of Buildings ("DOB") Bulletin 2012-008, based upon a decision by the NYC Board of Standards and Appeals BSA Cal. No. 14-11-A that affirmed the DOB's interpretation of the NYC Zoning Resolution definition of "accessory uses" found in Section 12-10. Accessory uses include, but are not limited to, storage areas, mechanical rooms, recreation space, and laundry. In any event, the accessory may only be used as permitted by Law.

## B. INTRODUCTION

Irving Place Investor LLC, a Delaware limited liability company ("Sponsor"), hereby presents this offering plan (the "Plan") for the establishment of condominium ownership of certain land consisting of approximately 16,083 square feet at 78 Irving Place (the "Land"), including a building with eight (8) floors, inclusive of bulkhead Roof levels and a Cellar (the "Building") containing seven (7) Units, which are referred to collectively as the "Units". The Units and the Common Elements are referred to collectively as the "Building". The Land and the Building are collectively referred to herein as the "Property". The condominium will be known as "78 Irving Place Condominium" and is called the "Condominium" in this Plan. Sponsor acquired the Property on January 14, 2013. The Building will have an entrance on Irving Place.

The purpose of the Plan is to set forth in detail all material facts relating to the offering by Sponsor of the seven (7) Units. The Plan is presented in two parts (in one volume) which together constitute the entire Plan. Part I sets forth a general description of the Plan and Part II contains all of the material terms of the transaction and the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is a detailed physical description of the Property, certifications of Sponsor and Sponsor's architect, certifications of an expert selected by Sponsor concerning the adequacy of the budget for the first year of Condominium operation and certain agreements to which the Condominium will be bound. In addition, Sponsor has filed exhibits to the Plan with the Department of Law, which are presented as Parts A (Certifications), B (General), C (Engineering) and D (Other Information). The Plan, including all Schedules set forth herein in Parts A, B, C and D of the exhibits, constitutes the entire offer of Sponsor. Copies of the Plan and the exhibits will be available for inspection by prospective Purchasers without charge and for copying at reasonable fees at Sponsor's office and at the offices of the Department of Law, 120 Broadway, 23rd Floor, New York, New York. Copies of the Plan and the exhibits may also be borrowed from Sponsor upon payment of two hundred and fifty dollar ($250) deposit, which amount will be fully refunded after the earlier of (i) the prompt return of all borrowed materials in good condition within ten (10) days or (ii) the execution by the borrower of an Agreement subsequently accepted by Sponsor. All of these documents are important and should be carefully read by prospective purchaser. Prospective Purchasers are also advised to consult with their own attorneys or other advisers before agreeing to purchase. All capitalized terms used in the Plan shall have the meanings ascribed thereto in the Section entitled "Certain Definitions", unless otherwise indicated.

### 1. The Condominium

The Sponsor is substantially renovating the seven (7) story building to be situated at the Property. Hereinafter the seven (7) story structure, which has one (1) floor below grade, shall be referred to as the "Building." The substantially renovated Building shall be comprised of seven (7) Units (the "Units"), two (2) storage bins (the "Storage Bins") plus other common elements of the Building as defined herein (the "Common Elements"). Hereinafter any or all of the Units are individually or collectively referred to as the "Unit" or "Units." The Common

Elements shall either be for the use of all the Unit Owners ("General Common Elements") or for the exclusive use of one (1) or more Unit Owners ("Limited Common Elements").

The Building lies within the "Gramercy Park Historic District" and Sponsor's renovations will be in compliance with the standards established by the Landmarks' Preservation Commission of the City of New York. Any new exterior finishes of the Building, including any windows which are being installed by Sponsor, must be maintained in the future by the Condominium at its sole cost and expense. No renovation, alteration and/or improvement in the future may be made by the Condominium without the prior approval of the Landmarks' Preservation Commission.

The cellar level will contain building storage, mechanical storage, the Storage Area consisting of two (2) individual Storage Bins in the Storage Area, trash room, electrical room, telecommunication room, plumbing room, gas meter room, a powder room and common hallways. The first (1st) floor will contain the lobby, common stairs and hallways and part of two (2) Units which shall be duplexed to the cellar level, including the carriage house unit known as Unit 1B. The second (2nd) through fifth (5th) floors will contain four (4) simplex floor-through Units with one (l) Unit on each floor. The sixth (6th) and seventh (7th) floors will contain one (1) duplex Unit which will also be referred to as the Penthouse Unit. All the Units will be either studio, one (1), three (3) or four (4) bedroom Units. The Penthouse Unit will have a private roof terrace which shall be accessed through the common stairwell or elevator heading to the roof of the Building. Unit 1B shall have a private stepped entryway with an iron gate adjacent to the exterior of the Unit on the first floor. The private roof terrace of the Penthouse and the entryway, iron gate and steps to Unit 1B will be Limited Common Elements for the exclusive use of the Unit Owners of the Penthouse Unit and Unit 1B, respectively.

There is a central fire staircase at the Building which runs from the first floor to the main roof of the Building. There is also a fire staircase which runs from the cellar to grade at the exterior of the Building along East 19th Street, and an interior fire staircase that runs from the cellar to the first floor, exiting the Building onto Irving Place. The Building will have one (1) passenger elevator. The one (1) elevator will be located at central core of the Building and service the cellar level and the first (1st) through seventh (7th) floors of the Building.

## 2. Features of Condominium Ownership

The ownership of a Unit is similar in many respects to the ownership of a private home. Each Unit Owner owns fee title to his or her Unit and is entitled to the exclusive possession thereof. The owners of the Units also own, in common with the owners of all other Units, an undivided interest in (and right to use) the Common Elements.

Each Unit Owner is obligated to comply with the Declaration and By-Laws, rules and regulations, and any other requirements of the Board. The Board has the authority to manage the Condominium and the Units, respectively. The Unit Owners have the right to vote for members of the Board after the Initial Control Period.

Subject to certain conditions contained in the By-Laws, each Unit Owner may mortgage his or her Unit(s) with such lender and in such amount as he or she chooses. However, Sponsor makes no representations about whether a Purchaser will be able to finance the purchase of any Unit. Each Unit is separate and is not subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

A Unit Owner may decorate the interior of his or her Unit in any way desired except as otherwise provided in the By-Laws and Rules and Regulations and law, and will be solely responsible for the cost of maintenance and interior repairs to his Unit after Closing. Once separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for the payment of, nor will his or her Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. Please refer to the opinion of Holland & Knight LLP, counsel to Sponsor, set forth in full in Part I of the Plan, for a discussion regarding the deductibility for federal, New York State and New York City income tax purposes, of real estate taxes and the interest paid on a mortgage, if any, on a Unit.

The Board does not have the right to approve or disapprove a purchaser of a Unit. With certain exceptions (for example, Sponsor and its designee are not required to give the Board a right of first refusal with respect to any Unsold Units), any sale or lease of a Unit will be subject to a right by the Board to acquire or lease such Unit or to produce a third party to acquire or lease such Unit on the same terms as were offered to the owner of such Unit. The Board has the right to reject sales and leases to purchasers and tenants who themselves (or residents of their Units) have diplomatic immunity or have been convicted of violent crimes or child molestation without being required to exercise the right of first refusal. The right of first refusal contained in the By-Laws will not adversely affect the rights of a Mortgagee or its assignee to: a) foreclose or take title to a condominium unit pursuant to the remedies in the mortgage; b) accept a deed or assignment in lieu of foreclosure in the event of a default by mortgagor; or c) sell or lease a unit acquired by the Mortgagee or its assignee.

For a more complete discussion of the foregoing, see the Section entitled "Rights and Obligations of Unit Owners and the Condominium Board – Sales and Leases of Units". Currently, there is no limit on the number of owners who may purchase for investment (rather than for personal occupancy). Accordingly, there may always be a substantial percentage of owners who are non-residents.

The statute concerning condominiums in effect in the State of New York pursuant to which the Condominium will be organized 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 Sponsor's recording of the Declaration in the City Register's Office. From and after the date of recording the Declaration, Sponsor will be the owner of the Units until each is sold or conveyed. The Condominium will comply with all statutes and regulations applicable to condominiums in the State of New York.

Generally, the costs and expenses of operating and maintaining the Common Elements will be shared by all Unit Owners in proportion to their respective Common Interest as

projected "Budget for First Year of Condominium Operation, Schedule B" in Part I of the Plan or in accordance with the terms of the By-Laws. The Board may make allocations of Common Expenses and Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual), however the Board shall not make such allocations while Sponsor still controls the Board.

The Board will be responsible for deciding all matters solely concerning the Building. As more particularly set forth in the By-Laws, the Board will determine the amount of Common Expenses and the portion of the Common Expenses reasonably payable by the Unit Owners and the Board will determine the amount of Common Expenses. On a monthly basis or at such other times as the Board determines, the Board will assess Common Charges to meet Common Expenses and the Board's pro rata share of Common Charges. Such charges will be assessed against Unit Owners in proportion to their respective Common Interests except as otherwise determined by the Board in accordance with the Condominium Act, Sections 339-i and m.

After the Closing of title to a Unit, a Unit Owner will be solely responsible for maintaining casualty insurance with respect to the fixtures, equipment and personal property situated within his or her Unit, as well as liability insurance with respect to occurrences in or about his or her Unit. The By-Laws require that each Unit Owner maintain such insurance coverage. The Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements, in accordance with the provisions of the By-Laws. See the Section entitled "Rights and Obligations of Unit Owners and the Condominium Board" for a more complete discussion of the foregoing.

Any portion of the land or Building, other than the Units themselves, which are for the use of one or more specified Units to the exclusion of all others, are known as "Limited Common Elements." The Plan provides that individually defined private yards and/or terraces which are adjacent to and directly accessed from certain Units and the private roof terrace for the Penthouse Unit, which is accessed through the elevator and common staircase, as well as the private stepped entryway with an iron gate adjacent to the exterior of Unit 1B at the first floor, shall be Limited Common Elements for the exclusive use of individual Unit Owners. Other than the private roof terrace and private entryway as described above, there are no other private yards or terraces or entryways at the Property. As stated above, any other yard, courtyard and/or areaways at the Building are not intended for public use and shall be subject to the sole discretion of the Board of Managers of the Condominium.

There are no limitations on who may purchase Units. Under the New York Real Property Law, a condominium unit may be owned by an individual, a corporation, a partnership, an association, a trust or any other entity which is permitted to take title pursuant to New York law. Notwithstanding the foregoing, Sponsor is not obligated to offer or sell any Units and may, if it chooses, withhold one or more Units for future sale for any reason whatsoever, without the consent of the Board, any Unit Owner, or Mortgagee, to refuse to approve and execute an Agreement for any Unit or for more than one Unit to any one person or entity; provided, however, that, in either event, Sponsor shall not discriminate against any person because of his or

her race, creed, color, sex, 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 an Agreement executed by both Purchaser and Sponsor, has been exchanged and Sponsor has collected the funds constituting Purchaser's required Down Payment thereunder (see the Section entitled "Procedure to Purchase" for more details). Sponsor will not accept an offer of purchase from an individual younger than eighteen (18) years of age or an incompetent under law.

Current zoning permits the residential use of all Units offered for sale.

Since the existing mortgages and construction loans that will cover the Property will not be satisfied at or prior to the First Closing, at or prior to the First Closing, each Mortgagee will either: (i) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold 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.

The Board does not have the right to approve or disapprove purchasers, and as a result, there is no limit on the number of owners who may purchase a Unit for investment rather than for personal occupancy, and there may always be a substantial percentage of Unit Owners who are non-residents.

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

## 3. Offering of Units for Sale

Sponsor hereby offers seven (7) Units and two (2) Storage Bin Licenses. The prices for each of the Units and Storage Bins offered under the Plan are listed in Schedule A entitled "Offering Prices and Related Information, Schedule A" and in Schedule A-1, respectively. **THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY ANY GOVERNMENT AGENCY. THERE WILL NOT BE A SEPARATE CHARGE FOR THE STORAGE ROOMS.**

The estimated Common Charges for each Unit for the first year of operation of the Property as a condominium are also set forth in Schedule A.

Sponsor will endeavor in good faith to sell all of the Offered Units in a reasonably timely manner; however, there is no certainty as to the period of time required to sell all of the Offered Units. Sponsor's financing documents do not contain any restrictions on Sponsor's ability to rent, rather than sell, Units. Sponsor's construction lender is Natixis Real Estate Capital LLC, with an address of 1251 Avenue of the Americas, New York, NY 10020. Sponsor's construction financing contains minimum release prices for the sale of Units. As a consequence of the foregoing, residents of the Condominium may be comprised of Unit Owners and tenants leasing from Sponsor or other Unit Owners. Accordingly, it is possible that a

significant proportion of Unit Owners will not be residents of the Building and that a significant portion of tenants in the Building may not be Unit Owners and a Unit Owner seeking to resell or refinance a Unit may experience difficulty. Because Sponsor is not limiting the conditions under which it will rent rather than sell units following consummation of the Plan (except with regard to Interim Leases), there is no commitment to sell more units than the fifteen percent (15%) necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. However, the Unit Owners will obtain control of the Board at the expiration of the Initial Control Period (as such term is defined in the Condominium By-Laws). See Section of the Plan entitled "Rights and Obligations of Sponsor" for further detail.

The By-Laws do not include a provision that after the expiration of the Initial Control Period a majority of the Board must be Unit Owner-occupants or members of a Unit Owner-occupant's household who are unrelated to Sponsor and its principals. Owner-occupants non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment.

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

Each Purchaser of a Unit will be required to make a contribution to the Working Capital Fund of the Building. Such contribution, to be made at the time of Closing of the Unit, shall be in an amount equal to two (2) months' Common Charges in effect at the time of Closing for each Unit purchased. (See the Section entitled "Working Capital Fund and Apportionments").

In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes which will be separately assessed against his or her Unit, and interest and amortization payments on the mortgage, if any, which such Purchaser may, at his or her option, obtain, and charges for electricity consumed in his or her Unit.

The charges for electricity consumed by each Unit Owner individually will be separately metered and billed to each Unit Owner by Con Ed. Water charges and sewer rents, assessed by The City of New York, will be billed to the Unit Owner as a Common Expense. The costs and expenses of central heat and gas with respect to the Building will be included in Common Charges; Unit Owners will be required to pay charges for electricity consumed by the

fan coil HVAC Units for each Unit which provides air conditioning and heating to each Unit. Schedule A sets forth estimates of the amounts of real estate taxes which will be payable with respect to each Unit. See the Notes to Schedule A with respect to the bases of such estimates. See Schedule B-1 for the projected Budget for Individual Energy Costs for the First Year of Condominium Operation.

The equipment and fixtures described in the Description of Property in Part II this Plan as being included in each Unit are included in the offering price for such Unit.

## C. CERTAIN 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 and the By-Laws:

"Adversely affect", or "adverse effect", as used in the Condominium Documents, shall mean, with respect to any action or proposed change and with respect to any Unit Owner or Owners, that such action or change could, if realized, (i) materially increase the Common Charges payable by such Unit Owner or Owners, (ii) materially interfere with such Unit Owner's access to its Unit or Units, (iii) materially obstruct or degrade the view from the windows of such Unit Owner's Unit or (iv) otherwise materially diminish such Unit Owner's use and enjoyment of its Unit or Units.

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

"Amenities" refers to the items described in the section of the Plan entitled "Services and Facilities."

"Board" refers to the Condominium Board.

"Building" refers to the structures and improvements including above and below grade segments, known as "78 Irving Place Condominium" located at 78 Irving Place, New York, New York in which the Units of the Condominiums are located.

"By-Laws" refer to the By-Laws governing the operations of the Condominium, the form of which is set forth in Part II of the Plan.

"City Register's Office" refers to the New York County office of the Register of The City of New York.

"Closing" refers to the time, place and procedure by which fee title to the Unit in question is conveyed to a Purchaser pursuant to a fully executed Agreement.

"Closing Date" refers to the date on which Closing occurs.

"Common Charges" refer to assessments payable to the Board by the Unit Owners for the purpose of meeting Common Expenses.

"Common Elements" refer to the Land and all parts of the Building, including its foundations, and supports, other than the Units and the Limited Common Elements.

"Common Expenses" refer to costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements.

"Common Interest" refers to the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements appertaining to each Unit determined in accordance with the Declaration. The Common Interest is the basis of determining, among other things, a Unit Owner's share of any distributions upon termination of the Condominium.

"Completion Date" shall be the date when the Building is substantially complete and the first Temporary Certificate of Occupancy for a Unit is issued and is anticipated to be on or about January 1, 2016.

"Condominium" refers to 78 Irving Place Condominium.

"Condominium Act" refers to the New York Condominium Act, as amended from time to time and presently found in the New York Real Property Law, Article 9B.

"Condominium Board" refers to the board of managers of the Condominium.

"Construction Lender" means NATIXIS Real Estate Capital LLC, together with its successors and assigns.

"Custom Work" means any custom work to be performed in a Unit at the request of a Purchaser.

"Custom Work Costs" means the cost incurred in the performance of Custom Work.

"Contingency" refers to a fund for unanticipated expenses not included in the budget(s) and for increases in operating expenses above the amounts projected in the budget(s).

"Declarant" or "Developer" refers to Irving Place Investor LLC, a Delaware limited liability company, which is developing the Property, its successors and assigns.

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

"Department of Law" refers to the New York State Department of Law.

"Development Rights" refers to the excess development rights appurtenant to the Property after the development of the Building and any additional development rights that are granted to the Property in the future.

"Down Payment" refers to the initial payment under the Agreement that is due prior to the Closing.

"First Annual Meeting" refers to a meeting of Unit Owners called within thirty (30) days after the end of the Initial Control Period.

"First Closing", or words of similar import, refers to the date fee title to the first Unit is conveyed to a Purchaser pursuant to the Plan.

"Floor Plans" refer to the floor plans of the Building, as the same may be amended from time to time, which are approved by the Real Property Assessment Bureau of The City of New York and filed with the City Register's Office.

"GBL" refers to the New York General Business Law.

"Governing Regulations" refer to 13 NYCRR Part 20 and any other regulations promulgated by the Attorney General of the State of New York which relate to this offering, and GBL Sections 352-353 (the "Martin Act").

"Initial Control Period" refers to the period ending the earlier to occur of: (i) the Sponsor and its designees as Holders of Unsold Units none of the Units or (ii) five (5) years after the First Closing.

"Institutional Mortgage" means any first mortgage covering a Unit or Units, the initial holder of which is (i) Sponsor or its designee, (ii) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust or mortgage trust generally in the business of making real estate condominium loans, or (iii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

"Land" refers to the Property, other than the Building and the appurtenances thereto.

"Law" or "Laws" refers to all applicable laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

"Legal Requirements" refers to all laws, statutes and ordinances (including, without limitation, environmental laws, and all building codes and zoning ordinances) and the orders, rules, regulations, directives, binding resolutions and requirements of all governmental authorities (including, without limitation, the New York City Department of Buildings, the City Planning Commission, the boards of fire underwriters or any public authority or agency having jurisdiction), whether in force as of the date hereof or hereafter, which are or become, or purport to be, applicable to the Property or any part thereof, all as more fully provided in the Condominium By-Laws.

"Managing Agent" refers to the managing agent or manager of the Condominium, which will initially be First Service Residential.

"Mortgage Representative" means the representative of a holder of an Institutional Mortgage empowered to act on behalf of all holders of Institutional Mortgages, with respect to any matter requiring their consent or approval under the Condominium Documents.

"Mortgagee" refers to each Permitted Mortgagee and the guarantor of the mortgage on any Unit.

"Offered Units" refers to the Units being offered for sale by the Sponsor.

"Offeree" refers to (a) Purchasers who have executed and delivered Agreements for Units and are not in default thereunder, (b) Unit Owners, and (c) any other person or entity who, pursuant to law, is an offeree of the Plan.

"Permitted Encumbrances" refer to those title encumbrances on a Unit subject to which a Purchaser agrees to take title, as more particularly itemized on Schedule A annexed to the form of Agreement set forth in Part II of the Plan.

"Permitted Mortgage" refers to a mortgage permitted to be placed upon a Unit or Units pursuant to the provisions of the By-Laws.

"Permitted Mortgagee" refers to the holder of any Permitted Mortgage and shall include, without limitation, such banks and financial institutions as constitute the holders of the construction loan mortgages given by Sponsor to acquire and construct the Property.

"Plan" refers to this offering plan for the establishment of condominium ownership, as the same may be amended from time to time.

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

"Project Standards" means the highest of the following standards: (1) the standard required to maintain and operate the Condominium (and all Units therein) in a condition and a quality no less than that which existed at the time the initial construction of the Building was completed (ordinary wear and tear excepted) and (2) the standards maintained in similar buildings in Manhattan.

"Property" refers to the Land, the Building and the appurtenances thereto.

"Property Deed" refers to the deed dated June 14, 2013, pursuant to which the Declarant acquired fee title to the Property.

"Purchaser" refers to person(s) or entity(ies) named as Purchaser(s) in an Agreement which has been duly executed by such person(s) or entity(ies) and accepted by Sponsor.

"Residents" refer to the people residing in the Building regardless of whether they are Unit Owners, renters, or other occupants of the Units.

"Schedule A" refers to "Offering Prices and Related Information, Schedule A" set forth in Part I of the Plan.

"Schedule B" refers to the projected "Budget for First Year of Condominium Operation, Schedule B" set forth in Part I of the Plan.

"Selling Agent" refers to Douglas Elliman Real Estate, or any successor selling agent at the time in question.

"Sponsor" refers to Irving Place Investor LLC, a Delaware limited liability company, and its successors and assigns.

"Sponsor and/or its designee(s)", "Sponsor or a designee of Sponsor" or similar terms refers to Sponsor and any designee of Sponsor including a purchaser of Unsold Units.

"Sponsor's Board Designees" refers to Sponsor's designees on the Board, as applicable.

"Storage Bins" refer to the Storage Bins located in portions of the Cellar of the Building.

"Storage Bin License" refers to the license for the Storage Bin contained in Part II of the Plan.

"Time of the Essence" shall mean a failure by Purchaser to do what is required at the time specified in the Agreement which is a material breach of the Agreement and an Event of Default.

"Unavoidable Delays" refer to delays due to strike, lockout, or other labor or industrial disturbance (whether or not on the part of employees or contractors of Sponsor), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, war, act of the public enemy, riot, sabotage, blockade, embargo, terrorist acts, shortage of or failure or inability to secure materials or labor by reason of priority or similar regulation or order of any government or regulatory body or lightning, earthquake, fire, storm, hurricane, flood, explosion, act of God or any cause similar to any of the causes hereinabove state; provided, however, that for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause similar to the causes stated above.

"Unit" or "Condominium Unit" refers to space designated as a Unit in the Declaration, consisting, generally, of either a specific residence or a portion of the space in the Building, together with an appurtenant proportionate undivided interest in the Common Elements. All of such Units are collectively referred to as "Units."

"Unit Owner" refers to any owner of a Unit, and all such owners are, collectively, referred to as "Unit Owners."

"Unsold Unit" refers to (a) any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or its designee, or a Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor, or one or more of their principals, is a member or (b) any Unit for which there is a signed Agreement but for which Closing has not yet occurred.

"Waiver Period" refers to the time period during the Condominium's initial two (2) fiscal years, during which Sponsor has reserved the right for Sponsor's Board designees to waive the

collection of Common Charges from the Unit Owners for a period of time beginning from the date of the First Closing.

"Working Capital Fund" refers to the working capital fund of the Building.

All other capitalized terms used in Part I of the Plan not separately defined in Part I shall have the meanings ascribed thereto in the By-Laws or in the Declaration, as the case may be.

## D. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

### 1. Renovation of the Building

The Building, including the individual Units therein, is a gut renovation project which will be completed substantially in accordance with the Plan and Specifications and all applicable zoning and building laws, regulations, codes and other government requirements. The Building was previously two (2) townhouses.

The Property has an aggregate area of approximately 2,880 square feet with approximately 106' 8" of frontage on East 19th Street and runs approximately 27' into the block with approximately 27' of frontage on Irving Place. The parcel which represents the land upon which the Condominium will be situated is rectangular in dimension and located along the southerly side of East 19th Street approximately 106' 8" easterly from the comer formed by the intersection of the southerly side of East 19th Street and the easterly side of Irving Place.

The Sponsor is substantially renovating the existing seven (7) story building situated at the Property. Hereinafter, the renovated structure shall be referred to as the "Building." The newly renovated Building shall be comprised of seven (7) residential units (the "Units"), two (2) Storage Bins, plus other common elements of the Building as defined herein (the "Common Elements"). Hereinafter any or all of the Units are individually or collectively referred to as the "Unit" or "Units." The Common Elements shall either be for the use of all the Unit Owners ("General Common Elements") or for the exclusive use of one (1) or more but not all of the Unit Owners ("Limited Common Elements").

The Building lies within the "Gramercy Park Historic District" and Sponsor's renovations will be in compliance with the standards established by the Landmarks' Preservation Commission of the City of New York. Any new exterior finishes of the Building, including any windows which are being installed by Sponsor, must be maintained in the future by the Condominium at its sole cost and expense. No renovation, alteration and/or improvement in the future may be made by the Condominium without the prior approval of the Landmarks' Preservation Commission, the New York City Department of Buildings, or New York City Department of Transportation, as applicable. Each Unit Owner and the Board of Managers of the Condominium will be subject to the restrictions, covenants, easements, obligations and agreements, hereinafter collectively the "Agreements," set forth in the ''Declaration of Designated Landmark Structure" recorded against the Property. The possible effect of such Agreements may result in a higher cost to maintain the Building as opposed to a building which is not a designated structure.

Following completion of the Building, temporary certificates of occupancy for individual Units and the Building and/or a permanent certificate of occupancy for the Units and the Building will be issued by the Department of Buildings of the City of New York and copies of the Plans and Specifications for the Building will be filed with the Department of Buildings of the City of New York.

Under the present construction schedule it is anticipated that, except for finishing work to stairways, hallways, and other areas of the Building which are not intended for the exclusive use of any particular Unit Owner, and work, if any, which Sponsor performs in individual Units, certain Units will be substantially completed by the Completion Date, which is anticipated to be on or about October, 2015, and a first Temporary Certificate of Occupancy with respect to portions of the Building will be obtained on or about the Completion Date, both subject to Unavoidable Delays. Sponsor does not, however, warrant or guarantee the foregoing completion or occupancy dates for the Building. The first Temporary Certificate of Occupancy may be issued for some but not all of the Units and Sponsor may complete construction of certain Units before others.

Sponsor has engaged PKSB Architects P.C. ("Sponsor's Architect") as architects for the Building. Construction of the Building will be financed primarily by NATIXIS Real Estate Capital LLC (collectively, together with their successors and assigns, the "Construction Lender"), which financing is in the process of being secured, among other things, by mortgages and security agreements. In the event that the Construction Lender takes over the collateral for the loan or the Sponsor's principals change, if the Sponsor's successors undertake to complete the offering pursuant to the terms of the Offering Plan, there will be no right of rescission.

Sponsor reserves the right to amend or modify the Plans and Specifications in any way not material to this offering or in a manner disclosed in this offering, including, without limitation, changing materials, appliances, equipment, fixtures and other construction and design details set forth therein or in the "Description of Property" set forth in Part II of the Plan and to substitute in their place similar materials, appliances, equipment and/or fixtures of substantially equal or better quality, provided that any necessary approval of any governmental authority having jurisdiction thereof is timely obtained. Any or all of the foregoing shall give rise to no right of rescission on the part of any Purchaser and may be made without prior notice or amendment to the Plan.

## 2. Units

Subject to the rights of Sponsor and its designee to change the number of Units, there will be a total of seven (7) Units situated on marketing floors designated as Cellar through Seventh Floors and Roof of the Building. Detailed descriptions of the Units including a finish schedule are set forth in the Declaration and in the "Description of Property" in Part II of the Plan. See also the Section entitled "Changes in Prices and Units." Please refer to Schedule A for further details.

Except as otherwise agreed by the parties, the Units will be delivered to Purchasers with a primer plus one finish coat of paint. Each Purchaser will be obligated to do all other painting and decorating of his or her Unit at his or her own cost and expense.

Included in the offering price of each Unit are the following: refrigerator/freezer, kitchen cabinets, gas range, automatic dishwasher, washing machine and dryer and individually controlled heating and cooling units. The manufacturer, model number and specifications for the foregoing appliances and equipment are set forth in the "Description of Property". As more fully

set forth under the Section entitled "Description of Property and Improvement – Construction of the Building," these fixtures, appliances and equipment are subject to change by Sponsor. Sponsor may negotiate to make modifications or changes in any Unit or to do special work therein to provide different or additional appliances, equipment furnishings or decorations, provided that Sponsor shall not be bound to do so unless agreed to by Sponsor in a written instrument which is incorporated as an addendum to the Agreement.

A Unit Owner may only use his or her Unit for a purpose consistent with the local zoning ordinance, as amended from time to time, any other applicable ordinance or statute, and any regulation of a governmental authority with jurisdiction over the Condominium, including, but not limited to, local building codes and the Multiple Dwelling Law, as such statutes, ordinances and regulations may be amended from time to time, but in no event may a Unit Owner use his Unit for a use in violation of the By Laws which are described in this Plan. Units cannot be leased for terms shorter than one year.

There will be no modifications or extras for any Unit unless set forth in the Agreement for such Unit. Moreover, Sponsor shall not be obligated to correct and shall have no liability or responsibility to any Purchaser for, and no Purchaser shall be entitled to any reduction in or credit against the purchase price of his or her Unit or be otherwise relieved from performing his or her obligations under the Agreement as a result of minor or insubstantial inaccuracy or error in the floor plans for such Unit as set forth in Part II of the Plan

## 3. General Common Elements

The General Common Elements include, without limitation:

(a) The land on which the Building is physically erected, including any rear or side yard or courtyard areas, if any which are not a Limited Common element as set forth below, and all other lands comprising the Property, if any. Specifically excluded are any unused transferable air rights and/or Development Rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself, for Sponsor's designee and any successors or assigns. Yard and/or courtyard areas or other areaways at the Property, if any, and the Limited Common Elements as described below are not intended for public use except for fire egress purposes; and are subject to the easement rights, if any, in favor of the Sponsor and/or a Sponsor-designee;

(b) To the extent they exist, all foundations, footings, columns, girders, floor slabs and concrete ceilings, beams, supports, and interior bearing walls (except to the extent included below as Limited Common Elements); those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or where applicable, those portions of the exterior walls beyond the interior face of the exterior walls or the concealed blockwork, brickwork or masonry or concealed structural members of those walls; those portions of the walls and partitions dividing the Units from the corridors, the elevator shafts, mechanical equipment spaces, fire escapes which are not part of a Unit (which shall only be used for fire egress purposes), fire staircases, fire escapes and stairs located beyond the unexposed face of the dry walls enClosing the Units, or, where applicable,

the blockwork, brickwork, masonry or concrete work of the interior walls of the Building separating one Unit from another Unit, or from corridors, the elevator shafts, fire staircases, fire escape, stairs, vestibules or lobbies not within a Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkheads and roof areas which are not for the exclusive use of a particular Unit or Units, the use of which shall be at the sole discretion of the Board of Managers; skylights and/or glass enclosures, if any, other than those directly over Units; sprinkler systems, standpipe systems; service corridors, fire corridors, halls, stairs, and stairway areas located at all levels of the Building which are beyond the unexposed face of the dry walls or blockwork, brickwork, masonry or concrete work of the walls enClosing a Unit and are not specifically designated below as a Limited Common Element; storage and utility areas, if any, located at all levels of the Building and which are not part of a Unit or which are not specifically designated below as Limited Common Elements, and are located beyond the unexposed face of the drywalls or blockwork, brickwork, masonry or concrete work enClosing a Unit; all cellar areas which are not specifically designated below as a Limited Common Element and not part of a Unit; the sidewalks in front of the Building, including any tree, shrubbery, flower or other planting or horticulture tub or box located thereon; the service entrances to the Building, if any; the entrances to and exits from the Building, including any handicapped ramp adjacent thereto, together with any awnings or canopies, if any, which are not part of a particular Unit or which are not specifically designated as a Limited Common Element;

(c) The boiler and gas room, mechanical storage or other rooms located at the cellar level of the Building, including, but not limited to, the elevator, the elevator pit; the elevator switch room, plumbing room, telecommunication room, the electrical room, closets, a half-bath powder room, a service room and the gas meters, water meters, electric meters, pumps and other equipment in the cellar; any and all cellar or other areas of the Building and Facilities which are not designated as part of a Unit or a Limited Common Element;

(d) The trash room and chute together with any refuse room or rooms and compactor machinery and related Facilities, if any, located at the cellar level of the Building; the trash chutes located on any floors of the Building, all of which shall be used in a manner to be determined by the Board of Managers in its sole discretion;

(e) The elevator, elevator machinery, its shafts and pits; the elevator switch room, the elevator bulkhead and elevator machine room, if any, for the elevator, together with all Facilities related thereto, located on any floor or roof of the Building;

(f) The elevator lobbies, together with any trash chute access room and/or trash room, mechanical rooms or equipment closets, if any, located on all floors of the Building and all Facilities related thereto;

(g) The lobby to the Building together with the adjoining any storage areas and the mailboxes for all of the Units;

(h) All installations and Facilities on the Property outside the Units for services such as gas, power, light, cable television, heat, telephone and water which service the Units and/or the General Common Elements;

(i) Any residential tenant storage located at the cellar level which shall be for the use of all of the Unit Owners in a manner to be determined by the Board of Managers. The use of the tenant storage rooms shall be subject to the By-Laws of the Condominium and any and all rules and regulations promulgated with regard thereto by the Board of Managers in their sole discretion;

(j) All sewer pipes and drainage pipes;

(k) Those portions of the main roofs located at any level of the Building and those portions of the land, if any, which have been designated for the installation of mechanical equipment, including, but not limited to, roof tanks, cooling towers, any ventilation or air-conditioning equipment or other related Facilities, if any, which service the Units and/or the General Common Elements;

(l) The heating equipment or hot water heaters or equipment, if any, ventilation and/or air conditioning equipment, cooling towers and water tanks, if any, and related machinery or Facilities, wherever located in the Building, which service both the Units and/or the General Common Elements;

(m) Any piping and/or ductwork which is necessary for the functioning of the heating equipment or hot water heaters or equipment, if any, ventilation and/or air conditioning equipment and cooling towers, if any, wherever located in the Building, which service both the Units and/or the General Common Elements;

(n) All street vaults, if any. To the extent there are any charges for said vault areas, such charges shall be paid by all of the Owners as a Common Expense;

(o) The area on the south sidewalk of East 19th Street projecting beyond the property line of the Property, as such area is defined in the Revocable Consent Agreement with the New York City Department of Transportation dated September 9, 2014 and recorded on October 29, 2014 in CRFN 2014000360301. Such charges for any payments due under said Agreement shall be paid by all of the Owners as a Common Expense;

(p) Any common tanks, pumps, including, but not limited to, motors, fans, compressors, ducts, siamese connections, and, in general, all apparatus and installations and Facilities existing for common use; and

(q) All other apparatus, installations and Facilities existing in the Building for common use or necessary or convenient to the existence, maintenance safety of the Building and the Units.

**4. <u>Storage Bins</u>**

There will be two (2) Storage Bins located in the Cellar of the Building. Sponsor will be offering the Storage Bins to Purchasers and Owners of Units at the offering prices listed on Schedule A-1. In the event a Purchaser purchases a Storage Bin License, the Purchaser will enter into a Storage Bin License Purchase Agreement with Sponsor prior to Closing on the Storage Bin and then at Closing, the Purchaser will enter into a Storage Bin License Agreement with Sponsor and the Board. The forms of each of these agreements are provided in Part II of the Plan. The Storage Bin License Agreement grants to Licensee, its successors and assigns, a license for the exclusive use of a Storage Bin. The Storage Bins may be used only for storage purposes, provided that no materials which pose a health or safety threat or otherwise create a nuisance may be stored therein, and further provided that Sponsor shall have the right to use any unsold Storage Bin for any lawful purpose or to change the permitted use of any unsold Storage Bin, subject, however, to the provisions of the By-Laws.

## 5. Limited Common Elements

The Limited Common Elements include those portions of the Building available for the exclusive use of some but not all Unit Owners:

(a) The skylights, if any, existing or installed at some future date, that are directly above any Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owners of such Units;

(b) Any fireplace, together with any flue, cap, chimney and/or ductwork attached thereto, whether gas-fired, wood-burning or ventless, existing or installed at some future date in any Unit shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such fireplace, including any flue, cap, chimney and/or duct work attached thereto, if any, shall be the responsibility of the individual Unit Owners of such Units;

(c) The private roof terrace for the Penthouse Unit, together with any fencing delineating such area, which is accessed from the public staircase and the elevator, as delineated on the Floor Plans. Nonstructural, ordinary repairs and maintenance of the private roof terrace, together with any fencing which delineates such area, and any appliances or equipment servicing such area, shall be the responsibility of the individual Unit Owner(s) who have the exclusive use thereof; and

(d) The exterior entryway with an iron gate located at the first floor adjacent to, and directly accessed from Unit 1B, which shall be for the exclusive use of the Unit Owner(s) of Unit 1B for the purposes of ingress and egress. Nonstructural, ordinary repairs and maintenance of the exterior step(s) and the iron gate shall be the responsibility of 1B individual Unit Owner(s) of Unit 1B.

## 6. Utilities

(a) Domestic Water Supply. The domestic water supply, consisting of potable water, will be supplied via new 4" combined (domestic/sprinkler) ductile iron water service from New York City 's public water system street main located on East 19th Street. Water service will be metered with one (1) meter for the residential and common areas of the Building, from which consumption will be measured and charges paid by the Condominium Board and the Unit Owners as a Common Expense.

(b) Sewer. Combined Sanitary and Storm Sewer discharge from the Building will connect via existing piping to the public combined storm/sewer system on East 19th Street. Annual sewer charges will be paid by the Condominium Board and the Unit Owners as a Common Expense.

(c) Natural Gas. Natural gas service will be supplied via Consolidated Edison's street gas main located on East 19th Street. There will be two (2) meters, one (1) for base Building heating and hot water and one (1) for cooking for the Units. A second gas service connection will be provided to serve the roof level emergency generator. Usage charges will be paid by the Condominium Board and the Unit Owners as a Common Expense.

(d) Electricity. New electric service shall enter the Building underground from Irving Place to the Building's electrical room located at the Cellar level. The service shall supply all base Building mechanical loads, lighting and apartments. A utility meter will be provided for the power consumption of all base Building and common space areas and a second meter will be provided for consumption by the cable television services. Each Unit in the Condominium will be individually metered with a Con-Edison direct meter located at the cellar level. The costs of the electricity consumption in each Unit shall be the responsibility of the respective Unit Owners. Usage charges for the other two (2) meters will be paid by the Condominium Board and charged to the Unit Owners as a Common Expense.

(e) Heating. A heating and ventilating unit (HV-1) with electric heating coil will heat and ventilate the cellar spaces and the outside air supply to the Ground Floor lobby. Electric unit heaters will be provided in residential bathrooms, building entries and stairwells. The first floor lobby vestibule will be provided with a 5,000 watt unit heater. The residential heating system will be a Variable Refrigerant Flow (VRF) System utilizing the rejected heat of the refrigerant cycle to heat the residential spaces. Each master bath will be provided with a thermostatically controlled electric radiant floor mat.

(f) Air Conditioning. Variable Refrigerant Flow (VRF) will heat recovery system will be provided in the Units. The system includes console or suspended DX fan coil units with wall-mounted 7-day programmable thermostat, remote roof-mounted air-cooled condensing units with refrigerant piping between condensing unit and fan coil units.

There is no public or common laundry room at the Building. The Units will be provided with a laundry closet or laundry room with individual hook-ups for one (1) washer and one (1) dryer or, at the sole discretion of Sponsor, or a stackable unit which is a combination thereof. The washer and dryer units are being supplied by the Sponsor as part of the Offering Plan.

## 7. Services and Facilities

Generally, all services normally associated with the operation and maintenance of a luxury residential condominium will be provided to Unit Owners at no cost other than Common Charges; these services and facilities are described below. Notwithstanding the foregoing, however, the Board shall at all times maintain, operate and staff the Building in compliance with, and subject to, all applicable Legal Requirements.

Under present plans, all of the services and facilities described herein will initially be provided and made available to Unit Owners immediately following the First Closing, except as otherwise indicated.

(a) Entrance. The Building will have one (1) primary entrance on Irving Place.

(b) Elevator Service. There is one (1) passenger elevator, which service the Cellar through the Roof Level.

(c) Doorman. It is anticipated that a doorman and concierge will be on duty in the lobby twenty-four (24) hours a day, seven (7) days a week.

(d) Cable Television Service. A cable television system will be available for the use of the Unit Owners. The charges for primary connections and subsequent monthly fees related to the service will be determined by, and payable by the Unit Owner directly to the cable company. Additional cable service (i.e., Home Box Office or Showtime) will also be available from the cable company providing the service for an additional charge on the same basis. A cable outlet will be located in each living room and bedroom. Sponsor makes no representation that cable television service will be available to any Unit Owner upon its initial occupancy of a Unit. Sponsor will enter into agreements with Time Warner Entertainment Company, L.P. ("Time Warner") and Verizon, granting Time Warner and Verizon the right to install wires, cables and other components of their systems (the "Cable Facilities") in the Building's internal conduit system and granting Time Warner and Verizon easements for the installation, repair or replacement of the Cable Facilities and certain rights to relocate the Cable Facilities which shall remain the property of Time Warner or Verizon (the "Cable Agreement"). The Condominium will own and maintain the internal conduit system in which the Cable Facilities are located. The Condominium will be subject to and bound by the terms of the agreements with Time Warner and Verizon.

(e) Electrical Systems Telephone Service and Internet Access. Electrical service will be metered and separately billed to each Unit Owner by Con Ed. Local and long distance telephone, internet and cable service will be provided by Verizon or other telephone service provider and separately billed to each Unit Owner. Each Unit will be prewired for telephone service. All charges for hi-speed internet service (including activation, installation and subscription charges) will be paid by each Unit Owner who subscribes directly to the hi-speed internet service provider.

(f) Mail & Packages. All incoming mail for the Units will be delivered by the United States Postal Service, who will place it in mailboxes on the Ground Floor.

(g) Laundry. Each Unit will contain a washer and dryer. There are no common laundry facilities in the Building.

(h) Refuse Disposal. A garbage and recycling storage room will be provided in the Cellar, which room will be cooled and the door provided with gaskets. There will be one (1) refuse chute at each floor to convey trash to the storage and recycling room in the Cellar.

**8. General Provisions Concerning Services and Facilities.**

No representation or warranty is made as to the continued operation of any of the foregoing services or facilities and neither Sponsor nor the Board shall have any liability with respect to or arising from any Unit Owner's, tenant's or occupant's use of any of the foregoing or the amount of the fees charged therefor.

In all likelihood, the nature of the services listed above and the hours during which they are provided will be at the discretion of the Board. However, all services required by Law will be provided at all times. Neither Sponsor, the Managing Agent, the Selling Agent, nor the Board will in any event be liable for the availability, interruption, discontinuance or quality of any of such services, including, but not limited to, any services provided by any outside company or person, other than Building personnel, or for any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents, except to the extent that any such injury or damage occurs as a result of the gross negligence or willful misconduct of Sponsor, the Managing Agent, the Selling Agent, or the Board, as the case may be.

The Board has complete discretion in determining how those facilities that are controlled by the Board will be operated, maintained or modified, whether facilities should be added or discontinued, and the rates, if any, will be charged for their use. No representation or warranty is made as to the continued operation or existence of any of the foregoing facilities, or the amount of the fees charged therefor.

Although Sponsor anticipates that many of the services described above will be available at the time of the First Closing, prospective Purchasers should note that some of these services (such as a full staff of personnel) may not be available until the later of: (i) twelve months after the First Closing; or (ii) the Closing of title to and occupancy of at least 50% of the Units. In addition, certain of the amenities described in the Plan may not be arranged or available until after an initial period. Purchasers are also advised that during such period and beyond, various systems, including, but not limited to, water supply, air conditioning, heating, cooling, ventilating and elevators, may be incomplete and may be disrupted temporarily and from time to time.

Purchasers are further advised to note that construction in general is a complicated process which requires the coordination of numerous concurrent tasks, contractors, and suppliers

and the balancing of complex mechanical and architectural systems, all of which is subject to unanticipated delays and difficulties and necessarily involves noise, disruption, construction dust, debris and inconvenience. Thus, for a period of time following the First Closing through, including and beyond the Closing of title to any particular purchaser's Unit, work should be expected to be undertaken and continue by or on behalf of: (i) Sponsor to complete the balance of the Building; and (ii) individual Unit Owners within their Units (to perform custom renovations, etc.). During at least the first year of operation, construction workers and related personnel of Sponsor and others will be at the Property from time to time performing construction work, making adjustments and performing various other tasks related to the completion of renovation, fitting out of, and moving into, the Units and other portions of the Building which may compromise the security of the Building from time to time. Elevators and personnel may be taken out of service and diverted to facilitate renovation and exterior hoists may be in place during at least the year following the First Closing and from time to time thereafter, as needed, in connection with construction being performed in Units by the Unit Owners thereof. Sponsor may not fully complete the decoration or finishing of the lobby, corridors, elevator finishes and other portions of the Building, including, but not limited to, installing light fixtures, painting, hanging wall coverings or laying carpeting, until that particular floor is fully occupied by Unit Owners or, if additional construction within a Unit is anticipated, for some period thereafter. All of the forgoing work and conditions may create a noisy and otherwise disruptive condition in the Building during the period such work is being performed. Certain portions of the Common Elements may be completed before or after completion of any particular Purchaser's Unit. As a result, certain amenities and benefits anticipated to be available to Unit Owners may not be available until such other portions of the Building are completed and fully operational. Sponsor shall have no liability whatsoever in the event these services are delayed, not made available, or discontinued or disrupted. Further, the Board and/or Sponsor may impose conditions and deadlines upon the planning, performing and completion of such work. No assurance can be given with regard to the accuracy of any projected schedules or completion dates set forth herein or with respect to the duration of any interim service periods or periods of potential disruption of the Unit Owners and their tenants or occupants, all such dates and timetables, to the extent provided, being only good faith estimates.

## 9. Security Procedures

The Board is vested with the responsibility of devising and carrying out security procedures with respect to the Building. Such procedures may be adopted and from time to time changed by the Board as such Board, in its discretion, determines to be appropriate to secure the Building.

The Condominium will be staffed by a doorman twenty four (24) hours per day, seven (7) days per week.

No representation or warranty is made and no assurance is given that the security systems and procedures of the Building and of the Condominium will prevent personal injury or damage to or loss of personal property. While Unsold Units are being offered for sale or lease by Sponsor or its designees there will be a greater number of visitors to the Building than would

otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor nor its designee nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Building's or the Condominium's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages, provided that any such failure is not caused by the negligence of Sponsor or its designees, the Managing Agent or their respective agents. Please refer to the Description of Property set forth in its entirety in Part II of the Plan for further details regarding security procedures.

## E. LOCATION AND AREA INFORMATION

### 1. Location and Services

The Condominium is located in the Gramercy neighborhood of Manhattan on Irving Place between East Eighteenth Street and East Nineteenth Street.

New York City is one of the principal urban centers of the world. Manhattan is the center of New York City, containing numerous business and financial centers, excellent regional transportation, cultural activities, recreational and open-space park areas, educational facilities, superb medical centers and a vast array of restaurants. New York is the nation's principal financial center. It is the home of the New York Stock Exchange. About 50 of the country's "Fortune 500" corporations have their principal corporate headquarters in Manhattan; almost a quarter of the nation's major law firms, and the "big four" accounting firms maintain offices in Manhattan. Manhattan is also recognized as the national center of the advertising, communications, broadcasting, publishing and garment industries.

(a) Surrounding Area

The Building is located in the Gramercy neighborhood of Manhattan, surrounded by residential apartments, commercial offices, and retail establishments. Currently, there is a new growth of residential apartments in the area.

The Building is a few blocks away from Union Square. In recent years, many popular stores and restaurants have opened locations within a short walking distance from the Building.

(b) Shopping, Commercial and Recreational Facilities

There is a wide variety of commercial establishments located near the Building including high end shopping, world class restaurants, pharmacies, groceries, and banks Union Square Park and Madison Square Park are both only a few blocks away.

(c) Schools

Numerous private schools, public schools and parochial schools are easily accessible from the Premises. The public schools in the area include JHS 104 Simon Baruch School, located at 330 East 21st Street; Washington Irving High School, located at 40 Irving Place; MS 255 and PS 40, both located at 319 East 19th Street; and PS 19 located at 185 First Avenue. Certain public school programs require that parents apply for admission for their children. Private schools in the area include Friends Seminary, located at 222 East 16th Street; The Epiphany School, located at 234 East 22nd Street; Xavier High School, located at 30 West 16th Street; and Winston Preparatory School, located at 126 West 17th Street, Private schools in the area for children with special needs include the Aaron School located at 309 East 45th Street and 42 East 30th Street.

SPONSOR MAKES NO REPRESENTATION AS TO WHICH PUBLIC SCHOOL OR PRIVATE SCHOOL THE CHILDREN WHO LIVE IN THE BUILDING WILL ATTEND.

(d) Transportation

New York City is served by three major airports - LaGuardia Airport, Kennedy International Airport and Newark International Airport. Passenger railroad service is provided from Pennsylvania Station, located at Seventh Avenue and West 33rd Street and Grand Central Station, located at Lexington Avenue and 42nd Street. Transportation to and from the Building, and through, New York City is available by taxi, limousine, and private automobile. Public transportation via subways and buses is also readily available. Subway line 6 is accessible at a stop located at 23rd Street and Park Avenue South. Subway lines 4, 5, 6, N, Q, R, and L are available at 14th Street and Union Square East. In addition, the area is serviced by the following bus lines: M23, M101, M102, M103 and M15.

(e) Police, Fire, Water, Postal Service, Sanitation, Snow Removal and Road Maintenance

These services are provided by The City of New York and are financed through real estate taxes paid by Unit Owners to The City of New York. The Building is located in the 13th Police Precinct with the station located at 230 East 21st Street. Fire protection is provided by Engine Co. 14 Fire Station located at 14 East 18th Street. Water charges for the Units will be metered and paid by Unit Owners as a Common Expense of the Condominium. The zip code for the Building will be 10003 which, as of the date hereof, is serviced by the Madison Square Station located at 149 East 23rd Street.

(f) Medical Facilities

The area is served by numerous hospitals and medical facilities located within an approximate two-mile radius of the Building, including The Hospital for Joint Diseases Orthopedic Institute, located at 301 East 17th Street; Beth Israel Medical Center, located at 281 First Avenue; New York Eye and Ear Infirmary, located at 310 East 14th Street; Bellevue Hospital Center, located at 462 First Avenue; and NYU Hospital Center, located at 550 First Avenue.

(g) Religious Facilities

Local houses of worship include, but are not limited to, the following: Saint John the Baptist Greek Orthodox Church; St. George's Episcopal Church; Religious Society of Friends; Christ Lutheran Church; Church of the Epiphany; Brotherhood Synagogue; East End Temple; Chabad Loft on Fifth Avenue; Chabad of Gramercy Park; and St. Mary's Byzantine Catholic Church.

SPONSOR MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE CONTINUED EXISTENCE OR LOCATION OF ANY NEIGHBORHOOD SERVICES OR AMENITIES.

**2. Zoning**

The Building is located in the 12C Zoning District.

The Building is constructed on Block 874, Lot 60.

## F. OFFERING PRICES AND RELATED INFORMATION, SCHEDULE A AND STORAGE BINS, SCHEDULE A-1

# 78 IRVING PLACE CONDOMINUIM

**78 IRVING PLACE**
**NEW YORK, NY**
**SCHEDULE A**

**Estimated Offering Prices and Related Information**
**All Projected Charges are for the Twelve Month Period**
**Commencing January 1, 2016 and Ending December 31, 2016**

| Unit (1) | Unit Description: Number of Bedrooms & Baths, Etc. (2) | Approximate Gross Square Footage of Unit (3) | Approximate Sq. Ft. of Limited Common Elements (3) | Offering Price (4) | Percentage of Common Interest (5) | Estimated Annual/Monthly Common Charges (First Year) (6) | | Estimated Annual/Monthly Real Estate Taxes (First Year) (7) | | Estimated Annual/Monthly Carrying Charges (First Year) (8) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1A* | S/1.5BR/D/R | 1,245 | 0 | $2,625,000 | 6.1793% | $22,893 | $1,908 | $14,551 | $1,213 | $37,444 | $3,120 |
| 1B* | 2BD/2.5BR/D/F/2R | 2,423 | 148 | $6,225,000 | 12.2096% | $45,235 | $3,770 | $28,752 | $2,396 | $73,986 | $6,166 |
| 2 | 3BD/3BR | 2,210 | 0 | $5,975,000 | 11.6140% | $43,028 | $3,586 | $27,349 | $2,279 | $70,377 | $5,865 |
| 3 | 3BD/3BR | 2,210 | 0 | $6,275,000 | 12.2593% | $45,418 | $3,785 | $28,868 | $2,406 | $74,287 | $6,191 |
| 4 | 3BD/3BR | 2,210 | 0 | $6,625,000 | 12.9045% | $47,809 | $3,984 | $30,388 | $2,532 | $78,197 | $6,516 |
| 5 | 3BD/3BR | 2,210 | 0 | $6,975,000 | 13.5497% | $50,199 | $4,183 | $31,907 | $2,659 | $82,106 | $6,842 |
| PH | 4BD/5.5BR/F/L/T/Tr | 4,420 | 955 | $18,750,000 | 31.2836% | $115,900 | $9,658 | $73,667 | $6,139 | $189,567 | $15,797 |
| TOTALS | | 16,928 | 1,103 | $53,450,000 | 100.0000% | $370,482 | $30,874 | $235,482 | $19,624 | $605,964 | $50,497 |

**BD - denotes Bedroom(s).**
**BR - denotes Bathroom(s).**
**D - denotes Duplex Unit.**
**F - denotes Family Room.**
**L - denotes Library.**
**R - denotes Recreation Room(s).**
**S - denotes Studio Unit.**
**T - denotes Private Terrace.**
**Tr - denotes Triplex Unit.**

* Units 1A and 1B contain certain spaces of non-dwelling areas in the Cellar that are accessory to the Unit's residential floor area located on the First Floor, and the square footage of such spaces are included in the square footage calculations of those Units shown on this Schedule A. The accessory space may not be legally used as a bedroom or living room, and to so use the accessory space may result in a buidling code violation being issued for the Building.

## Notes to Schedule A

1. Amounts are projected on the assumption that the first year of operation will be during the year from January 1, 2016 to December 31, 2016. The actual first year of Building operation may begin earlier or later than that year and is currently projected to commence on or before January 1, 2016. Plans depicting layouts of Units in this Schedule A appear in Part II of the Plan. Purchasers should note that the square footage of each Unit as reflected in Schedule A and the Floor Plans set forth in Part II of the Plan is approximate.

2. The room count for each Unit was determined by Sponsor's architect in accordance with industry practice for new construction condominiums.

   Any floor plan or sketch or schedule shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit in question. However, any material change will be set forth in an amendment to the Plan, and no material change (for example, a reduction in square footage in excess of 5%) will be made in the size, configuration, or layout of a Unit for which an Agreement has been executed unless the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc. and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's reasonable control, and where no practicable alternative (in the exercise of sound construction management practices exists), and in such event, Sponsor will offer the materially adversely affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Agreements and receive a refund of their Down Payment(s), together with all interest earned thereon. There is a rebuttable presumption that an area that is diminished by 5% or less is not material. An increase in the size of a room or Unit will not on its own give rise to a right of rescission.

3. The approximate Square Footage of a Unit set forth in column numbered (3) of Schedule A is an approximate gross square footage of the Unit, within reasonable tolerances. The approximate indoor floor area of each Unit has been measured horizontally from the exterior side of the exterior walls (columns, shear walls, 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, and to the centerline of interior walls and partitions separating a Unit from public corridors, stairs, the elevator and other mechanical equipment spaces or any Common Elements not within a Unit. Dimensions measured from exterior walls may not accurately represent the interior space in the Unit and may exaggerate such interior space by as much as ten percent (10%). Each Unit consists of the area measured vertically on each floor of the Building, if applicable, from the top of the floor slab below (located under the finished flooring and subfloor materials) to the underside of the floor slab above. The approximate gross square footage of a Unit is greater than the approximate Square Footage of a Unit measured by using the legal definition of the Unit which appears in the Declaration of the Condominium in Part II of the Plan. The outdoor floor area of the private roof terrace

appurtenant to the Penthouse Unit is not included in the Unit's floor area. As is customary in New York City, these gross square footages may substantially exceed the useable floor area of each Unit.

Exterior square footage at the Unit 1B entry and the Penthouse roof terrace is measured from the exterior face of the exterior wall to the centerline of demising walls between exterior square footage and Common Elements. Any floor layout, plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit in question. However, any material change will be set forth in an amendment to the Plan, and no material adverse change will be made in the size, configuration, or layout of a Unit for which a Purchase Agreement has been countersigned by Sponsor and returned to the Purchaser 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 Purchasers, offer the affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with all interest earned thereon.

Further, please note that the ceiling heights for the Units and/or Common Elements as set forth in the "Description of Property and Building Specifications" in Part II of the Offering Plan are approximate and may vary in certain areas due to field conditions at the Property.

Dimensions measured from exterior walls may not accurately represent the interior space in the Unit and may exaggerate such interior space by as much as ten percent (10%).

4. Sponsor has reserved the right to change the purchase prices (as well as other terms of sale) of Units not subject to executed Agreements, so Purchasers may pay different prices for similar Units. The purchase prices and other terms of the Agreements may be subject to negotiation with Sponsor. No such change will be made other than pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that Sponsor reserves the right to decrease purchase prices or modify other 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 (see the section of the Plan entitled "Changes in Prices and Units"). In addition to the purchase price, Purchaser will be responsible at Closing for certain Closing costs as explained in the Section entitled "Closing Costs and Adjustments" in Part I of the Plan including, without limitation, the obligation to contribute two month's common charges to the Working Capital Fund of the Condominium, which can only be used for initial Closing costs incurred by the Condominium and repairs and replacements to the Common Elements. Purchasers are advised to consult with their attorneys as to the exact Closing costs they will incur in purchasing their Units.

5. The respective Percentage Interest of each Unit in the Common Elements, in accordance with the provisions of Section 339-i(l)(iv) of the New York Condominium Act, 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 the event that Sponsor negotiates with individual purchasers to change the layout or dimensions of their respective Units and such change involves the inclusion, in the Unit, of areas formerly designated as Common Elements, or involves adding to the Common Elements, space that was previously incorporated in the Units, the Common Elements of all of the Units may change slightly. Any such change in the Common Elements prior to the recording of the Declaration shall not be deemed a material change and shall not give rise to a right of rescission on the part of any purchaser. The percent interest of each Unit in the Common Elements is apportioned in the same proportion that the Unit bears to the aggregate Common Interests of all Units.

6. The estimates contained in this schedule were computed by Sponsor's Condominium Budget Expert on the assumption that the first year of Condominium operation will be during the year from January 1, 2016 through December 31, 2016, and are based on such Condominium Budget Expert's estimate of the receipts and expenses of the Building for the projected year. The actual first year of Condominium operation may be earlier or later than such year and is currently anticipated to commence on January 1, 2016. If the actual or anticipated date of commencement of condominium operation is delayed by more than six (6) months from the commencement of the projected first year of condominium operation, Sponsor will amend the Plan to include a revised budget disclosing current projections. If such amended projections exceed original projections by twenty-five percent (25%) or more, Sponsor will offer all purchasers the right to rescind for a period of fifteen (15) days after the date of the presentation of the amendment setting forth the right to rescind.

   The estimated monthly Common Charges for each Unit are based on the projected "Budget for First Year of Condominium Operation, Schedule B" prepared by Sponsor's Condominium Budget Expert. The estimated monthly Common Charges include the cost of central heating for the Units. In addition to these estimated payments, each Unit Owner will be responsible for real estate taxes for such Unit, mortgage payments under a loan or loans, if any, obtained to finance the purchase of the Unit, the cost of electricity supplied to the Unit which will be separately submetered and payable by the Unit Owner to the Board, the insurance which must be carried by each Unit Owner with respect to liability and casualty to the contents of the Unit and the cost of interior repairs and decorations to the Unit. Until the Units are separately assessed, real estate taxes shall be part of Common Expenses, as provided in the Condominium By-Laws. In addition, capital repairs, additions, improvements, alterations and restorations to Building are Common Expenses which will be borne solely by the Unit Owners. The first year of operation may include a portion of the year in which the Buildings are not fully occupied or all services are not provided. Accordingly, the first year of operation may not be indicative of subsequent years.

7. The estimates set forth in column numbered (7) are a calculation of real estate taxes due for each Unit for the First Year of Condominium operation commencing on January 1,

2016 and ending December 31, 2016 ("First Year"). Therefore, the estimates are based upon the 2015/2016 tax year which commences July 1, 2015. Estimates of real estate taxes due for the Units are based upon (i) the projected 2015/2016 assessed valuation for the Property as apportioned to all the Units, and (ii) projected tax rates for the 2015/2016 and 2016/2017 tax years. The apportioned and estimated aggregate taxable assessed valuation for all of the Units, and the projected tax rates, have been projected by Aaron Valuation, Inc., 358 Seventh Avenue, PMB 124, Brooklyn, NY 11215. A copy of Aaron Valuation, Inc.'s letter is set forth in Part I of the Plan.

The 2014/2015 actual and transitional assessed valuations for the entire Property are as follows:

| | |
|---|---|
| 2014/2015 actual: | $ 1,331,100.00 |
| 2014/2015 transitional: | $ 1,217,710.00 |

The Actual Total Assessed Valuation is the amount, which barring a major improvement or alteration to the Property, will be phased in over five (5) years at twenty percent (20%) per year. Real estate taxes for the Property will be based upon the lower of either the actual or transitional assessment which is in effect for the First Year of Condominium operation. Since the Property is being completed renovated and newly constructed into "Class A" apartments, which construction has already commenced, it can be expected that the Actual Total Assessed Valuation for the Property will be increased for the 2015/2016 tax year and subsequent tax years due to such construction. It has been assumed by Aaron Valuation, Inc. that although completion of construction is not projected until October 2015, the assessed valuation for tax years 2014/2015 does not reflect the completed structure, as the Department of Finance of the City of New York must consider the status of the site as of January 5, 2015. Therefore, the first (1st) tax year reflecting the full one hundred percent (100%) valuation of the entire project will be 2016/2017 and real estate taxes for the Units shall increase substantially. However, for the purpose of projected real estate taxes for the Units during the Projected First Year of Condominium Operation commencing January 1, 2016, Aaron Valuation, Inc. has assumed completion and full one hundred percent (100%) valuation of the Property for the 2015/2016 tax year.

As stated above, Sponsor's projection of real estate taxes for all of the Units for the First Year of Condominium operation is based, in part, upon a projection letter by Aaron Valuation, Inc., who has estimated the 2015/2016 total actual assessed valuations and tax rate for the Units assuming completion of the construction of the Building and a 100% valuation of the Property.

The annual Real Estate Taxes payable during the first year of operation by all Units, is therefore projected as follows:

| | |
|---|---|
| First Year of Operation: | |
| Estimated Taxable Assessed Valuation: | $ 1,804,740 |
| Estimated Taxes Payable@ 13.048% Tax Rate (Blended): | $ 235,482 |

It is the projected 2015/2016 Actual Total Assessment of all of the Units upon which real estate taxes for the First Year of Condominium Operation have been based.

Based upon the above assumptions and the projected assessments and tax rates, the aggregate real estate taxes for all of the Units for the First Year of Condominium Operation are projected to be approximately $235,482.00. Another assumption is that each Unit will be assessed in direct proportion to each Unit's percentage of Common Interest as it bears to the aggregate percentage of Common Interest of all Units. No warranties are made that the assessments of the individual Units amongst the Units will be arrived at in a manner stated above. The Department of Finance of the City of New York may arrive at individual Unit assessments (or the apportionment of the entire value of the Property) which are different from those projected by Aaron Valuation, Inc. and may use a methodology which varies from that set forth herein. For example, the City of New York may apportion the total tax due for the Property among the individual Unit Owners in proportion to the relative value of each Unit as indicated by the Offering Prices set forth in the initial Offering Plan or any amendment to the Offering Plan. In such event, Sponsor makes no representation as to what Purchase Prices the City would use.

There can be no assurance that there will not be a further increase in the assessed valuation of the Units comprising the Property and/or an increase in the tax rate above those projected for tax year 2015/2016 or subsequent years.

If on the date of the First Closing each of the Units shall not have been separately assessed as an independent tax lot, then until such time as said independent tax assessment shall be made and in effect each Unit Owner, including Sponsor, shall be nonetheless responsible for the cost of their proportionate amount of the aggregate real estate tax for the Property as determined by their percentage of Common Interest, multiplied by the aggregate real estate taxes assessed against the entire Property as apportioned to all the Units.

In the event the Units have not been separately assessed as independent tax lots at the First Closing Sponsor shall place in escrow at such time an amount equal to the unpaid real estate taxes for the shorter period of (i) six (6) months from the First Closing or (ii) the period from the First Closing until the Units are separately assessed. Sponsor will pay the real estate taxes from this escrow account as they become due and payable. However, at Unit Closings individual purchasers shall adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit Closing through the end of the tax period within which the Closing date occurs. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of actual apportionment, it shall be made at that time. Should tax lots not be apportioned by the end of the tax period in which a Unit Closing occurs, Sponsor shall be entitled to reimbursement from

the Unit Owner for taxes as they are paid. Such reimbursement shall be per such Unit Owner's percentage of Common Interest.

After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units.

Upon one hundred percent (100%) completion of the construction by Sponsor which is assumed to be prior to January 5, 2015 for assessment purposes, and the implementation of the post construction actual total assessment of the Property as projected by Aaron Valuation, Inc., the estimated annual/monthly real estate taxes for the period January 1, 2016 through December 31, 2016 for each of the Units is set forth in column numbered (7). Upon one hundred percent (100%) completion, the post construction actual total assessed valuation for all the Units has been projected by Aaron Valuation, Inc. as $1,804,740.00. This projected actual total assessed valuation for all of the Units is assumed to be effective as of January 1, 2016. Further, Aaron Valuation, Inc. has projected the 2015/2016 tax rate for the Units to be 12.984% and the 2016/2017 tax rate for the Units to be 13.113%, for a blended rate of 13.048% for the first year of condominium operation.

PLEASE NOTE THAT BASED UPON THE PROJECTED AGGREGATE 2015/2016 POST-CONSTRUCTION ACTUAL TOTAL ASSESSMENT FOR ALL THE UNITS OF $1,804,740.00 AND A PROJECTED TAX RATE OF 13.048% FOR THE UNITS, THE REAL ESTATE TAXES DUE FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WOULD BE APPROXIMATELY $235,482.00 FOR ALL OF THE UNITS.

Upon determination of individual tax lots and individual Unit assessments, the New York City tax authorities may allocate taxes between the Units in proportion to each Unit's percentage interest in the Common Elements rather than purchase price, or some combination of the two, and if so, Units having the same percentage interest may pay different real estate taxes.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY.

See the Section entitled "Income Tax Deductions to Unit Owners and Tax Status of Condominium" and the Tax Opinion of Holland & Knight LLP in Part I of the Plan for a discussion concerning the deductibility of real estate taxes paid with respect to a Unit.

## SCHEDULE A-1

## PURCHASE PRICES FOR STORAGE BINS

January 1, 2016-December 31, 2016

| Bin Number | Square Footage | Offering Price |
|---|---|---|
| 1 | 33 | $34,650.00 |
| 2 | 37 | $38,850.00 |
| TOTAL: | 70 | $73,500 |

## G. BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION, SCHEDULE B

## SCHEDULE B

78 Irving Place Condominium
Projected Budget for First Year of Condominium Operation (See Note 1)
January 1, 2016 - December 31, 2016

**ESTIMATED INCOME** (Note 2)

| | | |
|---|---|---|
| Total Estimated Common Charges - Residential Units | $ | 370,482 |

**ESTIMATED EXPENSES** (Note 3)

| | | |
|---|---|---|
| Contract Employment (Note 4) | $ | 204,040 |
| Gas for Hot Water, Cooking & Clothes Dryers (Note 5) | $ | 4,507 |
| Electricity (Note 6) | $ | 30,215 |
| Water & Sewer (Note 7) | $ | 12,352 |
| Repairs and Maintenance (Note 8) | $ | 19,500 |
| Service Contracts (Note 9) | $ | 23,400 |
| Insurance (Note 10) | $ | 24,400 |
| Management Fee (Note 11) | $ | 15,000 |
| Legal and Audit Fees (Note 12) | $ | 10,000 |
| Other Expenses (Note 13) | $ | 9,426 |
| Replacement Reserves (Note 14) | $ | 17,642 |
| Total Expenses (Note 15) | $ | 370,482 |

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

# NOTES TO SCHEDULE B

## FOOTNOTES TO SCHEDULE B

(1) Amounts are projected on the assumption that the First Year of Condominium Operation will be the year from January 1, 2016 to December 31, 2016. The actual First Year of Condominium Operation may be earlier or later than that year. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by six (6) months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the amended budget exceeds this projected budget by twenty-five percent (25%) or more, Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period, if the Plan has been declared effective) the right to rescind their Purchase Agreements 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 Down Payment returned.

(2) These amounts represent the total Common Charges to be levied against and collected from the Residential Units during the anticipated First Year of Condominium Operation. The Common Charges will be utilized by the Board to defray the operational expenses of the Condominium. Common Expenses have been allocated among the Residential Unit Owners on the basis of percentage of Common Interest allocated to each Residential Unit.

(3) Common Expenses include the costs and expenses in connection with the repair, maintenance and operation of, and any alteration, addition or improvement to, the Common Elements and the provision of services to 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.

(4) **Contract Employment: $204,040**

It is estimated that one or more unaffiliated companies will be providing personnel for the building. The personnel will be direct employees of these companies and the Condominium shall have no direct employees.

The budgeted amount reflects the fees charged by the third party provider for personnel as follows:

| | |
|---|---|
| 1 Part-time Superintendent (5 days per week, 2 hours per day) | $ 10,000 |
| 4 Full-time Lobby Attendants (7 days per week, 24 hours per day) | $194,040 |

All third party staffing will be non-union. Staffing levels will comply with all applicable housing and labor laws and all wages will meet New York's minimum wage laws.

(5) **Gas for Hot Water, Cooking, and Clothes Dryers: $4,507**

Based on an estimate made as of December 19, 2014 by MG Engineering D.P.C., located at 116 West 32nd Street, New York, NY 10001, it is anticipated that gas for cooking, domestic hot water & clothes dryers will be approximately 2,900.35 Therms/Year at an anticipated cost of $1.48 per Therm. An additional 5% was added to this estimate to account for cost inflation.

(6) **Electricity: $30,215**

Based on an estimate made as of December 19, 2014 by MG Engineering D.P.C., located at 116 West 32nd Street, New York, NY 10001, it is anticipated that light and power for the Common Areas as well as the mechanical equipment will be approximately 112,032 KW/HR/YR at an annual cost of $0.25 per KW/HR. An additional 5% was added to this estimate to account for cost inflation.

Electricity (including current necessary to operate HVAC Systems) shall be supplied to all Units through a separate Con Edison 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 by Unit Owners to Con Edison.

(7) **Water & Sewer: $12,352**

Based on an estimate made as of December 19, 2014 by MG Engineering D.P.C., located at 116 West 32nd Street, New York, NY 10001, it is anticipated that water and sewer usage for the Residential Units and all Common Elements, will be approximately 1,269 hundred cubic feet/year at an anticipated cost of $3.58 per 100 cu. ft. and usage of water and $5.69 per 100 cu. ft. based on 100 gallons per day per estimated occupancy. An additional 5% was added to this estimate to account for cost inflation.

(8) **Repairs and Maintenance: $19,500**

This estimate includes painting, maintenance and repair costs as well as a contingency to provide for unanticipated expenses or unanticipated increases in projected expenses of General and 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 | $ | 5,000 |
| Plumbing | $ | 2,000 |
| Electrical | $ | 2,000 |
| Elevators | $ | 1,000 |
| Intercom | $ | 1,000 |
| Windows/Locks/Doors | $ | 1,500 |
| General Repairs / Contingency | $ | 6,000 |
| Plastering and Painting | $ | 1,000 |

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

(9) **Service Contracts: $23,400**

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

| | | |
|---|---|---|
| Elevator* | $ | - |
| Exterminating | $ | 1,200 |
| Fire Extinguishers | $ | 500 |
| Landscaping | $ | 4,000 |
| Flowers | $ | 1,800 |
| Fire Alarm (Protection) | $ | 5,000 |
| Central Station Monitoring | $ | 2,000 |
| Sprinkler | $ | 1,500 |
| HVAC | $ | 5,000 |
| Telephone/Beeper/Mobile | $ | 2,400 |

No maintenance or service contracts have been entered into as of the filing date of the Plan. The Plan will be amended to disclose the maintenance and service contracts once they are executed. The budgeted amounts are based on estimates received from contractors and the experience of Sponsor's budget expert, FirstService 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 is made that the actual cost for these or other services will be in accordance with this projection.

*Sponsor has secured a three (3) year maintenance contract with the elevator company responsible for modernizing the elevator. It is anticipated that the condominium will realize the expense for the elevator maintenance after this three (3) year period expires.

(10) **Insurance: $24,400**

The insurance premiums are based on the letter, dated January 14, 2015, from Peace of Mind Insurance Brokerage LLC. The fire, casualty and general liability are on the terms set therein:

| | |
|---|---|
| Building: | $12,000,000.00 All Risk, 100% Replacement Cost, no Co-Insurance. |
| Condo Association Fees: | Actual Loss up to 12 Months. |
| Deductible: | $2,500.00 |
| Liability: | $1,000,000 per occurrence, $2,000,000.00 aggregate |

| | |
|---|---|
| Sewer & Water Backup Coverage: | Included |
| Boiler & Machinery Coverage: | Included |
| Elevator Collision Coverage: | Included |
| Ordinance or Law coverage: | Included |
| Excess Liability: | $10,000,000 |
| Directors & Officers: | $1,000,000 |

The total premium for these various coverages is estimated at $24,400.

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 applies to a Unit to the extent that the Unit remains unchanged from the time that it was initially offered by Sponsor. Any structural alterations or additions to Units are excluded from 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 the furniture or personal property of Unit Owners nor decorations, fixtures or coverings (including, without limitation, painting, finishing, wall-to-wall carpeting, pictures, mirrors, shelving and lighting fixtures) installed by Unit Owners.

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 Unit Closing.

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 any mortgage lender procured by Sponsor.

(11) **Management Fee: $15,000**

Based on the management agreement to be entered into with FirstService Residential at or before the First Closing, it is expected that the Managing Agent will receive an annual fee of $15,000 for the first year. For further discussion of the terms of the Management Agreement, reference should be made to the "Management Agreement, and Other Contractual Arrangements" Section of the Offering Plan, found in Part I.

(12) **Legal and Audit Fees: $10,000**

Based upon the estimate set forth in a letter dated October 31, 2014 from Tarlow & Co., C.P.A.'s, located at 7 Penn Plaza, Suite 210, New York, NY 10001, $8,000 has been

budgeted to provide 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 ($2,000) has been estimated to provide for minor legal services to be rendered in connection with the operation of the Building such as attendance at Board meetings, preparation of Board minutes and negotiation of minor agreements.

(13) **Other Expenses: $9,426**

$5,000 has been budgeted to cover the ongoing need office equipment, postage, special communications and mailings to the Unit Owners.

The remaining $4,426 has been budgeted to cover the annual expense of the Department of Transportation Revocable Consent Agreement dated September 9, 2014 between the Sponsor and the DOT. (See the "Department of Transportation Revocable Consent Agreement" Section of the Offering Plan, found in Part II for more detail) The agreement will be transferred to the Condominium as of the First Unit Closing.

(14) **Replacement Reserves: $17,642**

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.

(15) IN THE OPINION OF FIRSTSERVICE 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 JULY 1, 2015. 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.

Sponsor has attempted to make accurate estimates. However, due to inflation, changes in the economy and unforeseen factors, it is likely that actual expenditures will differ from estimates set forth herein.

## H. BUDGET FOR INDIVIDUAL ENERGY COSTS, SCHEDULE B-1

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## 78 Irving Place
## New York, NY
## Energy/Utility Costs Summary

| | |
|---|---|
| **Water/Sewer Common Charges** | **$11,763.63** |
| Residential Water Charges | $4,543.02 |
| Residential Sewer Charges | $7,220.61 |
| **Residential Gas Common Charges** | **$4,292.52** |
| Domestic Hot Water Heating | $2,957.56 |
| Cooking | $1,136.64 |
| Clothes Dryers | $198.32 |
| **Residential Common Electric Charges** | **$28,776.34** |
| Plumbing Equipment Loads | $11,665.69 |
| HVAC Equipment Loads | $9,440.54 |
| Lighting Loads | $6,369.25 |
| Elevator Loads | $1,300.87 |
| **Total Apartment Electric Charges** | **$30,065.79** |
| See Schedule B-1 for Individual Apt. Electric Charges | |

**Criteria**

| | |
|---|---|
| Electric Utility Cost | $0.25 per KWHr |
| Water Utility Cost | $3.58 per 100 cubic feet used |
| Sewer Utility Cost | $5.69 per 100 cubic feet used |
| Natural Gas Utility Cost | $1.48 per therm |
| Residential Apartments | 7 units |
| Residential Population | 26 people |
| (Estimated at 2 people per first bedroom of each apartment and 1 per each additional bedroom; 1 for a studio apartment) | |
| Residential Water Usage Basis | 100 gallons per day per person |

**The estimated rates are based on projected rates for January 1, 2015. The estimated projected rates and subsequent costs are not guaranteed and it is expected that these rates will increase over time and are affected by factors which are beyond control of the sponsor. Purchasers are advised that the projections are only estimates and actual consumption will be metered and will vary based on needs of each occupant, building operation, and weather conditions.**

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## Water/Sewer Common Charges

### Residential Water Charges

| | | | |
|---|---|---|---|
| Population | | 26 | Estimated 2 per first bedroom of each apartment and 1 per each additional bedroom of each apartment; 1 for studio |
| Water Usage | x | 100 | Estimated Usage is 100 gallons per day (gpd). |
| Conversion | x | 365 | Day per year |
| Annual Usage | x | 949,000 | Gallons per year |
| N/A | div by | 7.48 | Gallons per cubic feet |
| N/A | div by | 100 | Hundred cubic feet |
| Annual Usage | | 1,269 | Hundred cubic feet per year |
| Water Costs | x | 3.58 | $ per 100 cubic feet of water used |
| | | **$4,543.02** | **Estimated Annual Water Usage Charges** |

### Residential Sewer Charges

| | | | |
|---|---|---|---|
| Annual Water Usage | x | 1,269 | Hundred cubic feet per year (from above) |
| Sewer Costs | x | 5.69 | $ per 100 cubic feet of water used (Normally 159% of water charge) |
| | | **$7,220.61** | **Estimated Annual Sewer Charges** |

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## Gas Common Charges

### Residential Gas Common Charges

**Domestic Hot Water Heating**

| | | | |
|---|---|---|---|
| Population | | 26 | Estimated based on 2 occupants per first bedroom of each apartment and 1 per each additional bedroom of each apartment. |
| Hot Water Usage | | 40 | 40 gallons per day per occupant (between ASHRAE min-max) Applications 49.14. |
| | | 458 | Btu/gallon(based on raising temp of water from 55 to 110) |
| Energy required to heat water | x | | |
| Days per year | x | 365 | |
| Efficiency | div by | 0.87 | |
| Conversion | div by | 1,000 | 1000Btu/h per MBH |
| Annual Heating Energy | div by | 199,835 | MBH |
| Conversion | div by | 100 | MBH per therm |
| Estimated Gas Consumption | .= | 1998.35 | Therms/year |
| Cost of Gas/Therm | x | 1.48 | $ per therm |
| | | **$2,957.56** | **Estimated annual gas cost to generate hot water for apartments** |

**Cooking**

| | | | |
|---|---|---|---|
| # of Apartments | | 8 | Based on number of apartments in building plus 1 Fireplace |
| Gas Usage per apartment per month | x | 800 | Cubic ft ( Estimated load per typical apartment ) |
| Conversion | x | 12 | Months per year |
| Conversion | div by | 100 | Cubic feet gas per therm |
| Estimated Gas Consumption | | 768 | Therms/year |
| Cost of Gas | x | 1.48 | $ per therm |
| | | **$ 1,136.64** | **Estimated Annual Gas Cost for Residential Apartment Cooking** |

**Gas Dryer**

| | | | |
|---|---|---|---|
| # of Apartments | | 7 | Based on number of apartments in building |
| Gas Usage per apartment per month | x | 160 | Cubic ft ( Estimated load per typical apartment ) |
| Conversion | x | 12 | months per year |
| Conversion | div by | 100 | cubic feet gas to therm |
| Estimated Gas Consumption | | 134 | Therms |
| Cost of Gas | x | 1.48 | $ per therm |
| | | **$ 198.32** | **Estimated Annual Gas Cost for Residential Gas Dryers** |

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## Residential Electrical Common Charges

| | | Load (HP) | Load (KW) | Annual Operating Hours | Diversity Factor | Annual Load (KWHrs) | Electric Cost ($/KWHr) | Annual Electric Cost |
|---|---|---|---|---|---|---|---|---|
| **Residential Plumbing Loads** | | | | | | **43,590** | | **$11,665.69** |
| Duplex Domestic Water Pumps (BP-1) | 5HP (ea.) | 10 | 7.46 | 8760 | 50% | 32,675 | $0.25 | $8,168.70 |
| Duplex Sewage Eject. Pumps (SE-1) | 2HP (ea.) | 4 | 2.98 | 8760 | 10% | 2,614 | $0.25 | $653.50 |
| Elevator Sump Pump (ESP-1) | | 2 | 1.49 | 8760 | 5% | 653 | $0.25 | $163.37 |
| Gas Booster Pump (GB-1) | | 0.5 | 0.37 | 8760 | 50% | 1,634 | $0.25 | $408.44 |
| Gas Booster Pump (GB-2) | | 0.5 | 0.37 | 8760 | 10% | 327 | $0.25 | $81.69 |
| Duplex Hot Water Heaters | | | 1.00 | 8760 | 100% | 8,760 | $0.25 | $2,190.00 |
| **HVAC Equipment Loads** | | | | | | **37,762** | | **$9,440.54** |
| **Air Conditioning** | | | | | | | | |
| Trash Room Air Conditioning (ACC-8) | | | 1.00 | 8760 | 15% | 1,314 | $0.25 | $328.50 |
| Lobby Air Conditioning (ACC-9) | | | 2.28 | 8760 | 15% | 2,996 | $0.25 | $748.98 |
| Elevator Machine Room (ACC-10) | | | 2.38 | 8760 | 15% | 3,127 | $0.25 | $781.83 |
| **Heating** | | | | | | | | |
| Heating & Ventilation (HV-1) | | | 10.50 | 1440 | 75% | 11,340 | $0.25 | $2,835.00 |
| Lobby Electric Heat (EUH's) | | | 10.00 | 2160 | 50% | 10,800 | $0.25 | $2,700.00 |
| **Fans** | | | | | | | | |
| General Exhaust (GXF-1) | | 0.17 | 0.13 | 8760 | 100% | 1,139 | $0.25 | $284.70 |
| General Exhaust (GXF-2) | | 0.25 | 0.19 | 8760 | 100% | 1,664 | $0.25 | $416.10 |
| Kitchen Range Hood Exhaust (KXF-1) | | 2 | 1.49 | 8760 | 10% | 1,307 | $0.25 | $326.75 |
| Toilet Exhaust (TXF-1) | | 0.25 | 0.13 | 8760 | 100% | 1,139 | $0.25 | $284.70 |
| Toilet Exhaust (TXF-2) | | 0.17 | 0.13 | 8760 | 100% | 1,139 | $0.25 | $284.70 |
| Clothes Dryer Exhaust (DXF-1) | | 0.5 | 0.37 | 8760 | 5% | 163 | $0.25 | $40.84 |
| Refuse Exhaust (RXF-1) | | 0.17 | 0.19 | 8760 | 100% | 1,634 | $0.25 | $408.44 |
| **Residential Lighting Loads** | | | | | | **25,477** | | **$6,369.25** |
| Interior | | | 3.60 | 8760 | 75% | 23,652 | $0.25 | $5,913.00 |
| Exterior | | | 1.00 | 3650 | 50% | 1,825 | $0.25 | $456.25 |
| **Residential Elevator Loads** | | | | | | **5,203** | | **$1,300.87** |
| Elevator Residential | | 14.7 | 10.97 | 26 | 18.25 | 5,203 | $0.25 | $1,300.87 |

Elevator Diversity Factor based on 6 trips/day x 30 sec/trip x 365 day/yr x 1 hr/60 min x 1 min/60 sec x No. of people

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## Schedule B-1: Individual Apartment Electrical Costs

| Apt | Area (S.F.) | Apt. type (#B.R.) | Ltg/Pwr Demand from drawing (KW) | Annual Ltg/Pwr (KWHrs) | Clothes Dryer Load from drawing (KW) | Annual Dryer Usage (KWHrs) | Electric Oven Load (KW) | Annual Oven Usage (KWHrs) | Annual Heating/ Cooling Power (KWHrs) | Total Annual Usage (KWHrs) | Estim. Apt. Annual Elec. Cost | People | # of Apts. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | |
| 1A | 1245 | 0 | 3.73 | 2,722 | 5.00 | 780 | 3.80 | 1387 | 5475 | 10364 | $2,591 | 1 | 1 |
| 1B | 2489 | 3 | 7.62 | 5,565 | 1.50 | 234 | 3.80 | 1387 | 9536 | 16722 | $4,180 | 4 | 1 |
| 2 | 2210 | 3 | 6.61 | 4,825 | 1.50 | 234 | 3.80 | 1387 | 9541 | 15987 | $3,997 | 4 | 1 |
| 3 | 2210 | 3 | 6.61 | 4,825 | 1.50 | 234 | 3.80 | 1387 | 9541 | 15987 | $3,997 | 4 | 1 |
| 4 | 2210 | 3 | 6.61 | 4,825 | 1.50 | 234 | 3.80 | 1387 | 9541 | 15987 | $3,997 | 4 | 1 |
| 5 | 2210 | 3 | 6.75 | 4,925 | 1.50 | 234 | 3.80 | 1387 | 9541 | 16087 | $4,022 | 4 | 1 |
| 6,7 | 4420 | 3 | 13.50 | 9,857 | 1.50 | 234 | 3.80 | 1387 | 17652 | 29130 | $7,283 | 4 | 1 |
| **TOTAL** | **16,994** | | | **37,543** | | **2,184** | | **9,709** | **70,827** | **120,263** | **$30,066** | **26** | **7** |

Annual Ltg/Pwr useage based on occupancy of 8 hrs per day and 25% demand factor
Annual Dryer useage based on 2 times a week at 1.5 hour per useage
Annual Oven Useage based on daily use at 60 minutes a day
Electric Cost based on $0.25 per KWHr

# I. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-(i)

FirstService
RESIDENTIAL

## COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-(i)

February 4 , 2015

Irving Place Investor LLC
825 Third Avenue, 37th Floor
New York, New York 10028

Re: 78 Irving Place 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

## J. STORAGE BINS

The Condominium will contain Storage Bins, licenses for which are offered for sale. The Storage Bins are located in portions of the Cellar of the Building.

The Board will make all decisions with regard to the operation of the Storage Bins.

No representation is made with respect to who the tenants or occupants of any portion of the Storage Bins may be at any time, or when the Storage Bins will be made available to Unit Owners.

## K. CHANGES IN PRICES AND UNITS

Purchase prices for all Offered Units 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 any Board, Unit Owner or Mortgagee, to change the price, including, without limitation, the manner of payment thereof and other terms of sale of any Offered Unit, except that no such change with respect to any Offered Unit for which an Agreement is then in effect may be made without the consent of the Purchaser. No such change will be made other than pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that Sponsor reserves the right to decrease purchase prices or modify other 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 a different amount 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.

Sponsor reserves the right to negotiate with each Purchaser, the terms and conditions of the Agreement, including but not limited to: purchase price; the amount of the Down Payment; financing and other contingencies; the availability of financing; the payment of Purchaser's financing fees and other Closing costs; work to be performed in the Unit or the revision of floor plans and the allocation and payment of costs therefor; the availability of Common Charge rebates, Purchase Price rebates and subsidies payable as a credit against the Purchase Price or on a periodic basis; and extensions of time periods within which to perform obligations under the Agreement. Sponsor reserves the right from time to time to add and/or delete negotiable terms from the list set forth above for all or some Purchasers without further amendment to this Offering Plan. 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 rights of rescission under an Agreement.

In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor 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 any Board, Unit Owner or Mortgagee, to (a) change the layout of, or number of rooms in any Unsold Unit, (b) change the size and/or number of Unsold Units by dividing one or more such Units into two or more separate Unsold Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Unsold Units, altering the boundary walls between one or more Unsold Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Unit, and (c) if appropriate, reapportion among the Unsold Units affected by any such change, their aggregate Common Interests. With the consent of the Unit Owners, Sponsor also 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, to (d) designate a Common Element as part of an Unsold Unit or designate all or part of an Unsold Unit as a newly created Common Element. In the event of any change pursuant to any of (a) - (d) 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 any Unsold Unit for which an Agreement is then in effect and the Purchaser thereunder is not in default unless (i) the Purchaser consents to such change or (ii) such change is not a material change in the size, Common Interest, dimension, floor space or layout of such Unsold Unit. The Common Interest of a Unit may change if there is a change in the floor space or 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. No material change will be made in the size or quality of the Common Elements except by amendment to the Plan and, when applicable, by amendment to the Declaration. Unless all Purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of the Common Elements.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid or otherwise, nor may the Common Interest of any Unit be changed, unless, in each such event, the Declaration and Floor Plans and this Plan are amended with the consent of each Unit Owner whose Unit is so changed. Sponsor will have the right to amend or to cause the Board to amend the Declaration to reflect any such change and to file such amendment and any necessary plans and specifications in connection therewith.

It should be noted that as long as the layout and dimensions of a Unit are not substantially or materially different than the Unit Plans, a Purchaser will not be excused from purchasing his Unit and will not have any claim against Sponsor as a result of any insubstantial or immaterial change.

## L. INTERIM LEASES

Sponsor will endeavor in good faith to sell, but nevertheless reserves the unconditional right, prior to the date of Closing title to a Unit, to rent or lease, rather than sell, such Unit to Purchasers and others. As a result, a Purchaser of a Unit may be acquiring a Unit that has been previously occupied or used, but, unless otherwise specifically agreed to in writing by Sponsor and such Purchaser, such Unit will be delivered at the Closing vacant and free and clear of all leases, tenancies and rights of occupancy. In addition, because Sponsor reserves the unconditional right to rent or lease Units, there is no commitment to sell more Units than the fifteen percent (15%) of such Units necessary to declare the Plan effective and, accordingly, Unit Owners may never gain effective control and management of the Condominium and/or Building, and the First Annual Residential Meeting may never occur. (See the Sections entitled "Introduction", "Procedure to Purchase", and "Rights and Obligations of Sponsor" in Part I of the Plan for further discussion.) However, once an Agreement for a Unit is fully executed and for so long as the Agreement is in effect, such Unit may only be leased to its Purchaser. No Purchaser shall have the right to occupy or use any Unit prior to the Closing unless Sponsor agrees to permit such occupancy under an interim lease or other written rental agreement.

Interim leases will not be subject to the New York City Rent law (rent control), the Emergency Tenant Protection Act of 1974, the New York City Rent Stabilization Law, the New York City Rent Stabilization Code, any rent regulatory scheme or code, rule or regulation promulgated under any of the foregoing, or any other rental protection laws.

If Sponsor agrees to lease a vacant Unit, the lease will be for a rent and upon such other terms and conditions as may be agreed upon by Sponsor and the tenant; provided, however, that in the case of an interim lease to a Purchaser, such lease will provide that an uncured default by the Purchaser under the Agreement (that is, a default not cured within 30 days after the sending of written notice thereof) will constitute a default under the lease entitling the landlord (i.e., Sponsor), at its sole option, to immediately terminate such lease whereupon the lessee must vacate the Unit within ten (10) days thereafter. The Agreement will contain a similar provision entitling Sponsor to terminate the Agreement and retain the Down Payment (and any interest thereon) as liquidated damages, and not as a penalty, in the event the Purchaser fails to cure a default under such Purchaser's lease, if any, within the applicable grace period (if any) and either: (a) Sponsor has obtained an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser or (b) the Purchaser has vacated the Unit. No portion of the rent paid under any lease will be credited towards the purchase price of a Unit unless the lease and the Agreement therefor expressly so provide.

In the event of any amendment to the Plan which discloses a material adverse change to the Plan and offers the Purchaser a right to rescind, if a Purchaser who is a tenant under an interim lease duly elects to rescind, the Purchaser's Down Payment in connection with the Unit so leased will be returned subject to the terms of the Plan, and the Purchaser's Down Payment will be returned subject to the terms of the Plan, and the interim lease made with such Purchaser shall be cancelled and possession of the Unit must be surrendered within sixty (60) days thereafter free of all occupants and in broom clean condition. A Purchaser shall be liable to

Sponsor for any and all damages, costs and expenses incurred by Sponsor by reason of any failure to vacate within a 60-day period. If such failure to timely vacate occurs prior to the First Closing, the Purchaser shall be liable for use and occupancy in an amount equal to twice the rent under the interim lease. If such failure to vacate occurs after the First Closing, the Purchaser shall be liable for twice the costs of carrying the Unit (such as Common Charges, real estate taxes and the allocable portion, based on such Unit's Common Interest, of debt service on any loan covering the Unsold Units) as calculated by Sponsor. In addition, irrespective of when failure to timely vacate occurs, such Purchaser shall be liable to Sponsor for loss of profit and all costs and expenses incurred by Sponsor to obtain possession of the Unit, including the cost of litigation and reasonable attorneys' fees and expenses. In the event that Purchaser fails to close on the Unit, Purchaser shall be responsible for the cost and expense of putting the Unit back into its original condition. In the event the Plan is abandoned, a Purchaser who has entered into an interim lease will have no right to remain in occupancy as a tenant after the abandonment of the Plan.

Sponsor and its designee reserve the right, without prior notice or amendment to the Plan, to use Unsold Units on any floor of the Building as sales and rental offices and model apartments for the Building. In the event Sponsor or its designee thereafter elects to sell any such Unsold Units, Sponsor or its designee may require the purchaser thereof to purchase all or any of the furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Unit, such amounts as Sponsor may determine. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Unit to the Purchaser of the Unit unless such Purchaser agrees to pay Sponsor an amount as determined by Sponsor in addition to the purchase price for such Unit and such items to be included are specifically stated to be included in an addendum to the Agreement for such Unit.

## M. PROCEDURE TO PURCHASE

### 1. General Information

A person desiring to purchase a Unit will be required to execute an Agreement in quadruplicate (i.e., four (4) original copies), which will be in the form set forth in Part II of the Plan.

If a Purchaser has not received the Plan at least three (3) full business days prior to executing an Agreement, then a Purchaser shall have the right to rescind the Agreement within seven (7) days after the date of the Agreement. The Agreement sets forth in detail the terms of sale with respect to each Unit and should be read carefully by each prospective Purchaser. Prospective Purchasers should be aware that if any conflict exists between the Plan and the Agreement, the provisions of the Plan shall in all events control except where such provisions were requested by Purchaser and agreed to by Sponsor.

Purchaser's obligation to purchase a Unit pursuant to the Agreement shall not be contingent on Purchaser obtaining financing for such purchase.

Agreements will not be binding on Sponsor until approved and executed by Sponsor, and delivered by Sponsor to the prospective Purchaser even if the Sponsor has deposited the Down Payment. Sponsor will have thirty (30) days after delivery by Purchaser of an executed Agreement and the down payment required thereby, within which to accept or reject such Agreement. Sponsor reserves the right to request thorough identification and financial information concerning any prospective Purchaser, subject to any limitations and requirements imposed by law.

If an Agreement is not accepted by Sponsor within the aforesaid thirty (30) day period, the Agreement shall be deemed to have been rejected and canceled and all sums theretofore deposited thereunder, without interest, shall be promptly returned to the prospective Purchaser. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without prior notice or prior amendment to the Plan and without the consent of any Board, to refuse to approve and execute (a) an Agreement for any Unit, except as prohibited by law, and (b) an Agreement(s) for more than one Unit to any one person or entity.

The 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 an Agreement, a Purchaser is required to make an initial down payment in an amount equal to the sum of fifteen percent (15%) of the Purchase Price (or 50% of the Purchase Price if the Purchaser has diplomatic immunity) and an additional down payment of five percent (5%) on the earlier of four (4) months after the full execution of the Purchase Agreement or thirty (30) days after the Plan is declared effective (the "Down Payment"). In the event the Purchaser defaults, the Sponsor shall have the right to retain the Down Payment. Agreements entered into after the construction of the building has been

completed and the temporary certificate of occupancy issued will require a Closing Date that is either (i) sixty (60) days after the execution of the Agreement or (ii) thirty (30) days after a written notice of the time and place of the Closing is sent to the Purchaser. All Down Payment checks must be made payable to the direct order of "Holland & Knight LLP, Escrow Agent". All checks delivered in payment of the Down Payment 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 Agreement to be canceled and of no further force or effect.

Each prospective Purchaser should note that Sponsor is only obligated to provide the equipment, fixtures and furnishings described in the "Description of Property" set forth in Part II of this Plan. If a person desiring to purchase a Unit requests that Sponsor perform special work on such Unit or provide extra furnishings, including, but not limited to, any deviation from the materials or specifications described in the "Description of Property", and Sponsor agrees to perform such special work and/or provide such furnishings, then a description of such work or furnishings shall be inserted as an addition to the Agreement and Sponsor may require such person to pay for said special work or furnishings in advance together with the cost of removing the special work if the Purchaser fails to close. Any funds received by Sponsor for such special work must initially be placed in the Escrow Account. However, Purchasers should note that such funds may be released from the Escrow Account by Sponsor as long as the Sponsor uses such funds for such special work. As a result, in the event the Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds used for special work. Notwithstanding the foregoing, if Sponsor abandons the Plan, all such funds received by Sponsor for special work will be returned to Purchasers. Sponsor shall be under no obligation whatsoever to agree to perform any special work or provide extra furnishings for a Purchaser, nor shall Sponsor have any obligation to allow a Purchaser or its agents to perform any special work or install extra furnishings prior to Closing. Any and all special or additional work which a Purchaser desires to be performed with regard to a Unit shall be done only upon Sponsor's written consent thereto and Sponsor's approval of all contractors and suppliers in connection therewith, which consent and approval are within the sole discretion of Sponsor. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Unit to Purchaser unless Purchaser agrees to pay Sponsor an amount determined by Sponsor in addition to the purchase price for such Unit.

The balance of the purchase price shall be payable simultaneously with the delivery of the deed to the Unit by an official bank check or an unendorsed certified check drawn on or issued by a New York 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 should so notify Purchaser. The deed will be substantially in the form set forth in Part II of the Plan. Interest, if any, on Purchaser's Down Payment will be credited or paid to Purchaser at Closing.

TIME IS OF THE ESSENCE TO PURCHASER AS TO PURCHASER'S OBLIGATIONS PURSUANT TO THE AGREEMENT, INCLUDING, WITHOUT

LIMITATION, FOR THE PAYMENT OF THE BALANCE OF THE PURCHASE PRICE. FUNDS DRAWN ON OUT-OF-STATE OR FOREIGN BANKS WILL NOT BE ACCEPTED IN PAYMENT OF THE PURCHASE PRICE FOR A UNIT UNLESS OTHERWISE AGREED BY SPONSOR.

After the Plan is declared effective, Purchasers will receive at least thirty (30) days' prior notice of the originally scheduled Closing Date and, in the event Purchaser fails to close on the designated date, then Purchaser will have a thirty (30) day period after notice within which to cure, time being of the essence, such default, following which Sponsor shall have the remedies set forth below. A Purchaser may waive notice of such Purchaser's Closing Date. In the event of any default by Purchaser under his or her Agreement, and if Purchaser does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of default, Sponsor may, at its option, cancel such Agreement and retain the Down Payment made by Purchaser, together with any interest earned thereon, as liquidated damages, in which event all rights, obligations and liabilities of Sponsor and Purchaser shall wholly cease and terminate. In addition, Sponsor shall also be entitled to retain (i) any amount spent by Sponsor for special work requested by Purchaser and (ii) the reasonable cost to restore the Unit to its condition prior to such special work being performed. Sponsor will fix dates for Closing title to all Unsold Units for which Agreements have been executed by serving notice upon each Purchaser setting such Purchaser's Closing Date unless a specific Closing Date is contained in the Agreement.

If a Purchaser fails for any reason to close title to his or her Unit on the originally scheduled Closing Date (a) the Closing apportionments described in the Section entitled "Closing Costs and Adjustments" will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Agreement and this Plan, an amount equal to 0.04% of the purchase price of his Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

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

In order to facilitate the Sponsor's sale of the Units, prior to a Purchaser's Closing of a Unit and for one (1) year after a Purchaser's Closing on its Unit, a Purchaser will not be permitted, without the prior written consent of Sponsor, to sell his or her Unit(s) or list the Unit for resale with any broker or otherwise, or advertise, promote or publicize the availability of his or her Unit for sale or lease.

It is anticipated that the First Closing will occur on or before January 1, 2016. In the event the projected commencement date of Condominium operation is later than December

31, 2016, Sponsor will offer all Purchasers that executed contracts prior to the date being extended the right to rescind their Agreements and have their Down Payments refunded to them. In the event that the projected commencement date of Condominium operation is six (6) months later than the anticipated date of the First Closing, the Plan will be amended to include a revised budget disclosing the then current budget projections. If the Common Charges in the revised budget increase by twenty-five (25%) percent or more, Sponsor will offer all Purchasers the right to rescind their Agreements and have their Down Payments refunded to them. Any Purchaser electing rescission will have their Down Payments and any interest earned thereon returned; provided however, that Sponsor may retain any escrow funds expended for special work at the request of the Purchaser as well as the cost of any work necessary to restore the Unit to its condition prior to such work having been performed. Rescission need not be offered to any Purchaser who is in default under such Purchaser's Agreement, beyond the expiration of any applicable grace period, provided that Sponsor shall only retain the Down Payment of a Purchaser in accordance 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 as described in the subsection of the Plan entitled "Escrow and Trust Fund Requirements" in this Section of the Plan.

At the time of execution of an Agreement, Purchaser is not required to sign a power of attorney to the Board. Notwithstanding the foregoing, at the Closing of title and simultaneously with the delivery of the deed conveying a Unit to Purchaser, Purchaser shall execute and acknowledge a power of attorney to the Board and Sponsor substantially in the form set forth in Part II of the Plan.

If the Plan is withdrawn or abandoned, the Down Payment previously paid to and actually collected by Sponsor, together with any interest earned thereon, shall be returned to Purchaser within five 5() days of the date of such withdrawal or abandonment, in accordance with the provisions herein set forth.

From and after the Closing of each Unit, Purchaser will become obligated for the payment of Common Charges in proportion to the Purchaser's Common Interest, real estate taxes and assessments (including water charges and sewer rents, if separately assessed) and all other expenses with respect to his or her Unit, whether or not he or she has taken possession of his Unit, and whether or not all work required to be performed by Sponsor or anyone else in or to his Unit or the Building has been completed.

The risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until a Purchaser takes possession of such Unit prior to Closing, at which time any risk not covered by insurance shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any 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 an Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Unit, the 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 for the subject 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 respective Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of an Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit, or, if the casualty occurs after the First Closing and the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of Unit Owners and Condominium Board"), the Agreement shall be deemed canceled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited thereunder, together with interest earned thereon, if any, whereupon the parties to the Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan; provided, however, notwithstanding anything to the contrary herein, if Purchaser is then in default under the Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

Agreements are not assignable without the prior written consent of Sponsor, which consent may be granted or denied by Sponsor in its sole discretion.

Principals of Sponsor have executed the Certification of Sponsor and Principals for Compliance with the Martin Act and Governing Regulations. Consistent with a recent First Department decision, the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual Unit Owners (or a Board on their behalf) in connection with or arising solely 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, 2013 N.Y. Slip Op 03574 (1st Dept. May 16, 2013).

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

The purchase agreement and plan may not contain, or be modified to contain, a provision waiting purchaser's rights or abrogating Sponsor's obligations under Article 23-A of the GBL.

## 2. Escrow and Trust Fund Requirements

The Agreement is attached hereto as Exhibit 1 in Part II of the Plan. The relevant escrow trust fund provisions are included in Section 12 of the Agreement, which must be executed by the Escrow Agent.

All Down Payments received by Sponsor under an Agreement will be held in escrow in conformity with the provisions set forth below.

All Down Payments made pursuant to an Agreement are subject to the escrow and trust fund requirements of the State of New York Lien Law Section 71a(3), the General Business Law of the State of New York Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto.

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in an 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.

(a) Escrow Agent

All Down Payments made by Purchasers prior to the Closing of each individual transaction, will be placed, within five (5) business days after the Agreement has been signed by all necessary parties, in a segregated special escrow account of Holland & Knight LLP, the escrow agent for Sponsor and Purchaser (the "Escrow Agent"), whose address is 31 West 52nd Street, New York, New York 10019 and whose telephone number is (212) 513-3308. The attorneys who are signatories on this account authorized to withdraw funds are: Stuart M. Saft, Renee I. Covitt, Neil N. Beaton, Richard A. Crowley, William J. Honan, Martin P. Miner, Randal R. Craft Jr., Michael J. Frevola, Nancy L. Hengen, Christopher G. Kelly, Alan D. Reitzfeld, Sean C. Sheely, James M. Spitzer Jr., Barry Vasios, Arthur E. Rosenberg, Vincent J. Foley, R. Scott Johnson, Lance Myers and Christopher R. Nolan. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

(b) Escrow Account

The Escrow Agent has established a master escrow account at HSBC Bank, N.A. (the "Bank") at its branch located at 800 Avenue of the Americas, New York, New York 10001 entitled "Holland & Knight LLP - 78 Irving Place Condominium, Escrow Account" or similar name (the "Master Escrow Account"). All Down Payments will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) in the form set forth in Part II of the Plan or a Form W-8 (Certificate of Foreign Status) in the form set forth in Part II of the Plan, as applicable, to Sponsor or Selling Agent at the time Purchaser

tenders the Down Payment and the Agreement. If a Down Payment is accompanied by a completed and signed Form W-9 or Form W-8, the Down Payment will thereafter be promptly transferred to an individual interest bearing sub-escrow savings account in the name of Purchaser. The interest rate for all Down Payments transferred to an individual interest bearing sub-escrow savings account shall be the prevailing rate for such accounts, which as of January, 2015 is .20%. Interest shall begin to accrue upon placing the Down Payment into the individual interest bearing sub-escrow savings account. All interest earned thereon shall be paid to Purchaser at Closing. If a Purchaser does not deliver the Form W-9 or Form W-8, the Down Payment will remain in the non-interest bearing checking portion of the Master Escrow Account. No fees of any kind may be deducted from the Master Escrow Account or individual escrow accounts, and Sponsor shall bear all costs associated with the maintenance of the Master Escrow Account and individual escrow accounts. At such time as the Down Payment is released, the Down Payment will be transferred from the individual sub-escrow savings account to the non-interest bearing checking portion of the Master Escrow Account so that checks may be drawn thereon. The Bank is covered by federal bank Down Payment insurance to a maximum of $250,000 per individual deposit. The following are special risks of this offer: (i) if a Purchaser makes a Down Payment in excess of $250,000 for the purchase of a unit, such Down Payment will not be federally insured in excess of $250,000; and (ii) while the Down Payment is in the non-interest bearing checking portion of the Master Escrow Account, the Down Payment may not be fully federally insured even if the Down Payment does not exceed $250,000. In addition, if Purchaser makes a Down Payment of less than $250,000 but maintains other accounts at the same bank, those accounts could be used to count toward the $250,000 limit.

The Down Payment 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 Down Payment shall be deemed tendered by Purchaser on the date it is actually received by Sponsor or Selling Agent.

Acceptance of the Down Payment by Sponsor or Selling Agent and deposit of the Down Payment thereof by Escrow Agent into escrow shall not be deemed a binding agreement by Sponsor to sell to Purchaser unless and until Purchaser executes an Agreement and Sponsor or Selling Agent executes a duplicate thereof and delivers the Agreement to Purchaser in accordance with the terms of the Plan.

If a Purchaser tenders all or a portion of the Down Payment without an executed Agreement, Sponsor shall have the right to reject the Down Payment and return it to Purchaser: (i) within five (5) business days after tender, if the Down Payment has not been deposited into escrow, and (ii) at any time, if the Down Payment has been deposited into escrow.

The checking account portion of the Master Escrow Account will not be interest-bearing. The sub-escrow savings 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 Agreement, or (ii) Purchaser is entitled to a return of the Down Payment. All interest will be credited to Sponsor only in the event Purchaser defaults under the Agreement. The interest rate to be earned will be the prevailing rate for these accounts which varies. Interest will begin to

accrue after deposit within: (i) one (1) business day, if the Down Payment is cash or cash equivalent, or (ii) three (3) business days, if the Down Payment is other than cash or cash equivalent, of the transfer of the Down Payment from the checking account portion of the Master Escrow Account into the sub-escrow savings account portion of the Master Escrow Account.

All instruments shall be made payable directly to the order of "Holland & Knight LLP, as Escrow Agent." Endorsed instruments will not be accepted.

In the event a check delivered by a Purchaser fails of collection, the Agreement will be deemed void ab initio (as if the Agreement had never been executed) at the option of Sponsor, and Sponsor may thereafter institute an action against Purchaser for the collection of the Down Payment as liquidated damages or may declare a default by Purchaser under the Purchase Agreement which shall entitle Sponsor to exercise any of the remedies set forth in Article 15 of the Purchase Agreement.

(c) Notification to Purchaser

Within five (5) business days after the fully executed Agreement has been tendered to Escrow Agent along with the Down Payment, the Escrow Agent shall sign the Agreement and place the Down Payment into the Master Escrow Account. Within ten (10) business days after deposit of the first portion of the Down Payment into the Master Escrow Account, Escrow Agent will notify Purchaser and Sponsor that such funds have been deposited into escrow and will provide the account number and the initial interest rate, if any. Any deposits made for upgrades, extras, or custom work shall be initially deposited into the Master Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor.

The Escrow Agent is obligated to send notice to the Purchaser once the Down Payment is placed in the Master Escrow Account. If Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the first portion of the Down Payment, Purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the Agreement and Down Payment to Escrow Agent or may apply to the Attorney General for relief. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 1061. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Down Payment was timely deposited in the Master Escrow Account in accordance with the New York State Department of Law's regulations concerning Down Payments and requisite notice was timely mailed to Purchaser.

(d) Release of Funds

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

Under no circumstances shall Sponsor seek or accept release of the Down Payment of a defaulting Purchaser until after consummation of the Plan, as evidenced by acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-3(2-b) and 352-h.

Escrow Agent will hold the Down Payment in escrow until otherwise directed:

(i) pursuant to terms and conditions set forth in the Agreement in Paragraph 12 upon Closing of title to the Unit; or

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

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

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

Sponsor will not object to the release of the Down Payment to:

(a) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law; or

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

Purchaser will not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Down Payment to Sponsor in the event Sponsor and Purchaser close title under the Agreement. The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations.

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

Escrow Agent. Sponsor has agreed to indemnify Escrow Agent from all costs, claims, expenses and damages incurred in connection with or arising out of the performance or non-performance of Escrow Agent's duties under Article 12 of the Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of Article 12 of the Agreement or involving gross negligence of Escrow Agent.

Sponsor has agreed to compensate Escrow Agent for services rendered in connection with Escrow Agent's duties under Article 12 of the Agreement, if any. Escrow Agent's fees and disbursements will neither be paid by Sponsor from the Down Payment nor deducted from the Down Payment by any financial institution under any circumstance. Escrow Agent will maintain all records concerning the Master Escrow Account for seven years after the release of funds.

Sponsor may agree to modify the floor plans and finishes of certain Units or to do special work or provide extras to the Units as requested by individual Purchasers and as negotiated by Sponsor and Purchaser (the "Custom Work"). Purchaser shall bear the cost of such modification to floor plans and finishes in advance together with the cost of removing the Custom Work if the Purchaser fails to close. All funds received by Sponsor from Purchasers for such modified or Custom Work in Units, as aforesaid, shall be initially placed in escrow and shall be paid to Sponsor by the escrow agent to be used by Sponsor to pay for such Custom Work. Accordingly, in the event a Purchaser becomes entitled to rescission after the release of such funds, the Purchaser shall not receive a refund of any funds used for Custom Work, unless Purchaser is entitled to rescission because of Sponsor's withdrawal or abandonment of the Plan or other acts of Sponsor.

(c) Waiver Void

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

## 3. Foreign Missions: Required Notification and Waiver of Diplomatic or Sovereign Immunity

Any Purchaser that is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. 4305, must notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor will not be bound under any Agreement with a foreign mission unless and until the earlier to occur of: (i) receipt of a notification of approval from the Department of State; or (ii) 60 days after receipt of such Purchaser's notice by the Department of State.

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) shall expressly and voluntarily waive such immunity and consent to any suit action or proceeding arising out of or relating to the Agreement being brought in any state or Federal Court in the State of New York. Any such purchaser shall designate C.T. Corporation System, having its offices, at the date hereof, at 111 Eighth Avenue, 13th Floor, New York, New York, 10011 as its duly authorized and lawful agent to receive process for and on behalf of Purchaser in any state of Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Agreement.

## N. ASSIGNMENT OF AGREEMENTS

An Agreement may not be assigned by the Purchaser thereunder. If a Purchaser desires to assign its rights under an Agreement or to take title in the name of an affiliate of, or entity related to, or controlled by, the Purchaser that differs from the name on the Agreement, or to add, delete or substitute the name of a member of the Purchaser's family, then, if such assignment, alteration, addition, deletion or substitution is permitted by Sponsor (in Sponsor's sole discretion), the Purchaser will be required to deliver to Selling Agent or Sponsor's Counsel, four signed assignments of the Agreement (to be prepared by Sponsor's Counsel at Purchaser's expense and in form and content acceptable to Sponsor, in its sole discretion), as well as two (2) completed and signed copies of either Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN, as applicable, which must be delivered to the Selling Agent or Sponsor's Counsel, together with a personal certified check, or an official bank or cashier's check, in the amount of $1,000 made payable to "Holland & Knight LLP" (for services rendered in connection with the assignment), not less than 20 days prior to the date scheduled for the Purchaser's Closing. In the event such fee is not collected prior to the Closing, it is payable at the Closing. In no event will the Purchaser (or its assignee or any added or substituted party) have the right to adjourn or postpone the Closing as a result of such change or assignment. Furthermore, if Purchaser is requesting to assign the Agreement to an entity, then the Purchaser shall furnish to Sponsor's Counsel, all organizational documents containing proof that the proposed assignee entity is authorized to assume the Agreement and close on the Unit. Sponsor is not obligated to consent to any such change or assignment and, if Sponsor refuses to consent, the Purchaser will not be excused from his or her obligations under the Agreement; and the following prohibition against advertising or listing any Unit(s) for sale or resale with any broker or otherwise advertising, promotion or publicizing the availability of such Unit(s) for sale shall remain if effect: prior to a Purchaser's Closing of a Unit and for one (1) year after a Purchaser's Closing on its Unit, a Purchaser will not be permitted, without the prior written consent of Sponsor, to sell his or her Unit(s) or list the Unit for resale with any broker or otherwise, or advertise, promote or publicize the availability of his or her Unit for sale or lease.

In connection with the foregoing, if Purchaser is a corporation, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the stock of Purchaser, or if Purchaser is a partnership, a limited liability company or other entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any interest in such partnership, limited liability company or other entity shall be considered an assignment and shall be subject to provisions, prohibitions and terms of the Plan concerning assignment, except that a sale of less than 50% of the stock, or in the case of a partnership, limited liability company or other entity, less than 50% of the ownership interests, of Purchaser which does not result in a change in control of Purchaser shall not be considered an assignment. For purposes of the preceding sentence only, "control" shall mean the ownership of 51% or more of the interests in such entity or possession of the power to direct the management and policies of such entity and the distribution of it profits.

## O. EFFECTIVE DATE

Sponsor's offer to sell the Units under this Plan is contingent upon the Plan being declared effective pursuant to Section 20.3(q) of Title 13 NYCRR (i.e., Agreements signed by bona fide purchasers including investors for at least 15% of the Units offered under the Plan). The Plan must be declared effective when Agreements have been executed by prospective purchasers and accepted by Sponsor with respect to eighty percent (80%) of the Units offered for sale (i.e., 6 units). The Plan may be declared effective at an earlier date, at Sponsor's sole election, when bona fide Agreements (including those executed by investors) have been executed and accepted by Sponsor with respect to fifteen percent (15%) of the Units being offered for sale under the Plan, which is two (2) Units.

The Plan will not be declared effective based on 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 three (3) business days to review this Plan and all filed amendments prior to executing an Agreement or at least seven (7) days to rescind; or (iii) signed by any Purchaser who is Sponsor, the Selling Agent, the 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, the Selling Agent, the Managing Agent or a principal of either (except that such a purchaser other than Sponsor or a principal thereof may be counted if Sponsor has submitted proof satisfactory to the Department of Law establishing that the purchaser is bona fide).

This Plan will be declared effective either by: (a) personal service of written notice to all purchasers and, within five (5) business days following such notice, an amendment to this Plan confirming that this Plan was declared effective as of the date of such notice will be submitted to the Department of Law, which amendment, upon acceptance for filing, will be delivered to all purchasers; or (b) by duly filed amendment to this Plan. The Closing of title with respect to any Unit shall in no event take place prior to the acceptance for filing of such amendment to this Plan.

The Plan may, at the option of Sponsor, be abandoned (a) at any time before it is declared effective and (b) after it is declared effective in the event of: (1) the existence of one or more title defects affecting any one or more Units or the Property that cannot be removed, cured or complied with or without litigation or for less than one half of one percent of the total offering amount, or $267,250; (2) 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 one half of one percent of the total offering amount, or $267,250; or (3) a taking of all or part of the Property in condemnation proceedings or by eminent domain.

In the event the Plan is withdrawn or abandoned, the Plan will be abandoned by a duly filed amendment and all Down Payments, together with interest earned thereon, if any, will be returned to Purchasers within five (5) days following such withdrawal or abandonment. Upon the return of the Down Payments, together with any interest earned thereon, the Agreements will be null and void and Sponsor will have no further obligation or liability to Purchasers under the Plan or the Agreements. Sponsor shall promptly submit an amendment to the Department of Law

confirming such abandonment or withdrawal and, in the case of an abandonment, shall file a notice of abandonment on form RS-3 or such other form as the Department of Law may require and explain the reason for the abandonment and disposition of all funds received.

## P. TERMS OF SALE

### 1. Preconditions for Closing

The term "Closing" as used herein refers to the conveyance of title to a 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 Unit. After the Plan has been declared effective, Sponsor shall provide Purchasers with at least thirty (30) days' notice of the scheduled Closing Date. The Closing to each Unit shall be held at the offices of Sponsor's Counsel, Holland & Knight LLP, 31 West 52nd Street, New York, New York 10019 or at such other place as Sponsor may designate on not less than two (2) business days' notice prior to the Closing. The Closing to each Unit shall take place only after or concurrently with 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;

(b) the recording or filing of the Declaration, By-Laws, Floor Plans and engineer's 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;

(c) either (i) the release of the Unit and its appurtenant interest in the Common Elements from the lien of all mortgages, if any, or (ii) if the Purchaser is obtaining financing on such Unit, the assignment to the Purchaser's Mortgagee of any existing mortgage(s) encumbering such Unit and its appurtenant interest in the Common Elements;

(d) the delivery to Purchaser of written notice of the time and place of the Closing to the Unit at least thirty (30) days prior to the Closing Date specified therein, unless such notice is waived by Purchaser, including a reasonable opportunity, upon written request of Purchaser, for Purchaser to examine the Unit and the Property, during normal business hours and in the company of Sponsor's agent, prior to Closing;

(e) the execution and delivery by Sponsor of a bargain and sale deed with covenants against grantor's acts (which deed shall be substantially in the form set forth in Part II of the Plan) conveying title to the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances;

(f) the assignment by Sponsor to Purchaser of the right to proceed under any existing assignable warranties covering appliances, equipment or fixtures installed in his Unit, and the assignment by Sponsor to the Board of the right to proceed under any existing assignable warranties covering appliances, equipment or fixtures installed in the Common Elements, or Limited Common Elements, as the case may be. (Purchasers should be aware that warranties vary in length, depending partly on when the appliances, equipment and fixtures covered by such warranties are first installed. Sponsor makes no representation as to which, if any, of the warranties will continue to remain in force upon the Closing Date of any particular Unit);

(g) the execution and delivery by Purchaser of the Unit Power of Attorney, the form of which is set forth in Part II of the Plan;

(h) if Purchaser has requested title insurance, the issuance to Purchaser (at Purchaser's sole expense) of a policy of title insurance in at least the amount of the purchase price of the Unit, insuring that (i) Purchaser has fee title to his or her Unit free and clear of all liens and encumbrances except for (1) Permitted Encumbrances and standard printed exceptions, (2) liens and encumbrances (other than Permitted Encumbrances) to which his or her Unit's title is subject, which have been expressly accepted by Purchaser, and (3) any mortgage and related security documents that Purchaser executes in connection with the financing of the purchase price of his or her Unit and (ii) the Condominium has been validly created pursuant to the Condominium Act.

Sponsor is not obligated to repair any damage from a casualty or other cause that occurs before the Closing of a Purchaser's Unit. If Sponsor elects to repair any such damage, Purchaser's Agreement will remain in full force and effect, Purchaser shall not have the right to reject title or receive a credit against or an abatement in, the Purchase Price. Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. If Sponsor notifies Purchaser that it does not elect to repair or restore the Unit, the Agreement shall be deemed canceled and Sponsor shall return to Purchaser all sums deposited by Purchaser under the Agreement, together with interest earned thereon, if any, except if Purchaser is in default under the Agreement, Sponsor shall retain any such sums as and for liquidated damages.

A Closing will take place only concurrently with the issuance of a temporary certificate of occupancy for a specific Unit until the issuance of a temporary or permanent certificate of occupancy for the entire Building.

All personal property located within a Unit as of the date the Agreement is executed or located within the Common Elements on the date the Declaration is filed, is not included in the conveyance, unless the Agreement or the Declaration, as the case may be, specifically includes it.

There is an acquisition loan, a building loan, and a project loan which may affect the Property at the time of the First Closing. The lender on all of the aforementioned loans is Natixis Real Estate Capital LLC, with an address of 1251 Avenue of the Americas, New York, NY 10020. If the construction financing on the Building is not satisfied at or prior to the First Closing, at the First Closing and at each Closing thereafter, the Mortgagee will release its lien on the Condominium Unit being conveyed and the Common Elements.

## 2. Acceptance of Deed

The acceptance of a deed by a Purchaser shall be deemed an acknowledgment that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under the Plan except those (if any) which may be expressly stated in the Plan or in the Governing Regulations to survive delivery of the deed.

## 3. Inspection Statement

The Purchaser of a Unit shall inspect such Unit prior to the Closing Date and shall execute at such time an inspection statement acknowledging Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan, provided that if Purchaser finds that Sponsor's improvements have not been completed as described in the Plan then Sponsor and the Purchaser in question will agree to include on the inspection statement a list of incomplete work of a material nature to be completed in the Unit by Sponsor following the Closing Date, but all such obligations to complete work in the Unit shall cease once the work has been completed. Notwithstanding the foregoing, Sponsor's obligations to perform work in any Unit shall not survive beyond one (1) year after the Closing Date. Sponsor shall have no obligation to complete any work described herein which is not specifically designated by the Purchaser on the inspection statement. A Purchaser shall provide written notice that such Purchaser wishes to inspect the Unit pursuant to this Paragraph at least ten (10) days prior to Closing and Sponsor shall respond prior to Closing. A Purchaser who fails to inspect such Unit prior to the Closing shall be deemed to have accepted the Unit in good condition and in accordance with the terms of the Plan.

## 4. Condition of Unit

Notwithstanding anything to the contrary set forth above, in no event shall the Sponsor be responsible for any condition resulting from (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building; (ii) for defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in formica or porcelain surfaces, bath and kitchen title grouting, adjustment of any bi-fold doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete Roof pavers, or concrete cracks which do not impair the structural soundness of the Building, (iv) variations in any floor levels, (v) ceiling imperfections, (vi) minor painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing system, heating system and air conditioning system noises, (x) normal floor noises and creaking, (xi) carpet or floor discoloring or stretching, (xii) variations in width, length or tone of wood floor strips, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, which also may result in the warping of the floors (xiii) repair of chips, scratches, mars, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances or replacement of fluorescent light ballasts, (xv) cracks or variations in tone, finish or color of any marble used in bathrooms or cracks, variations in tone, finish or color of vanity tops or other marble aggregate surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the Roof surface, or (xviii)

cracks in any pressure treated wood or redwood used or intended for use outside the Building. Prior to Closing, but in no event thereafter, Sponsor shall be obligated to repair only abnormally chipped stone, formica and porcelain surfaces, which repair shall be made by filling the stone or formica or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, formica or porcelain surfaces. Sponsor's obligation for the condition of a Unit is limited to the Original Purchase of a Unit from the Sponsor. Sponsor shall have no responsibility for any condition in any Unit that is resold by a Purchaser from the Sponsor.

## 5. Tax-Deferred Exchanges

Sponsor makes no representation or warranty as to whether a Unit will qualify as part of a tax-deferred exchange and Purchasers should rely on their own tax attorney or accountant for that determination. However, the form of Agreement (Exhibit 1 in Part II of the Plan ) provides that in the event a Unit is being acquired by a Purchaser as part of a tax-deferred exchange under §1031 of the Internal Revenue Code, Sponsor shall reasonably assist and cooperate in such tax-deferred exchange, provided, however, that: (i) any action taken in connection with such tax-deferred exchange or requested of Sponsor shall not result in any cost, expense or liability on the part of Sponsor or increased risk to Sponsor relating to the transaction (and, among other things, Purchaser acknowledges that a fee may be payable to Sponsor's Counsel in connection with the review of any documentation related to such tax-deferred exchange); (ii) no action or failure on the part of Purchaser (or any other party to such tax-deferred exchange) or cooperation on the part of Sponsor in connection with or related to the tax-deferred exchange will frustrate the purpose of the Agreement or otherwise result in a reduction of Sponsor's rights, remedies and privileges under the Agreement or increase any of Sponsor's obligations or duties under the Agreement or otherwise; and (iii) Sponsor shall not be obligated, as part of such tax-deferred exchange, to convey any property (other than the applicable Unit), acquire any property, or accept any form of payment in respect of any of the amounts due under the Agreement other than as set forth therein or in the Plan. Purchaser shall indemnify, defend and hold Sponsor harmless from and against any and all costs, expenses, fees (including, without limitation, reasonable attorneys' fees and expenses) or liabilities incurred by Sponsor in connection with or resulting from the tax-deferred exchange, and such indemnity shall survive the Closing of title to the Unit. Notwithstanding the foregoing, Sponsor makes no representation and expresses no opinion with respect to the applicability of §1031 of the Internal Revenue Code to the purchase or acquisition of any Unit.

## 6. Risk of Loss

If the Purchaser is or becomes the tenant or occupant of a Unit before the Closing and, before such Closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage not covered by insurance, unless the cause thereof originated outside of the Unit or did not result from the acts of such purchaser or other occupants of the Unit or such Purchaser's guests, invitees or workmen. Otherwise, the risk of loss to any Unit by fire or other casualty until the Closing of title to such Unit (or an earlier taking of possession by the Purchaser) is assumed by Sponsor, but Sponsor has no obligation or liability to repair or restore any Unit. If a Unit is damaged or destroyed by fire or

other casualty prior to the Closing of title, but after the signing of an Agreement, and Sponsor gives written notice to the Purchaser of Sponsor's election to repair or restore the Unit, then the Purchase Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price. 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, if any, of the Condominium Board, and other Unit Owners, belong entirely to Sponsor.

However, if Sponsor notifies the Purchaser in writing that it does not elect to repair or restore the Unit, or if the Unit Owners entitled to make such determination do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of the Unit Owners and the Condominium Board" in Part I of the Plan), the Agreement shall be deemed terminated, Sponsor shall return to the Purchaser the entire Payment, together with interest earned thereon, and the parties shall be released and discharged from all rights, obligations and liability under the Agreement and this Plan, except that if the Purchaser is then in default under the Agreement beyond any applicable grace period, Sponsor may retain such Purchaser's Payment, together with interest earned thereon.

## Q. CLOSING COSTS AND ADJUSTMENTS

As more particularly set forth in the Agreement, in addition to Purchaser's own legal fees, Purchaser will pay the Closing costs set forth below at the time of the Closing of title of the Purchaser's Unit. Recording charges, fees and taxes are based on rates in effect on the date the Plan was prepared and are subject to change without notice:

(a) A contribution to the Working Capital Fund in an amount equal to two (2) months' Common Charges then applicable to each Unit being purchased;

(b) Purchaser will pay the premium for title insurance, which will vary depending upon the purchase price of the Unit. Purchasers may use a title insurance company of their choice. If Purchaser elects to obtain fee title insurance from Kensington Vanguard National Land Services of New York, having an office at 39 West 37th Street, 7th Floor, New York, New York 10018, telephone number: (212) 561-7437 (the "Title Company"), the premium will be calculated as follows: $487.00 for the first $63,000.00 of fee insurance plus $4,62 for each $1,000.00 of additional fee insurance up to $100,000.00. For additional rates, please see below.

**FEE RATE SCHEDULE FOR INSURANCE UNDER $1,000,000**

| FEE AMOUNT | PREMIUM |
|---|---|
| From $100,000.01 to $200,000 | $658 + $3.71 per Thousand |
| From $200,000.01 to $450,000 | $1,028 + $3.71 per Thousand |
| From $450,000.01 to $500,000 | $1,955 + $3.71 per Thousand |
| From $500,000.01 to $750,000 | $1,502.00 + $3.38 per Thousand |
| From $750,000.01 to $999,999.99 | $2,968 + $3.38 per Thousand |

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

The discounted premium for owner's title insurance is seventy percent (70%) of the sum of $402.00 for the first $35,000.00 of fee insurance plus from $6.67 for each $1,000 of additional fee insurance up to $50,000.00. For additional rates, please see below.

| FEE AMOUNT | PREMIUM |
|---|---|
| From $50,000.01 to $100,000 | $502 + $5.43 per Thousand |
| From $100,000.01 to $500,000 | $774 + $4.36 per Thousand |
| From $500,00.01 to $1,000,000 | $2,518 + $3.98 per Thousand |
| From $1,000,00.01 to $5,000,000 | $4,508 + $3.66 per Thousand |
| From $5,000,000.01 to $10,000,000 | $19,148 + $3.25 per Thousand |

(c) If a Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance from the Title Company, the premium for the mortgage title insurance will be at a simultaneous rate. The premium for mortgage title insurance will be computed using the "Basic Rate" schedule as described below. The premium on the amount of the loan policy

that does not exceed the owner's policy shall be calculated at thirty percent (30%) of the regular scheduled rate for loan policies. Mortgage title insurance rates are outlined on the schedule below.

**MORTGAGE RATE SCHEDULE**

| FEE AMOUNT | PREMIUM |
|---|---|
| First $35,000 or less | $344.00 |
| From $35,000.01 to $50,000 | $103 + $1.67 per Thousand |
| From $50,000.01 to $100,000 | $128 + $1.36 per Thousand |
| From $100,000.01 to $500,000 | $196 + $1.09 per thousand |
| From $500,000.01 to $1,000,000 | $632 + $0.99 per Thousand |
| From $1,000,000.01 to $5,000,000 | $1,127 + $0.91 per Thousand |
| From $5,000,000.01 to $10,000,000 | $4,767 + $0.81 per Thousand |

(d) A fee for recording the Unit deed and Unit Power of Attorney. The Title Company charges $42.00 as a base recording charge plus $5 per page together with a fee of $75 for the filing of the New York City Real Property Transfer Tax return. Each title company establishes its own additional service fees and surcharges in this regard;

(e) If Purchaser obtains a mortgage loan, the 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);

(f) The New York City Real Property Transfer Tax ("RPT Tax"), which currently, for the purchase of a single Unit is one percent (1%) of the purchase price of a Unit $500,000 or less (1.425% of the purchase price if over $500,000), and the New York State Real Estate Transfer Tax ("NYS Tax"), which is presently $2.00 for each $500.00 (or part thereof) of the purchase price of a Unit, and if applicable, a New York State Additional Tax ("Mansion Tax") of 1% where the Purchase Price equals $1 million or more. For purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to tax. Therefore, the steps to compute the tax are:

(i) Multiply the purchase price by the RPT Tax rate to compute the City tentative tax.

(ii) Multiply the purchase price by the NYS Tax rate to compute the tentative NYS Tax.

(iii) Add the tentative taxes to the purchase price.

(iv) Multiply the sum of (iii) by the RPT Tax rate to determine the RPT Tax payable.

(v) Multiply the sum of (iii) by the NYS Tax rate to determine the NYS Tax payable.

Example:

Purchase price = $6,225,000

(1) $6,225,000.00 x 1.425% = $88,706.25

(2) $6,225,000.00 x .4% = $12,900.00

(3) $6,225,000.00 + $101,606.25 = $6,326,606.25 ("Adjusted Purchase Price")

(4) $6,326,606.25 x 1.425% = $90,154.14

(5) $6,326,606.25/$500 x $2.00 = $25,308.00

(6) $6,326,606.25 x 1% = $63,266.06 (the "Mansion Tax" – see below)

Where a purchaser purchases two or more Units, the NYC RPT Tax rate where the consideration is $500,000 or less will be 1.425%, while the tax rate where the consideration is in excess of $500,000 will be 2.625%. The City of New York Department of Finance has recently taken the position that the consideration for the transfer of each Unit is not aggregated for purposes of determining total consideration. There is no guarantee that The City of New York will not change its positions with respect to the purchase of multiple Units by the same purchaser.

(g) If the purchase price of the Unit is $1,000,000 or more, the New York State Additional Tax pursuant to Article 31 of the New York Tax Law, commonly referred to as the "Mansion Tax", currently one percent (1%) of the Purchase Price. Purchase price and transfer taxes payable by purchaser are added together by NYS Department to arrive at total consideration. Therefore, a Unit priced at $985,000, where purchaser pays transfer tax, would subject purchaser to liability for Mansion Tax as the aggregate of price plus tax would exceed $1,000,000.

(h) The legal fees of Sponsor's Counsel in the amount of $3,750.00 will be payable by a purchaser to Holland & Knight LLP. All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's Counsel, Holland & Knight LLP, in connection with the Closing of title to Purchaser's Unit: If the Purchaser requests the Closing to occur other than at the offices of Holland & Knight LLP or such other place as Sponsor may designate in its Closing notice and Sponsor consents to such change, an attendance fee of $500 for each Closing held within Manhattan and $750 for each Closing held in any borough outside Manhattan. In addition, if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Agreement, or for the addition, deletion or substitution of names on the Agreement, Purchaser shall pay a fee of $1,000 to Sponsor's

Counsel, payable in advance for preparation of an assignment agreement (Purchaser may pay more than one fee pursuant to this paragraph with respect to a single Unit), (iv) if Purchaser obtains mortgage financing, then Purchaser shall pay the Sponsor's Counsel an additional fee of $750 to defray the additional costs associated therewith, (v) if the Closing is adjourned through no fault of Sponsor, the Purchaser will be required to pay Sponsor's Counsel an additional fee of $1,000 for each adjournment to help defray the cost of preparing for and coordinating the new Closing, (vi) $250 for the preparation of ACRIS transfer documents required by the City of New York, and (viii) Purchaser shall pay Sponsor's counsel the sum of $600 in connection with the consideration, review and processing of any agreement of exchange or the like which Sponsor is requested to execute in connection with any tax deferred exchange under section 1031 of the Internal Revenue Code, and, (ix) if any Custom Work is to be done in the Unit, then Purchaser shall pay Sponsor's Counsel an additional fee to defray the additional cost associated therewith for negotiating and preparing the requisite documents on an hourly basis at Holland & Knight LLP's customary rates. Purchaser may be required to pay more than one fee pursuant to the preceding provisions of this paragraph with respect to a single unit. At Sponsor's option (in its sole discretion), any one or more of the foregoing fees to be paid to Sponsor's Counsel shall be paid by Purchaser prior to Closing upon notice to Purchaser.

(i) Purchasers or any other persons entering into an interim lease for a Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon the execution of the interim lease. Such legal fees are estimated to be approximately $2,500 assuming that the Purchaser's counsel does not negotiate the terms of the interim lease. Any fees above $2,500 will be billed on an hourly basis at Holland & Knight LLP's customary rates. In connection with the Closing of a Unit subject to an interim lease, all other charges or other fees due under an interim lease shall be adjusted as of midnight of the day preceding the Closing Date to the Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any interim lease for any Unit. Please refer to the Sections of the Plan entitled "Closing Costs and Adjustments" and "Interim Leases" for further details.

(j) If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of all mortgage recording tax, 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 for each $100 of principal and such tax for mortgages in the amount of $500,000 or greater is $2.175 for each $100 of principal. This tax is reduced for Units in both instances by $30.00 if the mortgage principal exceeds $10,000. 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. As previously stated in paragraph (e) above, if a mortgage tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, such credit will inure solely to the benefit of Sponsor. Accordingly, at Closing, each Purchaser utilizing mortgage financing will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed and Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

In addition to the above-specified costs and expenses, a mortgage on a Unit may provide that the Unit Owner deposit monthly with the lender one-twelfth (1/12) of the estimated annual real estate taxes and tax assessments which are assessed or are to be assessed against the Unit, together with one-twelfth (1/12) of the annual fire and casualty insurance policy premiums for the 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.

Example: Mandatory Closing Costs

Purchaser will pay the following mandatory Closing costs based on rates in effect in January, 2015 and assuming the Purchase Price is $6,225,000 and the form of documents in the Part II of this Plan are used (all amounts are approximate and rounded to the nearest whole dollar).

| | |
|---|---|
| (1) Fee to record Unit deed (assuming 8 pages + 1 cover page) and Unit Owner's Power of Attorney (assuming 6 pages + 1 cover page) at a rate of $42 for each instrument plus $5 per page plus a recording charge for the RP5217 NYC form. | $ 289.00 |
| (2) Title insurer's service charge and recording fee to record the Unit deed and Unit Owner's Power of Attorney | $ 80.00 (estimated & approximate) |
| (3) New York State transfer tax (also called the documentary stamps) at the rate equal to the Adjusted Purchase Price (see Example above)/$500 x $2.00 | $25,308.00 |
| (4) New York City transfer tax (at the rate of 1% of an Adjusted Purchase Price of $500,000 or less, or at the rate of 1.425% of an Adjusted Purchase Price of more than $500,000) | $90,154.14 |
| (5) "Mansion Tax" of 1% of the Adjusted Purchase Price (if the Adjusted Purchase Price is $1,000,000 or more) | $63,266.06 |
| Total projected mandatory Closing costs: | $ 179,097.20* (estimated & approximate) |

* Note: This figure does not include the required Working Capital Fund payment equal to two (2) month's projected Common Charges or the legal fee due Sponsor's Counsel. In addition, governmental recording fees may vary from time to time. Additional title company service charges (if any) may also be imposed depending on the title agent or insurer.

Example: Elective Closing Costs

Assuming the purchase of the Unit is financed with a mortgage loan for 80% of the Purchase Price (or $4,980,000) and both fee and mortgage title insurance are obtained simultaneously for Purchaser and Purchaser's mortgage lender, Purchaser would pay the following projected elective Closing costs based upon rates in effect as of January, 2015 (all amounts are approximate):

| | |
|---|---|
| (1) Mortgage recording tax (at a rate of 2.05% of the mortgage – if less than $500,000 – or 2.175% of the mortgage – if $500,000 or more), minus $30 and minus .25% payable by the mortgage lender before deducting the statutory credit against the mortgage tax credit payable to Sponsor. | $95,835.00 |
| (2) Mortgage recording fee (assuming 20 pages, including 1 cover page) at the rate of $42 per instrument, $5 per page, and a $40 service fee to title company. | $182.00 |
| (3) Municipal charge to record the mortgage tax credit affidavit. | $25.00 |
| (4) Premium for simultaneous fee ($23,129.00) and mortgage ($4,771.00) title insurance | $27,900.00 |
| (5) Other projected potential mortgage loan costs (assuming: "points" of 1% of mortgage amount, appraisal of $250, lender's legal fee of $750, UCC-1 filing fee of $70 and $200 allowance for miscellaneous expenses) | $51,000.00 |
| (6) Allowance for title closer gratuity and contingencies. | $ 250.00 |
| Total projected elective Closing costs: | $ 175,192.00* (estimated and approximate) |

*Note: This projection does not include: (a) escrows for real estate taxes, Common Charges or other sums that might be required by Purchaser's mortgage lender, (b) a travel fee to Sponsor's Counsel in the event the Purchaser's lender or its counsel refuses to close at the office of Sponsor's Counsel or (c) a fee to any attorney Purchaser may engage.

Purchaser's actual Closing costs will be based upon the applicable governmental and title company rates in effect on the Unit Closing Date.

The foregoing projections of mandatory and elective Closing costs are not guaranteed. Although the projections are believed to be reasonable, there are a number of unknown factors (such as the mortgage loan Closing costs, which may vary widely amongst different lenders). As a result, the actual Closing costs may be higher or lower, perhaps substantially, than those projected.

All legal costs, fees and expenses of Sponsor's Counsel, other than those specifically set forth above, will be the sole responsibility of Sponsor.

At Closing, adjustments will be made as of midnight of the day preceding the Closing Date between Sponsor and each Purchaser 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, (b) Common Charges for the month in which title closes and (c) accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement, if any, covering Purchaser's Unit. In the event the Units have not been separately assessed for real estate tax purposes the Unit Owners will pay a pro rata share (in the proportion that such Unit's Common Interest bears to the aggregate Common Interest of all Units) of all real estate taxes with respect to the Property to the Board as Common Charges. (Please refer to Schedule A for an estimate of real estate taxes payable during the first year of Condominium operation). The Board will pay such taxes either to the Finance Administration of The City of New York or directly to Sponsor if Sponsor has already paid such real estate taxes. If any Unit Owner fails to pay his pro rata share as set forth above, the Board and/or Board will have a lien on such Unit for non-payment of Common Charges. (See the Section entitled "Rights and Obligations of Unit Owners and the Condominium Board--Common Charges: Collection and Lien for Non-Payment" for further discussion.) At such time as a Unit is separately assessed and separately billed, its Unit Owner will pay such taxes directly to the taxing authority.

If a Purchaser fails for any reason to close title to his or her Unit on the originally scheduled Closing Date, (a) the Closing apportionments described above will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Agreement and this Plan, an amount equal to 0.04% of the purchase price of his or her Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

Except as specifically set out in this Plan, Sponsor must pay all costs and expenses incurred in connection with the promulgation and consummation of this Plan, the creation of the Condominium and the initial sale of Units, including, but not limited to, all selling expenses and commissions payable to Selling Agent for the initial sale of Units pursuant to this Plan, 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 entitled "Rights and Obligations of Sponsor.")

## R. RIGHTS AND OBLIGATIONS OF SPONSOR

### 1. Sponsor's Obligations with Respect to the Building

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

(a) Sponsor will diligently, expeditiously and at its sole cost and expense, perform or cause to be performed such work, and will supply or cause to be supplied all materials, necessary to complete construction of the Building substantially in accordance with the Plans and Specifications. Sponsor shall not be obligated to correct and will not be liable to any Purchaser as a result of any insubstantial variations from the Plans and Specifications or the description of the Building or a Unit set forth in the Plan. 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), provided, however, that:

(i) any materials, appliances, equipment and fixtures which Sponsor may substitute shall be similar products of substantially equal or better quality or design; and

(ii) Sponsor shall not (1) materially change the size or location of the Units, other improvements or Common Elements or (2) make any changes that affect the percentage of Common Interests or materially adversely affect the value of any Unit to which title has closed or for which an Agreement has been executed and is in effect, unless all affected Unit Owners and contract vendees consent in writing to such change.

There is a rebuttable presumption that an area that is diminished by 5% or less is not material. Notwithstanding the foregoing, any such changes, if material (for example, variations in square footage in excess of 5%), shall be disclosed by Sponsor in a duly filed amendment to the Plan and, when applicable, to the Declaration. No such change will be made if the same would materially adversely affect any Purchaser under an Agreement which has been countersigned by Sponsor and returned to the Purchaser unless (i) the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc. and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's reasonable control, and where no practicable alternative (in the exercise of sound construction management practices exists), and in such event, Sponsor will, in the amendment disclosing such material adverse change, offer the affected Purchaser(s) the right, for at least 15 days, to rescind their Agreement(s) and receive refund(s) of their Down Payment(s), together with all interest earned thereon, (ii) the affected Purchaser consents or (iii) the Purchaser is in default. No material change will be made in the size or location of any Units' other improvements or Common Elements if such changes affect the percentage of Common Interests or materially adversely affect the value of any Unit to which title has closed or for which an Agreement has

been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change. However, as long as the layout and dimensions of a Unit conform substantially to the Plans and Specifications, a Purchaser will not be excused from purchasing a Unit by reason of a minor, non-material deviation or change and will not have any claims against Sponsor as a result thereof. The issuance of a temporary or permanent Certificate of Occupancy for the entire Building of the Building shall be deemed presumptive evidence that the construction of such portion of the Building and its appurtenances and all of the Units have been substantially completed in accordance with this Plan and the Plans and Specifications.

Sponsor or its representatives will correct, repair or replace all defects in the construction of the Building of the Building and its appurtenances and the Units, or in the installation or operation of any appliances, fixtures or equipment in the same, or will cause the same to be corrected, repaired or replaced, only if such defects are due to improper workmanship or material substantially at variance with the Plans and Specifications, and Sponsor is notified by the Board or the affected Unit Owner in writing of such defect: (i) as to the Common Elements, within six (6) months from the earlier of the issuance of a temporary Certificate of Occupancy for the portion of the Building subject to such defect or the date of substantial completion of the portion(s) of the Common Elements which is claimed to be defective; or (ii) as to any Unit, on or prior to the date of Closing for such Unit, except that if any such defect in a Unit can be detected only by occupancy of the Unit, Sponsor will correct such defect if notified in writing by the Unit Owner within a reasonable period of time. However, notwithstanding the foregoing, Sponsor will not be responsible for correcting any defects in construction or installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, materialmen or others are assigned to the Board, the Board or any Unit Owner(s); or for any condition resulting from normal wear and tear or natural deterioration or from normal settling or shifting of the Building, or for defects of an insubstantial nature, such as, without limitation, partial or total demise of any trees, shrubs, or other landscape improvements, nail pops, ridging on gypsum board/sheet rock walls, lumber shrinkage, doors or windows sticking due to weather, door warpage, scratches in formica or porcelain surfaces, bath and kitchen title grouting cracks, adjustment of any bi-fold doors, walls not square, electrical plates not straight, discolorations or shrinkages, normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete Roof pavers, or concrete cracks which do not impair the structural soundness of the Building, ceiling imperfections, separation in joints of kitchen tile or wood flooring, warping, cupping or creaking of wood flooring or any nicks, scratches, gouges, imperfections or discolorations thereof, floors out of level, variations in width, length or tone of wood floor strips or other flooring or floor finishes, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, ceiling imperfections, painting defects, alignment of bathroom finishes, air infiltration from windows, any consequential damage resulting from settling (including, without limitation, concrete or drywall cracks which do not impair the structural soundness of the Building), normal plumbing, heating and air conditioning noises, or carpet discoloring and stretching; or for paint touch-ups or for repair of chips, mars, breaks or other defects in windows, and window sashes, sliding glass doors, lighting fixtures and globes, interior painted surfaces, sinks, tubs, bowls, shower doors, kitchen cabinets, counter tops, vanity tops and bases, medicine cabinets, doors, mirrors, saddles, appliances, woodwork, doors,

hardware, flooring and appliance cabinets, salting or color variation in exterior colored mortar and deep colored brick, ponding and/or controlled drainage on the Roof surface, or cracks in any pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped stone, formica and porcelain surfaces, which repair shall be made by filling the stone or formica or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, formica or porcelain surfaces. Except as expressly set forth herein, Sponsor has no obligation to make any repairs of any kind. In no event shall Sponsor be liable for special or consequential damages (whether based on negligence, breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligations under the Plan shall be to repair or, at Sponsor's option, replace (or cause to be repaired or replaced) any defective item of construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the Plans and Specifications), in accordance with the terms and conditions set forth in this paragraph, provided, however, that nothing contained herein is intended to relieve Sponsor of liability for actual damages resulting from property damage or personal injury arising as a result of negligence of Sponsor or its authorized agents or employees in connection with the transactions contemplated in this Plan.

Sponsor shall not be obligated to correct and will not be liable to any Purchaser as a result of (i) any insubstantial variations from the Plans and Specifications or the description of any portion of the Building or a Unit set forth in this Plan or (ii) variations from the Plans and Specifications or the description of any portion of the Building or a Unit set forth in this Plan which are neither in violation of applicable building codes, nor require the approval of any governmental authority having jurisdiction, provided such variations are of substantially similar or better quality than as set forth in the Plans and Specifications or description in this Plan. Any such variation affecting the Building which is material will be disclosed in a duly filed amendment to this Plan.

Each Unit and the fixtures and personal property contained therein, is being sold and delivered as described in this Plan, at the time of transfer of title to such Unit, unless Sponsor and the Purchaser of such Unit otherwise agree in writing. The Purchaser of a Unit shall inspect such Unit prior to the Closing date and shall execute at such time an inspection statement acknowledging the Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan. However, if a Purchaser finds that Sponsor's improvements as described in the Plan or in the Agreement for such Unit or other writing duly executed and delivered by Sponsor, have not been fully completed, although such improvements have been substantially completed, then Sponsor or its designated representative and the Purchaser will at the time of such execution agree upon and set forth in the inspection statement a list of the incomplete work to be completed in the Unit by Sponsor following the Closing for such Unit, but all such obligations to complete work in the Unit shall cease once the work has been completed. Notwithstanding the foregoing, Sponsor's obligations to perform work in any Unit shall not survive beyond one (1) year after the Closing Date. Sponsor shall have no obligation to complete any work described herein which is not specifically designated by the Purchaser on the inspection statement.

Under the present construction schedule, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery and/or the inability to obtain on a timely basis or otherwise, materials or equipment, government restrictions, acts of god or other events beyond its reasonable control, it is anticipated that, except for finishing work to stairways, hallways and other areas of the Building which are not intended for the exclusive use of any one Unit Owner and specialized work, if any, which Sponsor agrees to perform in individual Units at the request of Purchasers, a first temporary certificate of occupancy could be issued on the Completion Date and the Building will be substantially completed by the Completion Date, subject to Unavoidable Delays. Sponsor, however, makes no warranty or representation as to the date of substantial completion or the issuance of the first temporary certificate of occupancy. Purchasers should also note that the Units will be completed at differing times over a period that may begin prior to and/or extend significantly beyond such date.

Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the purchase price for his or her Unit or otherwise be relieved from any obligations under the Agreement in the event the Closing of a Unit does not occur on a specific date. In the event that the first year of operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised Budget with current projections and if: (i) such amended budget exceeds the projected Budget set forth herein by 25% or more; or (ii) the First Closing does not occur within 12 months after the date set forth in Schedule B as the commencement date for the projected first year of operation, then in either case Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period under their Agreements, if the Plan has been declared effective) the right to rescind their Agreements not less than 15 days after the presentation date of the amendment containing such revised budget or after such 12-month period, as the case may be, and any Purchasers electing rescission pursuant to such offer will have their Down Payment and any interest accrued thereon returned. Purchasers' rights as described in the preceding sentence are in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of which shall be deemed to have been waived by all Purchasers. As set forth in the Section of this Plan entitled "Effective Date," no Closing of title to any Unit will take place prior to the Plan being declared effective.

Purchasers should also note that even if the First Closing occurs on or before January 1, 2016 (or such other date projected as the date of commencement of operation at the time the Agreement was entered into) or within the twelve (12) month period thereafter, the Closing of subsequent Units may be substantially delayed beyond such dates if a temporary certificate of occupancy has not been issued for such Units or for the floor on which such Units are located. Accordingly, Purchasers may not be able to close title to their respective Unit(s) for some period of time after signing their respective Agreement and after the First Closing. In such a case, provided that the Sponsor is pursuing completion of construction and issuance of a certificate of occupancy and is otherwise in compliance with its obligations under the Plan, a Purchaser will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of substantial delays and will not be excused from paying the full purchase price for the Unit. **PROSPECTIVE PURCHASERS SHOULD THEREFORE**

**CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.**

(b) Sponsor will obtain a temporary or permanent certificate of occupancy for the Building. A permanent certificate of occupancy is required for permanent residential use of the Building and the Units, which Sponsor will obtain prior to the expiration of the temporary certificates of occupancy. Temporary residential use of the Building is permitted upon the issuance of a temporary certificate of occupancy, but if a temporary certificate of occupancy, which may be extended up to a total of two years, expires prior to obtaining a permanent certificate of occupancy, residential occupancy of the condominium will be in violation of the Multiple Dwelling Law, subjecting the occupants of the Building, the Unit Owners and the Board to penalties under the Multiple Dwelling Law, including, possibly, the eviction of residential occupants. Sponsor makes no representation or guarantee as to when the Department of Buildings will issue a permanent certificate of occupancy after issuance of the first temporary certificate of occupancy.

(c) In the event that a Closing takes place prior to the issuance of a permanent certificate of occupancy for the Unit, Sponsor shall maintain all deposits and funds in the special escrow account required by Section 352-e(2)(b) of the New York General Business Law unless the Sponsor's engineer or architect certifies that a lesser amount will be necessary to complete the work necessary to obtain a permanent certificate of occupancy for the Unit, in which case the sum exceeding the amount so certified by the Sponsor's engineer or architect may be released from escrow. Alternatively, Sponsor may deposit with the Escrow Agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified, in which event same will be reflected by duly filed amendment to the Plan. Any amount held in escrow, in excess of the amount certified as reasonably necessary to complete the work needed to obtain the permanent certificate of occupancy, can be released from escrow from time to time upon the receipt by Escrow Agent of a request by Sponsor. The NYC Department of Buildings advises purchasers of houses and apartments, who close with only a TCO in place, to consult with their attorney and engineers to assure that sufficient funds are escrowed or otherwise secured for Sponsor to obtain a permanent or final CO. It is strongly recommended that buyers consult the "DOB Website/Consumers Tips" for its recommendation when buying units in a building that does not have a Final Certificate of Occupancy.

(d) Each Unit and the fixtures and personal property contained therein are being sold and delivered as described in this Plan, at the time of transfer of title to such Unit, unless Sponsor and Purchaser otherwise agree. Sponsor will maintain each Unit, and the fixtures and personal property contained therein, up to the time of the transfer of title to the Unit in question. The Purchaser of a Unit shall inspect such Unit prior to the Closing Date and shall execute at such time an inspection statement acknowledging Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan. However, if the Purchaser finds that Sponsor's improvements have not been completed, although such improvements have been substantially completed, then Sponsor and the Purchaser in question will immediately thereafter agree to include on the inspection statement a list of incomplete work of a nature to be completed in the Unit by Sponsor following the Closing for the Unit in question but all such obligations to

complete work in the Unit shall cease once the work has been completed. The failure of Sponsor to complete such work shall not be a ground for Purchaser delaying the Closing. Sponsor shall have no obligation to complete any work described herein which is not specifically designated on the inspection statement by the Purchaser, except for work necessary to cure violations and to obtain a temporary or permanent certificate of occupancy. Notwithstanding the foregoing, Sponsor's obligations to perform work in any Unit shall not survive beyond one (1) year after the Closing Date. Sponsor shall have no obligation to complete any work described herein which is not specifically designated by the Purchaser on the inspection statement.

(e) Following the recording of the Declaration, Sponsor will deliver, assign or otherwise grant to the Board, on behalf of all Unit Owners, or the Board, on behalf of all Unit Owners, as the case may be, the right to proceed under any assignable warranties and other undertakings received by Sponsor from contractors, materialmen or others in connection with the construction and equipping of the Building, except that warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in the Unit of a Purchaser shall be assigned to such Purchaser on the date of Closing of title to his Unit. Purchasers should be aware that warranties vary in length, depending partly on when the appliances, equipment and fixtures covered by such warranties are first installed. Sponsor makes no representation as to which, if any, of the warranties will continue to remain in force upon the Closing Date of any particular Unit provided, however that the warranties for the appliances in each Unit will commence from the date the Unit is first occupied for residency.

(f) Sponsor shall not be obligated to correct, repair, or replace any and all defects relating to construction of the Units, the Common Elements, the Common Elements and the Limited Common Elements, or in the installation or operation of any appliances, fixtures, or equipment therein, except as expressly provided in this Plan. Sponsor will not warrant the materials or workmanship of any Unit or any of the Common Elements. The Housing Merchant Implied Warranty Law (GBL Article 36-B) is not applicable to this offering because such law is applicable to units in buildings of five stories or less. However, Sponsor's obligations to construct the premises must be in accordance with all applicable codes and filed plans and specifications.

(g) Prior to the Closing of title for each Unit, Sponsor will cause such Unit and its appurtenant 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 the Purchaser). Since the existing mortgages and construction loans covering the Property will not be satisfied at or prior to the First Closing, at or prior to the First Closing, each Mortgagee will either: (i) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold 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.

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

(i) Sponsor will pay or cause to be paid all contractors, subcontractors and materialmen 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 construction thereof and will cause any and all mechanics' liens arising out of such construction and equipping, if any, to be discharged by bonding, or otherwise, promptly after the filing of any such liens.

(j) Sponsor shall have the obligation to defend any suits or proceedings arising out of Sponsor's acts or omissions and to indemnify the Board and the Unit Owners in any such action or proceeding as is required by law.

(k) Following the issuance of a permanent certificate of occupancy for the Building, Sponsor will deliver to the Board a complete set of mechanical, electrical and plumbing drawings for the entire Building.

(l) 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 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.

(m) Sponsor will pay all Common Charges (or as applicable, operating expenses), special assessments and real estate taxes allocated to any Unsold Unit in accordance with the provisions of the By-Laws. Sponsor represents that it has the financial resources to meet such obligations with respect to Unsold Units. Sponsor will fund its financial obligations from proceeds from the sales of offered Units, rental income from Unsold Units, and financing. No bond or other security will be posted by Sponsor with respect to this obligation.

(n) Sponsor will initially procure on behalf of the Board the insurance relating to the Condominium which is required to be maintained by the Board in accordance with the provisions of the By-Laws (see the Section entitled "Rights and Obligations of the Board") the cost of which insurance has been reflected in the Projected Budget set forth in Schedule B.

(o) 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 prospective 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 six 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 City Register's office when the Declaration is recorded, and an additional set will be furnished to the Board.

(p) Sponsor is obligated to deliver to the Board a set of "as-built" plans for the Building and all books of account and records pertaining to the Building's operation which are in Sponsor's possession on the First Closing.

(q) Sponsor may dissolve or liquidate at any time. In the event of such an occurrence or the transfer to an investor of two (2) or more Units or twenty percent (20%) of the Units in the Condominium, whichever is less, in connection with Sponsor's liquidation of its interest in the Units, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Units under this Plan, applicable law or regulations.

(r) Sponsor reserves the right to sell two (2) or more Units to a single purchaser and to designate the purchaser of such blocks of Units as "sponsor" under this Plan and the Declaration. The party so designated as a "sponsor" will have those additional rights and obligations of a "Sponsor" as more fully described in the Plan.

(s) All representations under the Plan, all obligations pursuant to the GBL and such additional obligations under the Plan which are to be performed subsequent to the Closing of each Unit will survive delivery of the deed.

(t) The risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until a Purchaser takes possession of such Unit, at which time any such risk not covered by insurance shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any 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 an Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Unit, the 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 for the subject 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 respective Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of an Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit, or, if the casualty occurs after the First Closing and the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of Unit Owners and Condominium Board"), the Agreement shall be deemed canceled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited thereunder, together with interest earned thereon, if any, whereupon the parties to the Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan; provided, however, notwithstanding anything to the contrary herein, if Purchaser is then in default under the Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

Sponsor will endeavor in good faith to sell all of the Units in a timely manner however, there is no certainty as to the period of time required to sell all of the Units. If Sponsor makes a bulk sale of all or some of its Unsold Units, the transferee successor sponsor shall be bound by Sponsor's representations regarding its commitment to sell Units. The Sponsor may retain ownership of the Units and may decide to rent certain Units from time to time, however it should be noted that Sponsor must obtain consent from its lender to rent rather than sell Units. Therefore, it is likely, but there is no guaranty, that the Unit Owners will obtain control of the Board at the expiration of the Initial Control Period (as such term is defined in the Condominium By-Laws).

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 Unsold Units. 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 personality or fixtures contained therein.

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 Agreements or to include any financial limitation on Sponsor's liability for failure to perform its obligations under the Plan. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures other than as set forth in the Plan.

Obligations of Sponsor hereunder with respect to the Building shall be enforceable by the Board on behalf of Unit Owners and obligations with respect to the Common Elements shall be enforceable by the Board on behalf of all Unit Owners. Sponsor shall have no obligation to any Purchaser of a Unit other than the Purchasers to whom Sponsor sold Units.

Except as set forth above or as required by law or governmental regulation, 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 it is called upon to perform. No representation can be made that it 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 which are to be performed after Closing, shall survive the delivery of the respective Unit deeds. In the event Sponsor is not financially able to perform its obligations under the Plan, sales will cease and the Plan will be amended to offer rescission to purchasers, if any.

Sponsor anticipates obtaining a permanent certificate of occupancy for the Building within two (2) years after the First Closing provided, however, that the permanent certificate of occupancy cannot be obtained until all the Units are completed. Sponsor will endeavor in good faith to sell all of the Units, subject to the terms otherwise specified in the Plan.

During the Condominium's initial two (2) fiscal years, the authority of the Board shall include the right to base the amount of Common Charges on actual costs and expenditures and/or to make retroactive adjustments to the amount of Common Charges payable by Unit Owners for any period to reflect actual operating costs for such period. Sponsor reserves the right, in its sole and absolute discretion, to cause its designees on the Board (the "Sponsor's Board Designees") to waive, in their sole discretion, the collection of Common Charges from the Unit Owners for a period of time beginning from the date of the First Closing until the Sponsor's Board Designees, in their sole discretion, otherwise determine (such period the "Waiver Period"), provided, however, that Sponsor during the Waiver Period shall be solely responsible for the payment of all expenses to operate the Building (the "Operating Expenses"). The Operating Expenses will not include the funding of the Contingency for repairs. The Unit Owners shall not be responsible for the payment of Common Charges until the expiration of the Waiver Period and the Unit Owners will not be subject to any special assessments for Operating Expenses incurred during the Waiver Period.

Pursuant to the foregoing, Sponsor reserves the right to delay the commencement of collection of Common Charges. During any such delay, the Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments required by lenders. Upon commencement of collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium. Sponsor shall remain obligated to update the budget for the Condominium as provided for in governing regulations. In the event Sponsor elects to delay the collection of Common Charges, it will disclose such fact in the Closing notice to Purchasers and will further disclose such fact in the Post-Closing Amendment to the Offering Plan. Such Amendment will also disclose the anticipated period of delay. Sponsor will notify all Unit Owners in writing of the expiration of the delay period at least thirty (30) days prior to the commencement of collection of Common Charges and will disclose such fact in the following amendment to the Offering Plan.

Principals of Sponsor have executed the Certification of Sponsor and Principals for compliance with the Martin Act and Governing Regulations. Consistent with a recent First Department decision, the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual Unit Owners (or a Board on their behalf) in connection with or arising solely 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, 2013 N.Y. Slip Op 03574 (1st Dept. May 16, 2013).

The Sponsor has entered into a Revocable Consent Agreement with the Department of Transportation dated September 9, 2014 and recorded on October 29, 2014 in CRFN 2014000360301. (See the "Department of Transportation Revocable Consent Agreement" section of the Plan, found in Part II, for more detail.) The Revocable Consent Agreement will be transferred to the Condominium as of the First Closing.

## S. CONTROL BY SPONSOR

Sponsor as the owner of Unsold Units will, at its option, have voting control of the Board during the period which continues until the earlier to occur of: (i) the Sponsor and its designees as Holders of Unsold Units have sold all of the Units or (ii) five (5) years after the First Closing (the "Initial Control Period"). During the Initial Control Period of the Board, Sponsor would be able to control maintenance, facilities and services to be provided to Unit Owners and would determine the Common Charges to be paid by all Unit Owners and the enforcement of Sponsor's obligations by said Board(s). Within thirty (30) days after the end of the Initial Control Period, the Board will call a special meeting of the Unit Owners (the "First Annual Meeting"), to be held not less than ten (10) days nor more than forty (40) days after such date, at which time the Unit Owners will elect members to the Board and the members of the Board on behalf of the Building.

During the Initial Control Period, the Board shall consist of two (2) persons designated by Sponsor. During the Initial Control Period, Sponsor reserves the right to designate fewer than two (2) persons to the Board.

Commencing with the First Annual Meeting, the Board shall consist of three (3) persons. The number of Board members and the number or composition of Board members may not be changed except in accordance with the procedures described in the By-Laws.

At the First Annual Meeting and at all times thereafter, Sponsor may be able to elect members of the Board as a result of its ownership of or interest in Unsold Units. Sponsor shall retain voting control of the Board (and the Board) if Sponsor and its designees are able to cast sufficient votes at such meetings to establish such control. In addition, Sponsor, for so long as Sponsor owns at least one (1) Unit, shall also have the right, at its option, to designate at least one member of the Board.

Until Sponsor or its designee has conveyed title to all of the Units, but in no event later than five (5) years after the First Closing, whichever shall first occur, the Board may not take any of the following actions without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make any addition, alteration or improvement to the Common Elements or to any Unit, (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, Contingency for repairs or surplus fund, (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, (e) borrow money on behalf of the Condominium or on behalf of the Building, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that 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, and no other alternative is available, to enable the Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

During the Initial Control Period, Sponsor may not exercise veto power over expenses described in the Section entitled "Budget for First Year of Condominium Operation, Schedule B" (the "Budget") or over expenses required (i) to comply with applicable laws or regulations; or (ii) to remedy any notice of violation; (iii) to remedy any work order by an insurer or (iv) or for the health and safety of the occupants of the Building. Sponsor may exercise veto power over expenses other than those described in the foregoing sentence for a period ending not more than five (5) years after the Closing of the first Unit or whenever the Unsold Units constitute less than twenty-five percent (25%) of the Common Interest, whichever is sooner.

The By-Laws do not include a provision that after the expiration of the Initial Control Period a majority of the Board must be Unit Owner-occupants or members of a Unit Owner-occupant's household who are unrelated to Sponsor and its principals. Owner-occupants non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment.

## T. CONDOMINIUM BOARD

The affairs of the Building shall be governed by the Board, which during the Initial Control Period, shall consist of two (2) persons designated by Sponsor. During the Initial Control Period, Sponsor reserves the right to designate fewer than two (2) persons to the Board.

Within thirty (30) days after the end of the Initial Control Period, the Board will call for the First Annual Meeting of Unit Owners, such meeting to be held not less than 10 days nor more than 40 days after such date. At the First Annual Meeting, the incumbent Board members shall resign and the Unit Owners shall elect a new Board consisting of three (3) members. (See the Section entitled "Control by Sponsor.") Thereafter, at each annual meeting, members of the Board shall be elected and shall serve until the next annual meeting thereof and until a successor has been elected and qualified.

The President of the Board shall call a special meeting of Unit Owners, if so directed by resolution of the Board or upon a petition signed and presented to the Secretary by not less than 25% in Common Interest of Unit Owners.

Except for Board members designated by Sponsor or its designee, (i) all members of the Board must be either Unit Owners or certain interested parties (e.g. directors, shareholders of Unit Owners) as described in the By-Laws, and (ii) no member of the Board shall continue to serve on the Board if, during his term of office, said member shall cease to be a Unit Owner or an interested party. All Board members shall serve without compensation.

The Board shall collectively have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium.

As more fully set forth in the By-Laws, all determinations required to be made by the Board shall be by majority of the votes cast at any meeting at which a quorum is present.

Annual meetings of Unit Owners shall be held within approximately thirty (30) days of each anniversary of the First Annual Meeting. At such meetings, the Unit Owners shall elect the three (3) member Board, subject to any rights of Sponsor to designate or elect Board members, and there shall also be transacted such other business as may properly come before such meetings. In addition, special meetings may be held from time to time pursuant to the By-Laws. The Secretary of the Board shall mail a notice of each annual or special meeting of the Building to all Unit Owners of record. The notice, which will generally be given at least ten (10) 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 fifty percent (50%) of the Common Interests attributable to all Units 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 his proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Units) shall be entitled to cast a vote equal to its

percentage interest in the Common Elements. Unless otherwise provided in the Declaration or By-Laws, at all meetings of Unit Owners, the affirmative vote of a majority of Unit Owners (meaning those Unit Owners having more than 50% of the total authorized votes of all Unit Owners, determined in accordance with Section 3.8 of the By-Laws) shall be binding upon all Unit Owners for all purposes.

The initial members of the Board shall be Joshua Zegen and Brian Shatz. Joshua Zegen shall serve as President and Secretary, and Brian Shatz shall serve as Vice President and Treasurer of the Board. Each of these individuals is a principal of or is affiliated with the Sponsor or its principals. The Board may appoint additional officers. Except as otherwise provided by the Board, no officer shall receive any compensation for acting as such. The By-Laws provide that all instruments of the Board are to be executed by any officer thereof or by such other person or persons as may be designated by the applicable Board. However, any significant expenditure by the Board must be countersigned by two members of the Board.

The term of office of the members of the Board shall be for one year or until their successors are elected. Members of the Board shall serve without compensation. Any member of any Board may resign at any time by written notice hand delivered or sent by certified mail, return receipt requested, to the President or Secretary of the Board. Notwithstanding the term of such member's office, such resignation shall take effect at the time specified therein.

A member of the Board designated or elected by the Unit Owners may be removed with or without cause by an affirmative vote of a majority of Unit Owners (as defined in the By-Laws) who are present at a meeting containing a quorum of Unit Owners; provided, however, that Board members designated by Sponsor may only be removed with cause and replaced by another Sponsor designee.

Upon the affirmative vote of a majority of the members of a Board, any officer may be removed with or without cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

All officers, Board members and employees of the Condominium will be bonded at all times from and after the First Closing under fidelity bonds in favor of the Condominium. The amount and cost of the bonds has been provided for in the projected budget for the first year of Condominium operation contained in Schedule B. The By-Laws provide to the extent permitted by applicable Law, no member of the Board shall have any personal liability with respect to any contract, act or omission of the Board or of any managing agent or manager in connection with the affairs or operation of the Condominium, the General Common Elements or the Limited Common Elements (except in their capacities as Unit Owners). Board members shall have no liability to Unit Owners except that a Board member shall be liable for his or her own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Board member and each Board member, as the case may be, against any liability or claim except those arising out of such member's own bad faith or willful misconduct.

Generally, subject to certain exceptions concerning, among other things, Sponsor, and Unsold Units, and provided that required consents of the Mortgage Representatives, as defined in the Declaration, if any, are obtained, any provision of the Declaration, By-Laws or Rules and Regulations affecting the 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; 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.

Notwithstanding any provision contained in the By-Laws to the contrary, no amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations shall be effective in any way (a) without the prior written consent of the affected Owner(s), with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of any Units or affecting the rights, privileges, easements, licenses or exemptions granted to any Owners, (b) without the prior written consent of Sponsor or its designee or the owner of any Unsold Units with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any Unsold Unit, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Unit or (c) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Unit or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Unit.

## U. RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE CONDOMINIUM BOARD

### 1. Sales and Leases of Units

Each Unit Owner may sell or lease his or her Unit provided such Unit Owner (the "Transferor") first gives the Board, on behalf of all Unit Owners, notice of his or her intention to sell or lease such Unit and an opportunity to purchase or lease such 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 Article 8 of the By-Laws. If the Board does not elect to purchase or lease the Unit within twenty days after receipt of the offering Unit Owner's notice, the Transferor will have an additional sixty days to enter into a written agreement with the prospective purchaser or lessee, as the case may be, embodying the terms set forth in said notice. In the event such written agreement is not executed by the Transferor within said sixty-day period or such sale or lease is not consummated within an additional sixty days following the expiration of said sixty-day period, the Transferor will be required to again first offer the same to the Board, provided that the Board shall be entitled to waive, or to permit an extension of, either or both of such sixty day periods. The Board may not exercise its option to purchase or lease any Unit without prior approval of a majority in interest of Unit Owners present in person or by proxy and voting at a meeting at which a quorum is present. In any vote of all the Unit Owners, the Transferor shall have the right to vote in any vote conducted by the Board for the purpose of determining whether the Board shall exercise its right of first refusal to purchase or lease the Transferor's Unit. Notwithstanding the foregoing, the Board has the right to reject sales and leases to purchasers and tenants who themselves (or residents of their Units) have diplomatic immunity or have been convicted of violent crimes or child molestation without being required to exercise the right of first refusal. The right of first refusal contained in the By-Laws will not adversely affect the rights of a Mortgagee or its assignee to: a) foreclose or take title to a condominium unit pursuant to the remedies in the mortgage; b) accept a deed or assignment in lieu of foreclosure in the event of a default by mortgagor; or c) sell or lease a unit acquired by the Mortgagee or its assignee.

Purchasers who have diplomatic immunity will be required to expressly waive any and all immunity from suit by the Sponsor and the Board. In addition, 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) will be required at the time of Closing of title to such Purchaser's Unit, to deposit with the Board an amount equal to two years' estimated Common Charges.

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

Any such deed given by a Transferor shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with the By-Laws and shall provide that it may not be materially modified,

amended, or extended without the prior consent in writing of the Board, that the tenant shall not assign the lease or sublet the demised premises or any part thereof without the prior consent in writing of the Board, and that the Board, if permitted by applicable 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. No lease of a Unit shall have a term of less than one (1) year.

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

The purchase of any Unit by the Board or its designee, on behalf of all Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Board may levy an assessment against each Unit Owner in proportion to his respective Common Interest, as a Common Charge, and/or such Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its appurtenant Common Interest. The lease or sublease covering any Unit leased or subleased by the Board or its designee shall be held by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interest in the Common Elements.

A Unit Owner may lease, sell or convey his or her Unit to a spouse, adult child or grandchild, parent, grandparent or adult sibling; may convey his or her Unit by gift; may devise his or her Unit by will; or may have it pass by intestacy, without complying with the foregoing restrictions; provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, the preceding restrictions. In addition, any Unit Owner may lease, sell or convey his or her Unit to a related or controlled individual or entity, as more particularly set forth in Section 8.7 and 8.8 of the By-Laws.

The restrictions upon the sale and lease of Units shall not apply to Sponsor, the Sponsor's Mortgagee or their designees with respect to any Unsold Units, to the Board, or to 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 Board.

A Unit Owner may only sell or lease such Unit Owner's entire Unit. In addition, each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, such Unit Owner's undivided interest in (a) the Common Elements and the Limited Common Elements, (b) any Unit or Units acquired by the Board on behalf of all Unit Owners, or any proceeds of the sale or lease thereof and (c) any other assets of the Building and the Condominium.

No part of the 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 Unit Owners.

A Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than Permitted Mortgages) are paid and/or satisfied at or prior to Closing. In addition, the Board may establish reasonable fees for the processing of sale and lease notices, which shall be payable by the selling or leasing Unit Owner, as the case may be, to the Managing Agent.

In order to facilitate the Sponsor's sale of the Units, prior to a Purchaser's Closing of a Unit and for one (1) year after a Purchaser's Closing on its Unit, a Purchaser will not be permitted, without the prior written consent of Sponsor, to sell his or her Unit(s) or list the Unit for resale with any broker or otherwise, or advertise, promote or publicize the availability of his or her Unit for sale or lease.

## 2. Use of Units

A Unit may be used as a residence or for any lawful purpose, subject, however, to (1) the terms and conditions of the then existing certificate of occupancy for such Unit, (2) applicable governmental laws and regulations, (3) the use of such Unit not adversely affecting the use and enjoyment of neighboring or adjacent Units, and (4) the restrictions as described in Section 6.14 of the By-Laws. Units may only be leased in accordance with the By-Laws and the Rules and Regulations.

Each Unit Owner shall notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. The Unit Owner, or the Board at such Unit Owner's expense, shall install the required window guards in all windows of the Unit. The Unit Owner shall maintain all window stops installed in the windows of each Unit and shall not remove same until permitted by applicable law and in any event, without full knowledge of the Managing Agent. The portion of all curtains, drapes, blinds or other window treatments visible from the exterior of the Building must be white to give the Building a uniform exterior appearance and must be compliance with the Project Standards.

Sponsor or its designee may, without the permission of any Board (a) use or grant permission for the use of any Unsold Unit as a professional office or for any other purpose, provided such use is permitted by law, does not violate any deed restrictions or the then-existing certificate of occupancy covering such Unit and the user of such Unit complies with all applicable governmental regulations; (b) retain ownership of one or more Units for use as models and sales, rental and/or promotion offices in connection with the sale or rental of other Units in the Condominium; and (c) lease Unsold Units to any party(ies).

The current zoning law permits a person who resides in a Unit to use up to 25% of the floor area of his Unit (but in no event to exceed 500 square feet) for certain home occupations including a fine arts studio, professional offices (e.g., lawyer, doctor or dentist) and teaching of not more than four persons. No transient tenant may be accommodated in a Unit, except in Unsold Units, as permitted by law.

No nuisance, immoral, improper, offensive or unlawful use shall be allowed in the Building or any portion thereof. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof relating to any portion of the Property shall be complied with at the sole expense of the respective Unit Owners or the Board, whoever or whichever shall have the obligation to maintain or repair such portion of the Property.

No "For Sale", "For Rent", "For Lease" sign, or any other sign evidencing a similar purpose, or other window display or advertising shall be maintained or permitted in any Unit or that violate the Project Standards, except that these sign restrictions shall not apply with respect to Unsold Units.

No awnings, air conditioning equipment or ventilators shall be installed or modified in the Building without prior written approval of the Board. No radio or television aerial, satellites or other similar device shall be erected by Unit Owners on the Roof or exterior walls, windows or terraces of the Building or on the Property without obtaining in each instance the written consent of the Board.

No more than two (2) domestic animals may be kept in a Unit without the consent of the Board or the Managing Agent. No pet shall weigh more than 40 pounds or be of a breed or type generally considered dangerous to humans. Each Unit Owner who keeps any type of pet in his or her Unit will be required to: (a) indemnify and hold harmless the Condominium, the 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 reasonable Rules and Regulations of the Board adopted with respect thereto; and, (c) clean up after their pet.

Each Unit Owner shall keep his or her 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 his or her own Unit in accordance with the provisions of the By-Laws and the rules and regulations of municipal departments or agencies having jurisdiction thereof. The Rules and Regulations concerning the use of Units may be amended from time to time by the Board provided that copies thereof are furnished to each Unit Owner prior to the time that they become effective. Further restrictions on the use and leasing of Units are set forth in the By-Laws and Rules and Regulations.

## 3. Mortgage of Units by Unit Owners

Each Unit Owner may mortgage his or her Unit, provided that the conditions with respect thereto set forth in the By-Laws are first complied with by him or her. 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 or other standard forms of mortgage, except for such changes or additions as may be required to permit a lender to make the loan (provided that this shall not apply to the mortgages of Sponsor, its designees or affiliates), (b) the 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 his or her Unit, other than Permitted Mortgages. The Sponsor shall have the right to mortgage any Unsold Unit without any restriction or limitation.

As more particularly set forth in the By-Laws, in certain instances the consent of the Mortgage Representative and/or the Mortgage Representative is necessary in order to amend the Declaration, By-Laws or Rules and Regulations. The By-Laws provide that no more than three 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 its designee and any Mortgagee of Sponsor, its designee or affiliates, (ii) a bank, trust company, insurance company, real estate investment, mortgage trust, investment bank, trustee of a securitization or any other Mortgagee, generally in the business of making real estate condominium loans, or (iii) a governmental or union employee, welfare, pension or retirement fund or system.

## 4. Common Charges: Determination and Assessment

Common Expenses, which are payable only by Unit Owners and are included in their Common Charges, are allocated among Unit Owners in proportion to their respective Common Interests. Common Expenses shall include, without limitation, such amounts as the Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Common Elements or the Limited Common Elements. In addition, the Common Charges include the Unit Owner's allocable portion of the Common Expenses. The respective Common Interests of each Unit, as estimated by Sponsor, are 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. Common Expenses include, among other things, 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. Common Expenses may include amounts for certain other items as the Board may deem proper, such as amounts for reserves or in connection with the purchase or lease by the Board of any Unit.

Common Expenses which include, among other things, the 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 and certain other expenses common to all Unit Owners, such as premiums for insurance covering the Building, managing agent fees and legal and accounting fees will be determined by the Board. Common Expenses shall also include such amounts as the Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Common Elements.

If Sponsor determines to institute a Waiver Period, then in the event that the annual receipts levied against Unit Owners during the first year of condominium operation commencing on the date of First Closing exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis by an amount in excess of $100,000, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Board in proportion to each Unit's percentage of Common Interest. Rebates, if any, attributable to Units purchased from Sponsor during the first year of condominium

operation will be distributed by the Board to Sponsor and the Unit Owner(s) in proportion to the amount of time Sponsor and each Unit Owner owned such Unit. Sponsor makes no representations that there will be any excess receipts for rebate to Unit Owners or, if rebates are made, what the tax consequences of such rebates would be to Unit Owners. See the Attorney's Tax Opinion in Part I of the Plan for further discussion regarding the income tax consequences of the ownership of Units by individual Unit Owners.

At least annually the Board will prepare a budget for Common Expenses and allocate, as aforesaid, and assess Common Charges to meet such expenses.

The 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 Board to which they are payable, Common Charges and Common Charges will be payable monthly in advance on the first day of each month.

Notwithstanding anything to the contrary contained in the By-Laws, so long as Sponsor or its designee shall continue to own at least one Unsold Unit but in no event later than five years from the First Closing, the Board may not, without Sponsor's prior written approval assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund.

## 5. Common Charges: Collection and Lien for Non-Payment

Pursuant to Section 339-z of the Real Property Law and under the provisions of the By-Laws, the 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. All such liens, however, to the extent permitted by applicable 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 or Common Charges, against a Unit will be effective from and after filing of a verified notice thereof in the City Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until six years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever shall occur sooner. The By-Laws provide that such liens may be foreclosed by a suit brought in the name of the (acting on behalf of all Unit Owners or all Unit Owners, as the case may be) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the appropriate Board to recover unpaid Common Charges without foreClosing such lien.

The Board may make any lien against a Unit Owner effective pursuant to Real Property Law §339-aa. The Sponsor will cause the Board to file a lien as provided in RPL §339-aa on a Unit owned by Sponsor if the Sponsor is more than thirty (30) days in arrears in paying Common Charges while Sponsor controls the Board.

No Unit Owner may exempt himself or herself from liability for his or her Common Charges by waiving use of any of the Common Elements or by abandonment of his or her Unit. No Unit Owner, however, will be liable for the payment of any part of the Common

Charges assessed against his or her Unit subsequent to a permissible sale, transfer or other conveyance by him or her of such Unit. In addition, as more specifically set forth in the By-Laws, a Unit Owner may, by conveying his or her Unit without consideration to the Board and complying with certain conditions in connection therewith, exempt himself or herself from Common Charges thereafter accruing.

On a resale of a Unit, the seller thereof will be liable for the payment of Common Charges accrued and unpaid against such Unit prior to his or her acquisition. Prior to the permissible sale, transfer or other conveyance of a Unit, any seller or purchaser of a Unit shall be entitled to a statement from the Board, setting forth the amount of the unpaid Common Charges accrued against the Unit and neither such seller nor 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 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 (as defined in the Condominium Declaration) 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 Board will have the right to assess such unpaid balance as a Common Charge among all Unit Owners.

## 6. Repairs to and Maintenance of Units and Common Elements

Generally, all painting, decorating, and routine maintenance, repairs and replacements, (a) in or to any Unit (other than to the Common Elements or Limited Common Elements included therein), including the individual heating and cooling systems and the interior side of entrance doors thereto, will be made by the owner of such Unit at such Unit Owner's sole cost and expense, (b) in or to the Common Elements will be made by the Board and the cost and expense thereof will be charged to all Unit Owners as a Common Expense. Notwithstanding the foregoing, any repairs by Unit Owners to the incremental heating and air conditioning units within each Unit shall only be made by contractors or servicemen who have been previously approved by the Board.

The interior and exterior glass surfaces of all windows located in any Unit shall not be colored or painted. The interior of the windows are to be washed and cleaned by the Unit Owner at such Unit Owner's sole cost and expense. The exterior of the windows shall be washed by the Condominium. Any replacement of glass windows in any Unit because of breakage or otherwise shall be made by the Board at the sole cost and expense of the owner of such Unit (unless such breakage is caused by the 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 Board or responsible 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 appropriate Board, whichever is responsible for the maintenance thereof. In the event any Unit Owner fails to keep his or her Unit in such condition, the appropriate 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 entitled "Rights of Access").

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 Board, be kept in good appearance in conformity with the dignity and character of the Building by such Unit Owner or Board.

In addition, the Rules and Regulations require that at least eighty percent (80%) of the floor area of Units (except for kitchens, bathrooms, closets and foyers) be covered with rugs, carpeting or equally effective noise-reducing material.

## 7. Alterations and Improvements of Units and Common Elements

No Unit Owner may make any structural alteration, addition, improvement or repair in or to his or her Unit without the prior written approval of the Board but, as more fully set forth in the By-Laws, this provision does not apply to an Unsold Unit. Except as otherwise permitted in the By-Laws, no Unit Owner may make any alteration, addition, improvement or repair in or to the Common Elements without the prior written approval of the appropriate Board. The Board may impose fees upon such Unit Owner to reimburse the Condominium for costs incurred in connection with the review or supervision of such Unit Owner's work.

Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Unit, the Board shall have the right to reasonably approve the Unit Owner's contractors and suppliers and may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done.

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.

Any application to any department of the City of New York or to any other governmental authority having jurisdiction thereof for a permit to make a structural alteration, addition, improvement or repair in or to any Unit so approved by the Board shall, if required by law or such department or authority, be executed by the Board or, provided that the Board shall incur any liability, cost or expense in connection with such application or to any contractor, subcontractor, materialman, architect or engineer on account of such alteration, addition, improvement or repair or to any person having any claim for injury to person or damage to

property arising therefrom. Notwithstanding anything to the contrary set forth above, Sponsor is hereby authorized on behalf of the Board to execute such applications, permits or other documents as may be required to undertake, perform and complete such work to the Unsold Units and Common Elements as Sponsor is entitled to perform in accordance with the terms of the Declaration and the By-Laws and to obtain such certificates of completion as may then be required by Law (collectively the "Required Documentation") and, the Board, if requested by Sponsor, shall execute the Required Documentation. In addition, the power of attorney to be executed by each Unit Owner upon acquisition of a Unit further grants to Sponsor a power of attorney to execute the Required Documentation.

In the event that any alterations, additions, improvements or repairs made by any Unit Owner materially delay, prevent or adversely affect, or create a significant risk of materially delaying, preventing or adversely affecting, whether directly or indirectly, the issuance of a temporary or permanent certificate of occupancy for such Unit, other Units or the Building, then upon the written request of Sponsor, or the Board, the Unit Owner shall restore the Unit or complete the work, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously restoring the Unit within fifteen (15) days of receipt of the written request, then the party requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any remedies provided in the By-Laws.

Notwithstanding anything contained in the By-Laws to the contrary, each Unit Owner will have the right, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, wall to wall carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity and mechanical and electrical systems of such Unit or of the Building.

Generally all alterations or improvements in or to the Common Elements will be made by the Board and the cost and expense thereof will be charged to the Unit Owners as a Common Expense.

## 8. Rights of Access

As more fully set forth in the Declaration, the Board and any managing agents, managers, superintendents and other persons authorized by the Board, will have a right of access to any Unit for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and threatening another Unit or any Common Element, and for any other purposes provided in the Plan, Declaration or as may be required by law or governmental regulation, 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 tenants 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 Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. Sponsor shall have a right of access to any Unit for the purpose of performing work listed on the executed inspection statement or for the purpose of performing or completing construction in the Building.

## 9. Compliance with Terms of Declaration, By-Laws and Rules and Regulations

Each Unit Owner must strictly comply with the provisions of the Declaration, the By-Laws, and the Rules and Regulations. 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 Rules and Regulations, will be recorded with the Declaration in the City Register's Office.

## 10. 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, but not more frequently than twice each year.

## 11. 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 Board with respect to any damage to or destruction of the Building, and the Board with respect to any damage to or destruction of the Common Elements, will, except as set forth below, arrange for the prompt repair and restoration thereof (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit).

If the 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. If said damage or destruction, however, affects only the Common Elements, then any deficit or surplus in insurance proceeds shall be borne or shared 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 his or her share of such funds such amounts as may be necessary to reduce unpaid liens on his 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 three-fourths or more of the Building is destroyed or substantially damaged and if 75% or more in Common Interest of all Unit Owners agree not to repair and restore the Building, 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, and subsequently distributed as described in Section 6.3 of the By-Laws. In either event, no payment shall be made to a Unit Owner until there has first been paid out of his or her share of such funds such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens. This option must be exercised within sixty (60) days after the insurance proceeds are paid and must close within ninety (90) days thereafter.

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Board shall be payable to the Board entitled to adjust such loss 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 the Construction Lender, or its successors or assignees while it holds a mortgage on the Property or any Unit and, thereafter, to a New York City bank or trust company 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.

## 12. Insurance

The 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 Board to be appropriate, the following insurance: (a) fire 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, each of the Board 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) business income insurance in an amount equal to the aggregate 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 Board; (f) water damage insurance to the extent, if any, determined by the Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering the Board and all officers, directors and employees of the Condominium; (i) directors and officers liability coverage; and (j) such other insurance as the Board may determine. Each Unit Owner shall be an additional insured.

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, all risk extended coverage, and liability insurance with respect to bodily injury and property damage to be maintained until the first Board meeting

following the First Annual Meeting of the Unit Owners shall be in at least the sum set forth in Schedule B.

All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured or (iv) pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten days' prior written notice to all of the insureds, including the Board and Permitted Mortgagees.

The 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 Board may from time to time determine, covering (1) the Board, the Managing Agent or agents thereof, each 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 his or her own Unit or within the Limited Common Elements, if any, exclusive to his or her Unit. The Board shall review such limits not less than once each year. The insurance discussed above shall also include cross-liability claims of one insured against another.

Any insurance maintained by the Board may provide for such deductible amounts as such Board determines. The premiums for all insurance referred to above shall be a Common Expense and shall be borne by the Unit Owners in such proportions between them, with due consideration to their respective risks, liabilities and replacement values, as are equitable (as determined by the respective insurance carriers thereof or their agents, brokers or such other parties designated by the Board).

The Board is not required to obtain or maintain any insurance with respect to any personal property contained in a Unit. A Unit Owner shall, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any part thereof, with minimum coverage as established by the Board from time to time and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the apartment or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage). The limits of liability set forth in Section 6.2.6 of the By-Laws with regard to the insurance described in this paragraph may be increased by the Board from time to time. The insurance required above shall be written in form reasonably satisfactory to the Board by good and solvent insurance companies of recognized standing, admitted to do business in the State of New York. Upon ten (10) days' written notice from the Board or the Managing Agent, the Unit Owner shall deliver to the Board a duplicate original of the aforesaid policies, certificates evidencing such insurance or such other confirmation satisfactory to the Board. The Board and the Managing Agent shall not be responsible for ensuring that Unit Owners as insured and shall have no liability for the failure of a Unit Owner to have insurance. To the extent either party is insured for loss or damage to property, each party will look to their own insurance policies for recovery.

The Building is also subject to a Revocable Consent Agreement with the New York City Department of Transportation dated September 9, 2014 and recorded on October 29, 2014 in CRFN 2014000360301. During the entire term of the Revocable Consent Agreement, the Condominium Board shall maintain commercial general liability insurance protecting the insureds from claims for property damage and/or bodily injury, including death, that may arise from the Building or any operations under the Revocable Consent, or as otherwise provided in the Revocable Consent. This insurance shall be in the amount of at least two million dollars ($2,000,000.00) per occurrence and two million dollars ($2,000,000.00) aggregate. Coverage shall be at least as broad as that provided by the most recently issued Insurance Services Office ("ISO") Form CG 0001.

## 13. Liability of Condominium Board and Unit Owners

Every contract made by the Board or by any managing agent or manager thereof shall state that (a) it is made only as agent for all Unit Owners or Unit Owners, and such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners, if applicable) and (b) the liability of any Unit Owner with respect to such contract shall be limited to (i) 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 or Unit Owners, as the case may be, and (ii) to the extent permitted by law, unless otherwise determined by the Board in its sole and absolute discretion, such Unit Owner's interest in his or her Unit and its appurtenant Common Interest. To the extent permitted by applicable law, Board members shall have no liability to Unit Owners except that a Board member shall be liable for his own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Board member and each Board member, against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Board may contract or effect any transaction with any Board member, any Unit Owner, Sponsor or its designee, or any affiliate of any of them without incurring any liability for self-dealing except in cases of bad faith or willful misconduct.

## 14. 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 Board to all Unit Owners within four months after the end of each fiscal year.

## 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 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 at least eighty percent (80%) in number and in Common Interest of all Unit Owners. Such vote shall not be effective, however, unless written consents are obtained from (a) the Mortgage Representatives, if any (which consent shall not be unreasonably withheld or delayed), and (b) Sponsor, until such time as Sponsor and its designees have conveyed title to all Units, provided that in no event shall

Sponsor's consent be required more than five (5) years after the First Closing. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his or her Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

## 16. Units Acquired by the Board

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

The purchase of any Unit by the Board or its designees, on behalf of the Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Board may levy an assessment against each Unit Owner in proportion to his or her respective Common Interest, as a Common Charge, and/or the Board may, in its discretion, finance the acquisition of such 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 appurtenant interests in the Common Elements.

## 17. Procedure to Review Real Estate Tax Assessments

The Board, on behalf of and as agent for all Unit Owners, will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Units. All Unit Owners will share the costs in connection therewith and the benefits derived therefrom based on their respective Common Interests. In the event any Unit Owner individually seeks to have the assessed valuation of his or her Unit reduced by bringing a separate certiorari proceeding, the Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing, such reduction, provided that such Unit Owner indemnifies the Board from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

## 18. 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 individual Units and their respective Common Interests. Labor performed on, or materials supplied to, a Unit may not be the basis for a mechanic's lien against the Unit 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 Board shall constitute trust funds for the purpose of paying the cost of labor performed or materials furnished at the request or with the consent of the Board or the Managing Agent for the Common Elements and the Limited Common Elements.

## 19. Easements and Name of Condominium

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 Board and the adjacent property owners. 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 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. In addition, Sponsor and its designees shall have an easement to erect, maintain, repair and replace any sign permitted by law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit and the operation of any business of a tenant or occupant of any Unit.

As set forth in the Declaration, the Condominium and the Building shall be designated and known as "78 Irving Place Condominium". Any and all rights and interests appurtenant to such name, if same exist, are owned and controlled by Sponsor. Similarly, any and all obligations and liabilities appurtenant to such name shall be the sole responsibility and obligation of Sponsor. For so long as Sponsor owns any Units in the Building only Sponsor shall have the right to change the name of the Condominium and/or the Building, and such right may be exercised by Sponsor at any time without the vote or consent of the Board or any Unit Owner.

## 20. Litigation

Other than to enforce the Declaration and By-Laws, the Condominium Board shall not commence any litigation without first obtaining the consent of the owners of two-thirds of the Units and Common Interests.

## 21. 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. A prospective purchaser should read the Plan in its entirety including the Declaration and By-Laws.

## V. REAL ESTATE TAXES

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. Generally, Units may not be separately assessed until the tax year following the tax year in which the Declaration of Condominium is recorded. Until the Units are separately assessed and billed, each Unit Owner shall pay his or her pro rata share (in the proportion that his or her Unit's Common Interest bears to the aggregate Common Interest of all Units) of all real estate taxes with respect to the Property to the Board as Common Charges.

The City of New York subdivides tax lots into separately assessed lots as of July 1st of every year. Accordingly, depending upon when the Declaration and By-Laws are recorded, there can be a delay of up to a year and several months until a separate assessment can be obtained.

If on the date of the First Closing each of the Units shall not have been separately assessed as an independent tax lot, then until such time as said independent tax assessment shall be made and in effect each Unit Owner, including Sponsor, shall be nonetheless responsible for the cost of their proportionate amount of the aggregate real estate tax for the Property as determined by their percentage of Common Interest, multiplied by the aggregate real estate taxes assessed against the entire Property as apportioned to all the Units.

In the event the Units have not been separately assessed as independent tax lots at the First Closing, Sponsor shall place in escrow at such time an amount equal to the estimated unpaid real estate taxes for the Unsold Units for the shorter period of (i) six (6) months from the First Closing or (ii) the period from the First Closing until the Units are separately assessed. Sponsor will pay the real estate taxes from this escrow account as they become due and payable. However, at Unit Closings individual purchasers shall (i) adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit Closing through the end of the tax period within which the Closing date occurs and (ii) place in escrow with Escrow Agent, an amount equal to the unpaid real estate taxes for six (6) months from the Closing Date. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of actual apportionment, it shall be made at that time. Should tax lots not be apportioned by the end of the tax period in which a Unit Closing occurs, Sponsor shall be entitled to reimbursement from the Unit Owner for taxes as they are paid. Such reimbursement shall be per such Unit Owner's percentage of Common Interest.

After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units.

The Sponsor's estimate of the projected real estate taxes for the Units to be levied by New York City during the First Year of Condominium operation is based upon an estimate provided

by Amanda Aarons, MAI, of Aaron Valuation, a certified New York Real Estate Appraiser, and information available to the Sponsor at the date of this Plan.

The estimates set forth in column numbered (7) to Schedule A located in Part I of the Plan are a calculation of real estate taxes due for each Unit commencing January 1, 2016 and ending December 31, 2016 ("First Year"). Therefore, the estimates are based upon a six (6) month period of the 2015/2016 tax year which commences July 1, 2015 and a six (6) month period of the 2016/2017 tax year which commences July 1, 2016. Estimates of real estate taxes due for the Units are based upon (i) the projected taxable assessed valuations for the Units for the 2015/2016 tax year, and (ii) the projected tax rate of 12.984% for the 2015/2016 tax year and 13.113% for the 2016/2017 tax year. The estimated aggregate taxable assessed valuations for all of the Units and the projected tax rates have been projected by Aaron Valuation Inc., 358 Seventh Avenue, PMB 124, Brooklyn, New York 11215. A copy of Aaron Valuation Inc.'s letter is set forth in Part II of the Plan. The projected taxable 2015/2016 assessed valuation for the entire Property is $1,804,740.00.

Since the Property is newly renovated into new residential apartments, it can be expected that the aggregate Actual Total Assessed Valuation may be further increased for the 2016/2017 tax year and subsequent tax years due to such construction. See "Notes to Schedule A" located in Part II of the Plan for an additional discussion of the total increase in assessed valuation and real estate taxes for the Property due to the construction to be completed by Sponsor.

As stated above, Sponsor's projection of real estate taxes for all of the Units for the First Year of Condominium operation are based upon projections by Aaron Valuation, Inc., which projected the 2015/2016 total taxable assessed valuation for the Units upon completion of the construction. Upon 100% completion, assumed to be January 5, 2015, the projected post-construction actual assessment for all the Units, assumed to be effective January 1, 2016 for the 2015/2016 tax year is $1,804,740.00.

Assuming the projected tax rates for the 2015/2016 tax year of 12.984% and 13.113% for the 2016/2017 tax year, the real estate taxes for all of the Units during the first year of operation as projected by the Aaron Valuation, Inc. are $235,482.00.

It is the projected 2015/2016 Actual Total Assessment of the Property as apportioned to all of the Units upon which real estate taxes for the First Year of Condominium operation have been based.

Therefore, the real estate taxes for all of the Units for the First Year of Condominium Operation are projected to be approximately $235,482.00.

Another assumption is that each Unit will be assessed in direct proportion to each Unit's percentage of Common Interest as it bears to the aggregate percentage of Common Interest of all of the Units. No warranties are made that the assessments of the individual Units amongst the various type Units will be arrived at in a manner stated above. The Department of Finance of the City of New York may arrive at individual Unit assessments (or the apportionment of the entire value of the Property) which are different from those projected by the Aaron Valuation, Inc. and

may use a methodology which varies from that set forth herein. For example, the City of New York may apportion the total tax due for the Property among the individual Unit Owners in proportion to the relative value of each Unit as indicated by the Offering Prices set forth in the initial Offering Plan or any amendment to the Offering Plan. In such event, Sponsor makes no representation as to what Purchase Prices the City would use.

There can be no assurance that there will not be a further increase in the assessed valuation of the Units comprising the Property and/or an increase in the tax rate above those projected for tax year 2015/2016 or subsequent years.

NO REPRESENTATION OR WARRANTY IS MADE AS TO THE AMOUNT OF THE ASSESSED VALUATION OF THE PREMISES OR AN INDIVIDUAL CONDOMINIUM UNIT OR THE TAX RATE THAT WILL BE TN EFFECT AT ANY TIME OR THE AMOUNT OF REAL ESTATE TAXES WHICH WILL BE DUE. There is also no assurance that the New York City property taxing authority will allocate taxes among the Units in proportion to their respective Common Interests. If they are not so allocated, Unit Owners having the same Common Interests may pay different amounts of real estate taxes.

A Unit Owner who feels that the assessed valuation for his or her Unit is excessive, shall have the right to apply directly to the appropriate municipal agency or court for review of such assessed valuation. Such proceedings shall be at the sole cost and expense of the Unit Owner electing to undertake the same and the results from such proceedings may or may not affect the assessed valuation of any other Unit which is not the subject of such proceeding.

The Condominium Board, if necessary, will execute any documents and papers required for such proceedings, provided that: (a) the Unit Owner indemnifies the Condominium Board against all claims, cost and expenses (including attorneys' fees and disbursements); (b) the Condominium Board has not already commenced such proceeding on behalf of all Unit Owners; and (c) such Unit Owner is current on all his or her Common Charges and Special Assessments.

The Condominium Board is authorized to act as agent for Unit Owners (who have given appropriate written authorization) to commence, pursue and settle proceedings to reduce real estate tax assessments on behalf of such Unit Owners. Any Unit Owner authorizing the Condominium Board to act on his or her behalf shall indemnify the Condominium Board against all costs, claims and expenses (including attorneys' fees) resulting from such proceedings.

Neither the Sponsor, nor any other party associated with this offering makes any assurance, representation or warranty that such application for review, if undertaken, shall result in a modification of the tax assessment, or if such modification is granted, as to the amount thereof.

The projections of real estate taxes due for each of the Units set forth in Schedule A, located in Part I of the Offering Plan, for the anticipated First Year of Condominium Operation, and the projected real estate tax assessment upon 100% completion of the Sponsor's renovations to, and construction of, the Building, are estimates only. These estimates may vary due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of

New York and future increases in the tax assessments and rates for the City of New York. In the event such projections for real estate taxes increase due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax assessments and rates for the City of New York, Sponsor shall amend the Plan to set forth the revised estimates. HOWEVER, SAID AMENDMENT SHALL NOT AFFORD ANY PURCHASER THE RIGHT TO RESCIND HIS OR HER PURCHASE AGREEMENT. It should be noted that the Property's real estate tax burden for the First Year of Condominium Operation may not be based on the Building being completed, but instead on the assumption that less than 100% of the improvements were completed by January 5, 2015, the Taxable Status Date. It is assumed for projection purposes that the Property will be fully assessed for the 2015/2016 tax year. Upon 100% completion of the construction by Sponsor, which is assumed to be January 5, 2015 for assessment purposes, and the implementation of the post construction actual total assessment of the Property, the post construction actual assessed valuations for all of the Units has been projected by Aaron Valuation, Inc., Sponsor's Consultant, as $1,804,740.00.

This projected actual total assessed valuation for all of the Units as set forth above is assumed to be effective as of January 1, 2016. Further, Aaron Valuation, Inc. has projected the 2015/2016 tax rate for the Units to be 12.984% and the 2016/2017 tax rate to be 13.113%. POST-CONSTRUCTION ACTUAL TOTAL ASSESSMENT FOR ALL THE UNITS AND THE PROJECTED TAX RATE FOR THE UNITS, AS SET FORTH ABOVE, THE REAL ESTATE TAXES DUE FOR THE ENTIRE FIRST YEAR OF OPERATION WOULD BE APPROXIMATELY $235,482.00 FOR THE UNITS.

The estimates are based on the further assumption that the final assessment when apportioned amongst the individual condominium tax lots will be apportioned to the Units in accordance with the proportion that each Unit's percentage of Common Interest bears to the aggregate Common Interest of all the Units. However, no assurance can be given that this method of apportionment of real estate taxes will be the final method used by the City of New York taxing authorities in establishing real estate taxes. For example, the City of New York may apportion the total tax due for the Property among the individual Unit Owners in proportion to the relative value of each Unit as indicated by the Offering Prices set forth in the Plan or as amended. The estimates are also based upon the projection of Amanda Aaron, MAI that the final actual and taxable total assessed valuation for the Property upon one hundred percent (100%) completion of the construction of the improvements will be $1,804,740.00. However, no representation or warranties are herewith given by the Sponsor that the actual assessed valuations of the Property will not exceed or be less than those amounts or that the City of New York will use any assumed method of apportionment.

Projected real estate taxes for each of the Units are set forth in columns numbered 7 and 8 of Schedule A located in Part I of the Offering Plan. See "Notes to Schedule A" for a full discussion of projected real estate taxes.

## W. INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The following discussion of certain income tax consequences of the ownership of Units by purchasers who use such Units as a personal residence was prepared by Sponsor based, in part, upon the income tax opinion of Holland & Knight LLP, counsel to Sponsor, a copy of which is set forth in Part I of this Plan.

HOLLAND & KNIGHT LLP IS COUNSEL TO SPONSOR AND NOT THE UNIT OWNERS. EACH PURCHASER SHOULD CONSULT HIS OR HER OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF UNIT OWNERSHIP UNDER THIS PLAN.

### 1. Deductibility of Mortgage Interest and Real Estate Taxes

Each Unit Owner will own his or her Unit and its appurtenant interest in the Common Elements in fee simple and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Unit Owner will own his or her 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 Holland & Knight LLP that a Unit Owner who uses his or her Unit as a personal residence and itemizes his or her 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 to the overall allowance of itemized deductions.

### 2. Taxation of the Condominium

If the Condominium meets the requirements for qualification as a "homeowners association," 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 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 the 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 qualify as a homeowners association. Assuming 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. Schedule B, Budget for the First Year of Condominium Operation, does not contemplate any income which might be taxable and accordingly does not budget any amounts for taxes for nonmembership or membership income. 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 regulations relating to entity classification, which were adopted by the United States Treasury Department on December 17, 1996.

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 Holland & Knight LLP, as counsel to Sponsor, bases its opinion, will not change. In no event will Sponsor, Holland & Knight LLP, the Selling Agent, the Managing Agent or any other person connected with this offering be liable if at any time it is held that the 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 this Plan, and no one has been authorized to give any warranties.

# X. TAX OPINION OF HOLLAND & KNIGHT LLP

Holland & Knight
31 West 52nd Street | New York, NY 10019 | T 212.513.3200 | F 212.385.9010
Holland & Knight LLP | www.hklaw.com

**To ensure compliance with the Internal Revenue Service Circular 230 disclosure requirements, we inform you that the United States federal tax advice contained herein (i) is written in connection with the promotion or marketing by others of the transactions or matters addressed herein, and (ii) is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding U.S. tax penalties. Each taxpayer with respect to the subject matter addressed herein should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.**

Irving Place Investor LLC
825 Third Avenue, 37th Floor
New York, New York 10003

**Re: Condominium Offering Plan**
**78 Irving Place Condominium (the "Condominium")**

Ladies and Gentlemen:

You have requested our opinion concerning (i) the deductibility, for Federal, New York State and New York City income tax purposes, of mortgage interest and real estate taxes paid by residents of New York who purchase the Units for residential use pursuant to the above-referenced Condominium Offering Plan (the "Plan"), and (ii) the qualification of the Condominium as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion does not address the tax consequences of (i) the ownership of Units by corporations, other entities or foreign persons, (ii) ownership of the Unsold Units, or (iii) any rebates or other payments that may be made, or benefits provided, to owners of Units. Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Plan.

In connection with rendering this opinion, we have reviewed the Plan and have examined the schedules, exhibits and documents accompanying the Plan, including the declaration establishing, and the By-Laws governing, the operations of the Condominium (the "Plan Documents"). We have also considered the relevant sections of the Code, the New York State Tax Law, the New York City Administrative Code, the regulations promulgated thereunder and such other materials as we deemed relevant. In rendering this opinion, we have assumed that the Plan is the document pursuant to which owners of the Units will acquire their Units and that the relevant facts are as set forth therein.

Pursuant to the Plan, the purchaser of a Unit will receive legal title in fee simple to his or her Unit, coupled with ownership of an undivided interest in the appurtenant Common Elements held in common with other Unit Owners. Such purchaser will have the right to place an individual mortgage on his or her separate Unit and will be liable to the local tax authority for the

real estate tax assessment with respect to his or her interest in the Property. Under these circumstances, the Internal Revenue Service (the "IRS") has ruled that the owner of a residential condominium unit may deduct interest paid on his or her mortgage indebtedness and the real estate taxes assessed and paid on his or her interest in the property. Rev. Rul. 64-31, 1964-1 C.B. 300.

Accordingly, based on the foregoing, it is our opinion that an owner of a Unit who itemizes his or her deductions will be entitled under current law to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, real estate taxes assessed against his or her Unit and paid to the local tax authority. However, no deduction for real estate taxes is permitted for purposes of the Federal alternative minimum tax. Owners of the Units should consult their tax advisers regarding the applicability of the overall limitation on itemized deductions to the deductibility of real estate taxes.

A taxpayer generally is entitled to a deduction for Federal income tax purposes for interest paid with respect to a principal and one secondary residence (a "qualified residence") to the extent that the interest is attributable to indebtedness which is secured by the qualified residence and which (i) is incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt) ("acquisition indebtedness"), up to a maximum of $1,000,000 for any period ($500,000 in the case of a married individual filing a separate return), or (ii) is any indebtedness other than acquisition indebtedness, up to the excess of the fair market value of any one qualified residence over the amount of acquisition indebtedness with respect to such residence ("home equity indebtedness"), but not to exceed $100,000 ($50,000 in the case of a married individual filing a separate return) in the aggregate for all qualified residences of the taxpayer in any period. Accordingly, an owner of a Unit who itemizes deductions and uses his or her Unit as a qualified residence will be entitled, under current law, to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, interest paid or accrued by him or her on (i) acquisition indebtedness incurred with respect to his or her Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with respect to a second qualified residence (if any), does not exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return) and (ii) home equity indebtedness with respect to his or her Unit to the extent that such indebtedness, when added to the amount of home equity indebtedness incurred with respect to a second qualified residence (if any), does not exceed $100,000 ($50,000 in the case of a married individual filing a separate return). Since the rules and limitations regarding the deductibility of home mortgage interest are complex, purchasers are urged to consult their tax advisers regarding the application of such rules and limitations to them, as well as regarding the deductibility of interest with respect to their Units for Federal alternative minimum tax purposes (which at present is subject to rules different than those described above for regular tax purposes). In addition, owners of Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

Each owner of a Unit who uses his or her Unit as a residence will generally be entitled to the same deduction for mortgage interest and real estate taxes paid or accrued with respect to his or her Unit for New York State and New York City income tax purposes as is allowed for Federal (regular) income tax purposes. However, under New York State and New York City income tax law, itemized deductions, such as interest and real estate tax deductions, are subject to reduction by as much as 50% in the case of individuals having income exceeding certain prescribed levels. Moreover, if an individual's New York State and New York City adjusted gross income exceeds $1,000,000, then no New York State or New York City itemized deductions are allowable for the mortgage interest and the real property tax payments. Furthermore, purchasers should consult their tax advisers to determine the application, if any, of the New York State and New York City minimum taxes to the deduction for mortgage interest and real estate taxes with respect to their Units.

If the Condominium qualifies as a homeowners association within the meaning of Section 528 of the Code, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Unit Owners. However, even if the election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve funds (less expenses) directly connected with the production of such income).

To qualify as a homeowners association, the Condominium must meet all of the following conditions: (1) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (2) at least 60% of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments from Unit Owners, (3) 90% or more of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property, (4) no part of its net earnings can inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by rebate of excess membership dues, fees, or assessments), (5) the Condominium must elect to be treated as a homeowners association, and (6) at least 85% of the total square footage of all Units within the Condominium must be used by individuals for residential purposes. See Treasury Regulation § 1.528-4(b). The qualification of an organization under the provisions of Section 528 is to be determined annually at the close of each taxable year and it is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless qualify in one or more future years.

Based on the information contained in Schedule A to the Plan, which shows that 100% of the total square footage of all Units of the Condominium will be contained in the Units, and assuming that the Units are used by individuals for residential purposes under Treasury Regulation § 1.528-4, at least 85% of the total square footage of all Units of the Condominium will be used by individuals for residential purposes. Based on the information contained in Schedule A to the Plan and assuming (i) the actual gross income and expenditures of the Condominium for its taxable year ending December 31, 2016 (the "2016 Taxable Year") are the same (or, are in the same proportions) as the estimated gross income and expenditures for the Condominium's first year of operations, as set forth in Schedule B to the Plan, (ii) the Condominium otherwise operates in accordance with the terms of the Plan and the Plan Documents, and (iii) there are no changes in the facts and/or the relevant provisions of current

law, the Condominium should be eligible to elect to be treated as a homeowners association under Section 528 of the Code for the 2016 Taxable Year. In making that determination we also note that Schedule B to the Plan lists qualifying expenditures (the 90% test discussed in (3) above) for association property, essentially property attributable to Units, at 91.9% of total expenditures in the 2016 Taxable Year. To the extent that actual expenses for association property decreases by a small amount in the 2016 Taxable Year, or the expenses for non association property increases by a small amount in the 2016 Taxable Year, or a combination of both occurs, such increases or decreases may cause total expenditures for association property to be less than 90% of total expenditures in the 2016 Taxable Year. If such increases or decreases result in association property expenditures that are less than 90% of total Condominium expenditures, the Condominium will not be eligible to elect to be treated as a homeowners association for the 2016 Taxable Year.

Absent the application of Code Section 528, the present state of federal law is unclear as to the precise tax status of the Condominium. An entity classification regime was adopted in regulations issued by the United States Treasury Department on December 17, 1996 and there is no authority addressing the application of those entity classification regulations to condominiums. Because the By-Laws of the Condominium provide that the Board (the "Board") will each act as the agent of the Unit Owners represented by each such Board, the Board may take the position that the Condominium is not a separate entity and accordingly is not subject to the classification regime. In such case, the Unit Owners would, in the aggregate, include in their gross income and be taxed on all income earned by the Condominium (which income may include interest or similar income earned from interim investments of the amounts assessed and collected from the Unit Owners), reduced by the expenses incurred in earning such income. For this purpose, the Common Charges should not be considered income earned by the Condominium through the Board collecting such charges. If, however, the Condominium is properly considered a separate entity and is not incorporated under New York State law, the Condominium may elect to classify itself as a corporation. If the Condominium is taxable as a corporation, it would be considered a separate taxpayer with respect to income and deductions and return filing requirements and would be subject to Federal corporate income tax. If the Condominium does not elect to be treated as a corporation and is treated as a partnership, the partnership would not be subject to an entity level tax, the items of income and deduction of the partnership would generally be passed through to the Unit Owners in accordance with the provisions of Subchapter K of the Code, and the partnership would be required to file information returns.

The precise tax status of the Condominium for New York State and New York City tax purposes is also unclear. The relevant New York State and New York City laws incorporate by reference federal entity classification provisions which, as discussed above, do not specifically address the treatment of condominiums. If the Condominium is properly treated as a separate entity that is an association taxable as a corporation for Federal income tax purposes, the Condominium would be subject to the New York State Corporation Franchise Tax and the New York City General Corporation Tax. If the Condominium does not constitute an association that is taxable as a corporation for Federal income tax purposes, it likely would be subject to the New York City Unincorporated Business Tax, unless the Condominium were eligible for and elected treatment under Code Section 528 as a homeowners association.

* * * * * * * * * * * * * * * * * * * * *

We express no views as to any Federal, New York State or New York City tax consequences other than those explicitly discussed in this opinion, or as to the tax status or tax consequences of the Plan under the laws of any other U.S. or foreign jurisdiction. Moreover, this opinion, while based on existing rules of law applied to the facts and documents referred to above, is not binding on the IRS, any state or local tax authority, or any court. No assurances can be given that the tax laws upon which we base this opinion will not change. In no event will the Sponsor, Holland & Knight LLP, the Board, the Selling Agent or any other person 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, regulations, decisional law or IRS rulings on which we have relied which cause the owners of Units not to be entitled to the income tax deductions described herein, or which would affect the tax treatment of the Condominium as described herein.

**Internal Revenue Service Circular 230 Disclosure**

This opinion was written to support the promotion or marketing of the sale of Units. To ensure compliance with requirements imposed by the Internal Revenue Service, we are informing you that this opinion was not written by us to be used, and cannot be used, by any taxpayer, including purchasers of Units, for the purpose of avoiding tax-related penalties that may be imposed on the taxpayer under the Code. Purchasers of Units should seek advice based on their particular circumstances from an independent tax advisor.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

Holland & Knight LLP

## Y. 339-I OPINION OF HOLLAND & KNIGHT LLP

Holland & Knight

31 West 52nd Street | New York, NY 10019 | T 212.513.3200 | F 212.385.9010

Holland & Knight LLP | www.hklaw.com

February 2, 2015

Irving Place Investor LLC
825 Third Avenue, 37th Floor
New York, New York 10022

**Re: 78 Irving Place Condominium**
**78 Irving Place**
**New York, New York (the "Condominium")**

Ladies and Gentlemen:

1. You have requested our opinion regarding the allocation of common interests to the Units at the above referenced Condominium as required by NYCRR Section 20.3(y)(5). Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Offering Plan for the referenced project (the "Plan").

2. In connection with rendering this opinion we have reviewed the allocation of Common Interests as shown on the 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 based upon the factual determinations made by FirstService Residential New York, Inc. as 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 FirstService Residential New York, Inc.

3. Based upon our review of the foregoing, we have determined that Common Interests were allocated pursuant to the method set forth in Real Property Law Section ("RPL") 339-i (1)(iv), i.e., 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.

4. Accordingly, based on the foregoing it is our opinion that Real Property Law Section 339-i has been complied with in assigning Common Interests to the Units. 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 the Sponsor, Holland & Knight LLP, the Selling

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.

5. The opinion expressed herein is based solely on New York law.

6. We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

Holland & Knight

Holland & Knight LLP

## Z. REAL ESTATE TAX OPINION OF AARON VALUATION

AARON
VALUATION

358 Seventh Avenue - PMB 124
Brooklyn, NY 11215

(347) 674-3005 tel
(323) 693-8636 fax

January 14, 2015

Irving Place Investor LLC
825 Third Avenue, 37th Floor
New York, NY 10022
Attn: David Speiser

Re: Real Estate Tax Projection
78 Irving Place
Borough of Manhattan, Block 874, Lot 60
City and State of New York

You have requested a forecast of the real estate tax liability for the above-referenced premises for the first year of condominium operation commencing in January 2016.

I have been provided the following facts regarding this project:

- The existing 7-story residential property has an approximate gross building area of 16,069 square feet above grade according to public record. The property is proposed to be renovated and converted to multi-family condominium use.
- The approximate gross building area will be 19,310 square feet upon completion, as a result of enclosing and incorporating an air shaft for the new layout.
- Upon completion of the proposed renovations the property will have 7 residential units. Livable residential area will measure approximately 17,188 square feet upon completion, including below-grade livable area.
- Additional amenities will include Storage Spaces for respective individual Units and a roof deck for the Penthouse Unit.
- The first year of condominium operation will commence on January 1, 2016.

## Methodology

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

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

The capitalization of income method is based upon the proposition that the annual net income generated by a property, when divided by the rate of return an investor at a given time would accept for his money in a competing investment, yields a close estimate of the market value of the property.

The sales price comparison method is founded upon the belief that value can be ascertained by surveying market prices. Market value has been defined as that price which a property would bring in a competitive and open market, wherein both buyer and seller are acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. However, the addition of sales price of individual units may not be the basis for arriving at the assessed valuation of a residential condominium or cooperative housing corporation. The standard for assessment for residential cooperative and condominium structures is set forth in Real Property Tax Law 581. In the case of condominiums, the method of assessment of the individual units is set forth in Real Property Law Section 339-Y. In essence, the standard of assessment prescribed by statute for cooperative and condominium structures is that these buildings are to be assessed in the same manner as are rental apartment buildings. Further, the statutes provide that the sale price of a cooperative apartment building as an entity and the sale of a condominium unit are not the measure of value for assessment purposes.

Since the tax year 1982/83, Real Property Tax Law Section 1805(3) provides for the creation of a transitional assessment system within the City of New York. Under the transitional assessment system, any increase in the assessed value of a property is phased in over a five-year period in equal installments. However, the statute requires the Finance Department to include all physical (new construction, renovation, rehabilitation or addition of square footage to existing structures) changes directly into the taxable assessed valuation without the five-year phase-in. The "actual assessment" is the target value which will be reached at the end of the five-year period, assuming the assessment is not increased in the interim. Pursuant to Real Property Tax Law Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transitional assessed valuation.

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 Condominium Declaration has been recorded and the floor plans are filed with the Office of the City Registrar. The Department of Finance currently apportions assessed value based upon each unit's percentage of overall common interest.

## Current Assessments

New York City's fiscal tax year runs from July 1 to June 30. Assessments in any given year are determined as of the "taxable status date," January 5, proceeding the fiscal tax year. The assessed values for Block 874, Lot 60 for the upcoming tax year are set forth as follows:

2014/2015 ASSESSMENTS

| Tax Year | Actual Land | Actual Total | Transitional Land | Transitional Total | Taxable Total |
|---|---|---|---|---|---|
| 2014/2015 | $256,950 | $1,331,100 | $256,950 | $1,217,710 | $1,217,710 |

The upcoming year's taxable assessed value is the lower of the "actual" or "transitional" total. In the current year, the taxable assessed value of $1,217,710 represents the transitional assessment.

This assessed value for the current tax year is based on the property's status as a semi-fireproof elevator apartment building property (D1) assessed within Tax Class 2; however, this does not represent the completion assessment for the subject property as proposed. Upon completion of the renovations and re-classification as a 7-unit condominium property, the property can reasonably be expected to be re-assessed.

## Tax Rates

Upon completion of the proposed renovations and reassessment, the residential units will be assessed within Tax Class 2 (multi-family residential) as residential condo units in an elevator building (R4).

The Class 2 tax rate for the 2014/2015 tax year is $12.855 per $100 of assessed value. Rates for subsequent tax years have not yet been announced. The following is the recent Class 2 tax history:

CLASS 2 TAX RATES, NYC

| Year | Class 2 | Rate of Change |
|---|---|---|
| 2005/2006 | $12.396 | |
| 2006/2007 | $12.737 | 2.75% |
| 2007/2008 | $11.928 | -6.35% |
| 2008/2009 | $12.596 | 5.60% |
| 2009/2010 | $13.241 | 5.12% |
| 2010/2011 | $13.353 | 0.85% |
| 2011/2012 | $13.433 | 0.60% |
| 2012/2013 | $13.181 | -1.88% |
| 2013/2014 | $13.145 | -0.27% |
| 2014/2015 | $12.855 | -2.21% |
| Cumulative Change | $0.459 | 3.70% |
| Average Annual Change | | 0.47% |
| Compound Annual Change | | 0.40% |

Source: New York City Department of Finance

The Class 2 tax rate has varied since 2005/2006 with a significant increase in 2008/2009 and 2009/2010 to counter budget deficits. The rate stabilized with a 0.85% increase in 2010/2011, a 0.60% increase in 2011/2012, a 1.88% decrease in 2012/2013, a 0.27% decrease in 2013/2014, and a 2.21% decrease in 2014/2015. The compound annual rate of change since 2005/2006 is 0.40%.

For the purpose of this tax forecast, tax rates are assumed to increase by 1% per annum on average for future tax years. Aaron Valuation Inc. makes no representations or warranties that the forecasted tax rates for the 2015/2016 or subsequent tax years will be adopted by the New York City Council.

### Forecasted Future Taxes

It should be noted that the subject property's real estate tax burden for the 2015/2016 tax year will be based on its status as of January 5, 2015. Although the property may be assessed as a partially completed property in the 2015/2016 tax year, and thus the property taxes may actually be lower for that tax year, for purposes of this opinion the taxes are computed at full assessment as a completed property for the 2015/2016 tax year.

A review of current valuations of comparable recently renovated buildings in the vicinity of the subject, justifies an overall assessed valuation as follows for each component upon completion of renovations and reassessment:

| | |
|---|---|
| Forecasted Assessed Value Upon Completion/Reassessment: | $1,804,740 |

While there is a formula which has been utilized by the Real Property Assessment department in reassessing such properties in the past, it has not been employed consistently, and it is therefore not possible to estimate or determine the post-completion assessed valuation of this property with any degree of certainty. All prospective purchasers are advised that although the estimate of assessed valuation upon completion of construction is a good-faith estimate, such assessed valuation, when actually made, may be less or greater than as estimated on the following pages.

The taxes for the first year of condominium operation and upon reassessment are calculated below.

ESTIMATED FULL TAX LIABILITY FIRST YEAR

CONDOMINIUM OPERATION JANUARY 2016 TO DECEMBER 2016

| | | 2015/2016 Forecast Upon Reassessment |
|---|---|---|
| Full Assessment | | $1,804,740 |
| Forecasted Tax Rate | x | 13.048% |
| Forecasted Tax Liability | | $235,482 |

The residential units' aggregate tax burden is forecasted to total $235,482 for the first year of condominium operation. This estimate excludes any exemptions or abatements for which the property may qualify.

Prospective purchasers are advised that this valuation estimate assumes that the taxing authority is assessing a fully renovated, occupied building for the 2015/2016 tax year, and is not intended to reflect any interim or partial completion assessment. Because the subject property may be only partially completed as of the taxable status day, January 5, 2015, the 2015/2016 assessed valuation may be lower than estimated herein.

ESTIMATED FULL TAXES PER UNIT

| First Year Condominium Operation | Residential Units |
|---|---|
| January 1, 2016 to December 31, 2016 | $235,482 x Common Interest Percentage |

This letter was prepared at the Sponsor's request. Certain figures set forth herein are approximations derived from material submitted by the sponsor and are subject to variation. I have not passed upon the accuracy of any figures or estimates contained within the offering plan, and offer no warranties of the amount of any liability for any period.

The opinions expressed above are based on my interpretation of the Real Property Tax Law, Administrative Code of the City of New York, and the applicable rules and regulations of the Department of Finance in effect as of the date hereof. While I believe my opinions are well founded, they are not intended, and should not be construed as representations or warranties. You should be aware that the laws, regulations and practices of the Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one or more agencies of the City of New York, or Courts of competent jurisdiction.

The foregoing analysis is based upon experience with the Real Property Assessment Department and the Tax Commission of the City of New York, and their assessment policies regarding newly renovated properties held in condominium ownership. Application of a particular approach to valuation by an individual assessor may yield a different result. This would necessitate commencement of real property tax review proceedings at the Tax Commission or Supreme Court level to bring the assessment in line with the estimates presented herein.

Sincerely,

Amanda Aaron, MAI
NY Certified Real Estate Appraiser #46-49784

## CONTINGENT AND LIMITING CONDITIONS

- The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the appraiser render any opinion as to the title which is assumed to be good and marketable.
- The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question unless arrangements have been previously made therefore.
- Any distribution of the valuation in the report between land and improvements applies only under the existing program of use. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
- The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structures which would render them more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such facts.
- Information, estimates and opinions furnished to the appraisers and contained in the report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the appraiser can be assumed by the appraiser.
- Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the appraiser is affiliated.
- Neither all nor any part of the content of the report or copy thereof shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by same, the mortgagee or its successors and assigns, mortgagee insurers, consultants, professional appraisal organizations, any state or federally approved financial institution without the previous written consent of the appraiser.
- It is assumed that there will be full compliance with all applicable federal, state and local environmental regulations and laws unless nonconformity has been stated, defined and considered in this analysis.
- It is assumed that all applicable zoning and use regulations and restrictions will be complied with unless a non-conformity has been stated, defined and considered in this analysis.
- It is assumed that the existing or proposed improvements will conform to the Certificate of Occupancy as issued by the appropriate municipal agency.
- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field if desired.

- That all mortgages, liens, encumbrances, leases and servitudes have been disregarded unless so specified within this appraisal report. The property is appraised as though under responsible ownership and competent management.
- That no survey of the property has been made by the appraisers, and no responsibility is assumed in connection with such matters. Sketches used in this appraisal report are included only to assist the reader in visualizing the property.
- That this appraisal report is meant to be presented in its entirety. If this report is presented in any form other than its complete form, it becomes invalid.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost to cure the property's potential physical characteristics, the appraisers cannot comment on compliance to ADA. A brief summary of physical aspects is included in this report. It in no way suggests ADA compliance by the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

## CERTIFICATION

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- I meet the Competency provision of USPAP.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- Jordan Hermiller provided assistance identifying comparable properties for the forecast of the subject's tax burden. No one else provided significant real property appraisal assistance to the person signing this certification.
- I have provided no services involving the subject property within the three years prior to this assignment.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education requirements of the Appraisal Institute.

Amanda Aaron, MAI

NY State Certified General Appraiser #46-49784

## QUALIFICATIONS: AMANDA AARON, MAI

Principal, Aaron Valuation Inc.

### Education

Columbia University, (New York, New York), B.A.
New York University Graduate School of Arts and Science, M.A.
Appraisal Institute – MAI designation and continuing education requirements

### Experience

Full range of property appraisal experience since 1998 includes valuation of apartment buildings, condominiums and cooperative buildings, retail properties, industrial buildings, mixed-use properties, affordable housing, office buildings, hotels, senior housing facilities, proposed construction and vacant land.

Competencies include market analysis and feasibility determination, property tax analysis, cash equivalency valuation of favorable financing terms and LIHTC valuation for affordable housing developments, ground-lease valuation and fractional interest valuation.

Experience includes supervision of both experienced and junior appraisers, peer appraisal review for a range of properties, and instruction of courses for New York State licensing requirements. Clients of Aaron Valuation include lending institutions, attorneys, CPAs, property owners and developers.

### Professional Affiliations

- MAI Designated Member of the Appraisal Institute
- Metro New York Chapter of the Appraisal Institute – 2013-2015 Board Member and 2014-2015 Education Chair
- Appraisal Institute 2014-2015 Regional Representative
- Association of Real Estate Women (AREW)
- New York State Certified General Real Estate Appraiser #46-49784
- New York State Supervisory Appraiser
- New York State Course Instructor and Appraisal Institute Course Instructor

## AA. WORKING CAPITAL FUND AND APPORTIONMENTS

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

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

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

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

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

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

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

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

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

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

(9) management fees; and

(10) other customary adjustments.

If any of the foregoing items to be apportioned cannot be adjusted at the First 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 herein otherwise expressly provided, the customs in respect to title Closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters herein mentioned.

The Working Capital Fund will be held and used for the items described in 1-10 above, and to pay for repairs and replacements to the Common Elements for the Building's share of the cost of repairs and replacements to the Common Elements and may be augmented by allocations from the monthly Common Charges collected from each Unit. While Sponsor controls the Board

(see the Section entitled "Control By Sponsor"), the Working Capital Fund will not be used to reduce estimated Common Charges.

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

In the event that capital expenditures for renewal or replacement of building components or systems or to remedy major building defects are needed, it may be necessary to increase Common Charges or make special assessments payable by Unit Owners who are responsible for the repair and replacement of the Common Element in need of such renewal, replacement or remedy. Alternatively, a Board may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the By-Laws and subject, in certain instances, to Unit Owner approval. In addition, pursuant to the By-Laws each Board is entitled to determine amounts for a reserve for replacements in establishing the annual budgets. No representation or warranty is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, for the first or any subsequent year of Condominium operation. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

In addition to the Working Capital Fund, in accordance with the requirements of Fannie Mae and FHA, at least ten percent (10%) of the total operating budget for the first year of Condominium operation is required to be set aside for a capital repair and replacement reserve fund in order to fund the replacement reserves for capital expenditures and deferred maintenance (including, but not limited to, the "Replacement Reserve" and funds for "Repair and Maintenance"), as more particularly described in the projected "Budget for First Year of Condominium Operation, Schedule B", in Part I of the Plan. There is no guarantee or assurance that the Replacement Reserve will be provided as a line item in the operating budget after the first year of Condominium operation or that Purchasers will be able to obtain mortgages insured by Fannie Mae and/or FHA. The Board reserves the right, in its sole discretion (including without limitation during the Initial Control Period) to use the Replacement Reserve towards any capital expenditures it deems appropriate. The Replacement Reserve can only be used for the repair and replacement of the Common Elements or the Common Elements, as the case may be.

## BB. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

### 1. Management Agreement

At or prior to the First Closing, the Condominium Board (hereinafter the "Board") will enter into a management agreement with First Service Residential New York, Inc. ("Managing Agent"), having an office at 622 Third Avenue, 15th Floor, New York, NY 10017.

The Management Agreement shall become effective as of the Closing on the sale of the first Unit (the "Commencement Date") and shall continue until the first anniversary of the last day of the month in which the Commencement Date falls unless the Commencement Date is the first day of a calendar month, in which case the Agreement shall continue until the first anniversary of the Commencement Date (the "Initial Term"). Thereafter it shall automatically renew for one (1) year periods until terminated as hereinafter provided. The management fee of $15,000.00 shall automatically increase by four per cent (4%) at each anniversary date. At any time after the Initial Term, this Agreement may be terminated at the option of either party, with or without cause, at the end of any calendar month upon not less than sixty (60) days' previous notice from one party to the other. Upon termination, the parties shall account to each other with respect to all uncompleted business, and the Agent shall promptly deliver to the Board, or if directed by Board, to Board s new agent, all books and records and other instruments relating to the Property and the Board that may be in the possession of the Agent. All data maintained by Agent on Connect shall be provided to Board or .Board's new agent one time in a comma delineated flat file. The Agent is committed to following the guidelines on the transition of management promulgated by The Real Estate Board of New York, Inc. The Management Agreement shall be assignable by the Managing Agent.

The management fee will be paid by the Board and will be charged to all of the Unit Owners as a Common Expense. It is Sponsor's opinion that the projected annual management fee for the Building is a comparable market rate for property management of similar buildings.

Pursuant to the proposed management agreement, the duties and services to be rendered by the Managing Agent include, among others:

(a) Provide routine supervision of all persons necessary to be employed in order to properly maintain and operate the Property (the "building services employees"), who, in each instance shall be the Board of Managers' and not the Agent's employees. Any and all decisions as to hiring, firing and disciplinary actions and terms and conditions of employment of the building services employees shall be made by the Board of Managers with such consultation with Agent as Board of Managers deems appropriate. Agent shall promptly implement all decisions of Board of Managers. It is expressly understood and agreed that all building services employees are in the employ of the Board of Managers, solely, and not in the employ of Agent and that Agent is in no way liable to such building services employees for their wages or compensation or to the Board of Managers, or others, for any act or omission on the part of such building services employees. If the building services employees are represented by a union, the routine supervision of such employees shall include addressing the day to day matters with such union. However, Board of Managers agrees to compensate Agent separately for the preparation

for, and addressing of, any strike or other concerted labor action. Such fees shall be reasonable for the extent of preparation and the duration of a strike or other labor action, if any.

(b) Through the use of the building services employees and independent contractors retained on behalf of Board of Managers, cause the Property to be maintained in such condition as may be deemed advisable by the Board of Managers, including interior and exterior cleaning, and cause repairs and alterations of the Property to be made including, but not limited to, electrical, plumbing, steam fitting, carpentry, masonry, elevator, decorating, and such other incidental alterations or changes therein as may be proper, subject only to the limitations contained in this Agreement or in any corporate documents or other agreement with the Board of Managers or tenant. Ordinary repairs or alterations involving an expenditure of over $2,500 for any one item, which is not part of a previously approved operating budget or capital budget of Board of Managers, shall be made only with the approval of the Board of Managers, but emergency repairs, i.e., those immediately necessary for the preservation of the Property, or for the safety of the Board of Managers, the occupants of the Property, or other persons, or required to avoid the suspension of any necessary service at the Property, may be made by the Agent irrespective of the cost thereof, without the prior approval of the Board of Managers, after consultation, to the extent feasible considering the nature of the emergency, with the president, vice president or treasurer of the Board of Managers (in the order given). Agent shall notify Board of Managers of any emergency repairs promptly after such emergency. If the Board of Managers undertakes any capital improvement, major repair or extensive reconstruction or rehabilitation of the Property (a "Major Project"), the Agent's responsibility shall be limited to seeing that the work is done with as little interference or interruption of services to the Property as possible, and for seeing that all reasonable precautions are taken to preserve and protect the Property and the property of the Board of Managers and the occupants of the Property. The Agent shall not be required to perform supervisory or project management responsibilities for a Major Project as part of this Agreement.

Except for emergency repairs, whenever practical or at the request of Board of Managers, all repairs costing more than $2,500 shall only be undertaken after obtaining competitive proposals from at least two (2) independent contractors.

(c) Recommend and, with the approval of the Board of Managers, cause all such acts and things to be done in or about the Property as shall be necessary or desirable to comply with any laws, statutes, ordinances, rules, orders or violations affecting the Property, as a result of any action by any federal, state, or municipal authority having jurisdiction there over, or any order of the New York Board of Fire Underwriters, the New York Fire Insurance Exchange or other similar body (collectively, the "laws"). If failure promptly to comply with the laws would or might expose the Board of Managers or the Agent to liability, the Agent may cause such order or violation to be complied with without prior approval of Board of Managers and without regard to the anticipated cost of such actions, but after consultation to the extent feasible considering the nature of the potential liability, with the president, vice-president or treasurer of the Board of Managers (in the order given). In order to obtain prompt notice of actions of the Department of Buildings and other New York City agencies that post information on public web sites, Agent has engaged a service to deliver all such notices related to properties it manages to

Agent on a continuous basis. The cost of this service, which shall be billed back to Board of Managers, is $30/month for each building identification number. The Board of Managers shall be responsible for the cost of complying with any order that may be issued in respect of the Property. Within sixty (60) days of the commencement of this Agreement, Agent, shall obtain a search of the records of the local authorities having jurisdiction over the Property for any violations of record at the Property and shall present this report to the Board of Managers. The cost of obtaining such reports shall not exceed $100 unless there are extensive violations involving research of the records, in which case Agent shall obtain Board of Managers' approval before incurring any additional expense. Agent shall not be liable to Board of Managers for the consequences of any violations contained in such report. Agent, at its expense, may engage an outside service to assist in the compliance with the laws related to distribution of annual safety notices (window guard, fire safety, lead paint, etc.).

Notwithstanding anything contained in this Agreement to the contrary, the Board of Managers hereby acknowledges that i) in no event shall the Agent be liable for the failure of any of the Board of Managers, the Board of Managers and occupants of the Property to comply with the laws, the corporate documents, or the house rules; and ii) Agent does not have the authority to provide and shall not be responsible for providing legal advice to the Board of Managers regarding the interpretation or application of the laws, corporate documents or house rules.

(d) Enter into contracts in the name of the Board of Managers for electricity, gas, steam, air-conditioning, water treatment, elevator, telephone, window cleaning, rubbish removal, fuel oil, security services, vermin extermination, other essential services, or such of them as shall be advisable, but any such contract having a term longer than one (1) year or requiring annual payments in excess of $2,500 must be authorized by Board of Managers unless it is part of a previously approved operating budget or capital budget of Board of Managers.

(e) On behalf of the Board of Managers, purchase all supplies as shall be necessary to properly maintain and operate the Property; make all such contracts and purchases either in the Board of Managers' name or the Agent's; and credit to the Board of Managers any discounts or commissions (other than insurance commissions) obtained for purchases or otherwise.

(f) Through an insurance broker selected by Board of Managers, upon approval of Board of Managers, take such administrative actions as required to cause to be effected and/or maintained, in such amounts and with such carriers as the Board of Managers and broker shall designate or approve, fire, rent, plate glass, boiler, water damage, liability, workers' compensation, disability, directors' and officers' liability coverage and any other insurance coverage/policies as the broker recommends and the Board of Managers may elect to carry. Agent may cause an Affiliate (as hereinafter defined) to participate in providing an insurance proposal, in which such Affiliate may receive a commission on the placement of Board of Managers' insurance provided that in all such instances, Agent shall disclose to Board of Managers the Affiliate's participation.

(g) Check all bills received for services, work, and supplies ordered in connection with maintaining and operating the Property; pay or cause to be paid all such bills, as

well as payroll, payroll taxes, union dues, ground rent (if any), mortgage interest, mortgage amortization, water charges, sewer rent, assessments, real estate taxes, utilities, insurance premiums, monthly contracted charges, corporate income taxes and governmental charges assessed against the Board of Managers or the Property as and when the same shall become due and payable, provided that Board of Managers' operating account has sufficient funds to meet such obligations.

(h) In a timely manner, bill or cause to be billed, Unit Board of Managers for common charges or other charges and if applicable, tenants or sub-tenants of Board of Managers for rent or other charges; use commercially reasonable efforts to collect such common charges, rent and other charges; and, when and if directed by the Board of Managers, at Board of Managers' sole cost and expense, engage an attorney, approved by Board of Managers, to (i) serve notice upon Board of Managers, tenants or sub-tenants to quit and surrender space occupied by them (ii) sue for common charges, rent and other charges, which may at any time be or become due to the Board of Managers from any Board of Managers, tenant or sub-tenant in respect of space at the Property, and (iii) institute such other appropriate proceedings to recover possession of such space. For services rendered by Agent as a witness or expert witness on behalf of Board of Managers either at Board of Managers' request, or if subpoenaed in person by any litigant, in any arbitration, discovery proceeding ("deposition") or court proceeding ("legal action"), by reason of Agent's role as Managing Agent of the Property (a "court appearance"), Agent shall be entitled to a fee of $85.00 per hour for each hour expended by a representative of Agent in addressing a legal action, whether in a deposition, court appearance or expended in document production.

If Board of Managers has bulk or master billing for electric and/or cable television/internet/telephone services, which billing is then billed back to each of the Unit Board of Managers as other charges on the bills, Agent shall perform all the services necessary (the "pass through services") to coordinate the accurate and timely billing of the charges to the Board of Managers, to respond to questions regarding the accuracy of such bills and to reconcile the master billing with the amounts billed to the Board of Managers. To the extent the pass through services are performed for Board of Managers, Board of Managers shall pay to Agent an amount equal to $2.00 per Unit per month for the electricity and $1.00 per Unit per month for the cable television/internet/telephone (if billed as a bundled service). If directed by Board of Managers, Agent shall add these fees to the amount billed to each Unit Board of Managers.

(i) Consider and, when reasonable, attend to complaints of the Unit Board of Managers and lawful tenants and occupants. If the Agent shall deem any such complaint unreasonable, it shall advise the Board of Managers of the complaint and the reason for its opinion that the complaint is unreasonable.

(j) If Board of Managers determines to list or offer for sale, lease or sublease space, including any commercial or non-proprietary space at the Property that Board of Managers acquires or has authority to so offer for sale or lease, Agent or an Affiliate shall be available to serve as the exclusive broker to market such space, but only if Board of Managers

and Agent enter into a separate agreement on the terms of such engagement, including but not limited to the rate of commission.

(k) Cause to be prepared and filed the necessary forms for unemployment insurance, withholding and social security taxes and all other tax and other forms relating to employment of the building services employees and maintenance and operation of the Property required by any federal, state or municipal authority. Agent, at Board of Managers' expense, may engage a payroll service company for the preparation and filing of payroll and payroll related forms.

(l) Not later than the twentieth day of each month, render, or cause to be rendered regular, monthly statements to each member of the Board, detailing the amounts collected during the previous month and disbursements made on behalf of and for the account of the Board of Managers on a cash basis and in the standard form used by Agent for reporting to its clients (copy of which is available to Board of Managers to review). One copy of such monthly statement (sent to the Treasurer unless otherwise directed) shall be supported by disbursement vouchers and other documentation of the disbursements on behalf of Board of Managers.

(m) Set up and keep in good order a separate, accurate income and operating expense statement maintained on a cash basis (other than books of account maintained by the Board of Managers' accountants) and maintain orderly files containing rent records, insurance policies, correspondence, receipted bills and vouchers, and all other documents and papers pertaining to the Property or the operation thereof. In the event that Board of Managers notifies Agent of any error in bookkeeping, billing or payment of expenses, Agent shall use its best efforts to correct such error immediately.

(n) Cooperate with the Board of Managers' accountants in performing the annual audit of the books of account of the Board of Managers, including the annual report of the operations of the Board of Managers for the year then ended. Agent shall send a copy of such annual report to each Board of Managers after receipt from accountant.

(o) Cooperate with the Board of Managers' accountants in their preparation and filing of the Board of Managers of federal, state, city and other income and other tax returns required by any governmental authority.

(p) Assist the Board in preparing an operating budget prior to the last meeting of the Board held in each fiscal year of Board of Managers, setting forth the anticipated income and expenses for the Board of Managers for the ensuing year, a comparison of said budget to the income and expenses of the preceding and current years, and any reasonably required explanations with respect thereto.

(q) Arrange a suitable place at its offices for meetings of the Board and a suitable place for annual and special meetings of Board of Managers; and send notices to members of the Board and Board of Managers, prepare agendas for, and cause the Property Manager or other executive to be a representative of its organization to attend, the annual

meeting of the Board of Managers and meetings of the Board (one per month) provided that such meetings are held at reasonable times and reasonable advance notice of the meetings is given to Agent. Agent shall maintain a record of the minutes of such meetings prepared by a representative of Board of Managers unless Agent is specifically authorized to do so, in which case the Property Manager shall prepare the minutes. It is Agent's policy to bring such administrative assistants as in Agent's reasonable judgment are necessary to adequately run any annual or special meeting of Board of Managers. Board of Managers shall reimburse Agent for reasonable costs related to the administrative assistant attendance at such annual and special meetings.

(r) Prepare, type, and send out all letters and reports as the Board may request. In addition, at Board of Managers' request and expense, Agent shall coordinate the production and distribution of periodic newsletters to the Board of Managers. The cost of producing any such newsletter shall be borne by Board of Managers, subject to Board of Managers' advance approval.

(s) Notify Board of Managers' insurance broker of any insurance claims for losses sustained by Board of Managers at the Property promptly after Agent becomes aware of such claim. Agent shall cooperate in its role as Managing Agent, making all relevant records and information available to the insurance carrier and/or any party authorized by Board of Managers to act on its behalf to negotiate such insurance claims. Agent shall not negotiate the settlement of any insurance claim unless authorized in advance by Board of Managers and at a separate fee to be agreed upon, and if so authorized, shall not settle without the consent of Board of Managers.

(t) If requested by Board of Managers, act as Board of Managers' mortgage broker to procure a new mortgage, refinance an existing mortgage or obtain unsecured financing for Board of Managers. For any such loan procured through the efforts of Agent, Board of Managers shall pay Agent, upon the Closing of the mortgage or loan, a loan coordination fee equal to one percent (1%) of the principal amount of the mortgage or loan, except if the loan is a refinancing of a mortgage with an existing Mortgagee, Board of Managers shall pay Agent upon such refinancing a loan coordination fee equal to one-half of one percent (1\12%) of the principal amount of the mortgage.

In the event Agent is not requested to serve as Board of Managers mortgage broker on any mortgage, loan, or refinance, Agent shall cooperate in its role as Managing Agent, making all relevant documents and information generally maintained by Agent in the performance of its duties available to any party authorized by Board of Managers to act on its behalf in obtaining and negotiating such mortgage, loan or refinance. If Agent is required to prepare reports or provide information not generally maintained by Agent in the performance of its duties or is required to supervise inspections of the Property, Board of Managers shall pay Agent a loan coordination fee at a rate of $85.00 per hour. No loan coordination fee shall be payable if Agent earns a commission in connection with the mortgage, loan or refinance.

(1) Accept applications and references from all prospective Board of Managers, tenants of Board of Managers, obtain a basic consumer report relating to such prospective Board of Managers and tenants; obtain from Unit Board of Managers proposing to

sell their Units ("Apartment Sale") such record searches as the Board of Managers may require, and submit same to the Board of Managers• including collecting and organizing of all necessary documents required to be reviewed by the Board and the scheduling of interviews, if any. Agent shall cooperate with Board of Managers' counsel when requested. Upon approval of any Apartment Sale (or waiver of the Board of Managers' right of first refusal), Agent shall act as Board of Managers' representative at the Closing of the Apartment Sale.

(2) Coordinate through the building services employees at the Property the scheduling of the moving in and out of Board of Managers, tenants and subtenants so that there will be a minimum of disturbance to the operation of the Property and of inconvenience to other Unit Board of Managers, tenants or subtenants.

(3) Accept applications from Board of Managers to perform alterations to their Units, including (i) obtaining copies of the plans for the alterations; (ii) if directed by Board of Managers, and at the expense of the Board of Managers, engage an architect, engineer or other professional to review the plans on behalf of the Board of Managers, provide recommendations on feasibility of such plans, and supervise the work for conformance to the approved plans; (iii) obtain a signed alteration agreement on a form approved by Board of Managers; (iv) submitting completed applications to Board of Managers for review; and (v) after consent by the Board of Managers to an alteration, coordinate through the building services employees with the Board of Managers the work so that there will be a minimum of disturbance to the operation of the Property and inconvenience to other Board of Managers, tenants or sub-tenants. Other than as provided in subparagraph (v)(3)(v), Agent shall not be responsible for the supervision of the alterations by the Board of Managers or for verifying that the alterations are performed in accordance with the plans approved by the Board of Managers or in accordance with applicable building codes or other applicable laws. Agent may charge the Board of Managers for Board processing such requests as described herein a fee in the amount of $300.00 for regular alterations and $1,000.00 for major alterations. For the purposes of this Agreement, a major alteration is any alteration for which a building permit is required to be obtained by the Board of Managers prior to commencing the alteration. All other alterations shall be considered regular alterations.

(u) Cooperate with the Board of Managers' tax certiorari attorneys in ascertaining the tentative assessed valuations of the Property, in notifying Board of Managers of such assessments, and in the preparation of an application for correction of the assessed valuation to be filed with the Tax Commission of the City of New York. If the Board of Managers has not retained an attorney for such purpose, retain special counsel (with Board of Managers' approval and at Board of Managers' expense) to prepare such application (with the Agent's cooperation) and to institute tax certiorari proceedings.

(v) Generally, do all things reasonably deemed necessary or desirable by the Board for the proper management of the Property. However, in the event other services are required that are not generally within the scope of the services enumerated in paragraphs (a) through (w) above (e.g., without limitation, compliance with a new administrative or filing

requirement), Agent shall be entitled to additional compensation from Board of Managers for performing such services, as Board of Managers and Agent shall mutually agree.

(w) Agent shall have the authority to prepare and secure signs at the Property with Agent's name thereon.

(x) Agent has developed a proprietary communications program, First Service Residential Connect ("Connect") which includes features that are used by Agent in the performance of its duties as described in the Agreement. It is expressly understood by Board of Managers that Connect was created with proprietary software that is the property of Agent and it may not be copied, duplicated or otherwise utilized by Board of Managers without the express written consent of Agent.

The Managing Agent shall be entitled to the following additional fees:

(a) For the processing of purchase or lease applications, Agent may charge Unit Owners who make application to lease their Units or to sell their Unit, or the applicants, a processing fee in the sum of $650.00, which fee may be increased to cover the costs of consumer reports in the event they are required and photocopy and messenger costs, if any. Agent recommends that a consumer report be obtained on each adult occupant. The processing fee for each standard consumer report generally procured by Agent will be $75.00. A fee of $112.50 per application will be charged to defray the cost of online application and electronic record retention of applications allowing applicants to eliminate copying costs. In addition, Agent shall send a representative to the Closing on the sale of each Unit to deliver the Board's waiver of its right of first refusal and any other documents required to be delivered and to ensure prompt and proper documentation of the transfer and the payment of any outstanding charges. Agent may charge the Unit Owner an additional fee of $250.00 for this service.

(b) For the coordination and assistance with financing or refinancing of residential mortgages, Agent may charge Unit Owners who finance or refinance their Unit or purchasers obtaining financing on acquisition, a fee in the sum of $300.00, which fee may be increased if the Mortgagee requires extensive documentation regarding the Property and/or its finances.

(c) For the processing of lease renewals, Agent may charge Unit Owners who make application to renew or extend leases with the same tenant, a processing fee in the sum of $300.00.

(d) For other services related to the transfer of Units, Agent shall be entitled to charge Unit Owners fees in accordance with Agent's standard transfer fee schedule.

(e) For the preparation, distribution and processing of required forms and filings; Board shall pay Agent the following fees:

(1) Window Guard Notification $6.00 per apartment

| | | |
|---|---|---|
| (2) | Fire Safety Plan | $11.00 per apartment |
| (3) | Lead Paint Notification (Buildings constructed prior to 1960 only) | $12.00 per apartment |
| (4) | Tax Abatement Credits | $4.50 per apartment |

The annual certified financial statement with respect to the Condominium will not be prepared by the Managing Agent. Such statement will be prepared by an independent certified public accountant engaged by Unit Condominium Board whose fees are to be paid by the Condominium Board and charged to the Unit Owners as a Residential Common Expense.

All expenses incurred by the Managing Agent in Performance of its duties will be reimbursed by the Board and charged to the Unit Owners as a Residential Common Expense. In addition, the Condominium Board will indemnify the Managing Agent against any claims or liabilities in connection with acts properly performed by it pursuant to the instructions of the Condominium Board or for personal injury or property damage not resulting from the Managing Agent's gross negligence or willful misconduct.

Upon the request of the Board, the Managing Agent will obtain, from a surety company authorized to do business in the State of New York a fidelity bond in the minimum amount of $500,000.00 for the benefit of the Condominium against loss incurred by the Condominium through any improper acts of the officers and employees of the Managing Agent. The cost of the bond will be borne by the Condominium and charged to the Unit Owners as a Common Expense, and has been provided in the estimate of Common Charges contained in the First Year's Budget.

**Other Contractual Agreements**

It is estimated that one or more unaffiliated companies will be retained by the Condominium subsequent to the First Closing for the purpose of providing personnel for the Building. Such personnel will be direct employees of these companies and the Condominium shall have no direct employees. Projected costs are set forth in Schedule B in Part I of the Plan.

Sponsor has reserved the right, prior to the First Closing, to modify, renew and replace any existing agreements and to enter into new agreements that will be binding on the Condominium Board, provided that there will be no material increase in the estimated Common Charges for the "Projected Budget for the First Year of Condominium Operation."

The current service contracts which are anticipated to be effective at the date of the First Closing or service contract projections pertaining to the future operation of the Building include extermination services, elevator maintenance, sprinkler inspection maintenance. The cost of the proposed service contracts is based upon the experience of the proposed Managing Agent, First Service Residential New York Inc., 622 Third Avenue, 15th Floor, New York, NY 10017.

The Sponsor has entered into a Revocable Consent Agreement with the Department of Transportation dated September 9, 2014 and recorded on October 29, 2014 in CRFN

2014000360301. (See the "Department of Transportation Revocable Consent Agreement" found in Part II for more detail.) The agreement will be transferred to the Condominium as of the First Closing.

## CC. DEPARTMENT OF TRANSPORTATION REVOCABLE CONSENT AGREEMENT

Sponsor and the New York City Department of Transportation ("DOT") entered into a revocable consent agreement (the "Consent") as of October 6, 2014 (the "Approval Date") in order to provide a secondary means of egress from the Building. The Consent is dated September 9, 2014 and was recorded on October 29, 2014 in CRFN 2014000360301. The Consent is due to expire on June 30, 2025 (the "Expiration Date"). The Consent If it has not been previously revoked, Sponsor (or the Board, as applicable) must petition DOT at least six (6) months prior to the Expiration Date in writing for a renewal or discontinuance of the Consent. The Consent may not be sold, assigned, leased, mortgage or sublet without the express written consent of DOT, such consent may be unreasonably withheld by the DOT. The Consent burdens and runs with land and shall be binding on any successor, transferee, assigner or purchaser for value to Sponsor of the Building. Sponsor shall petition the DOT to assign the Consent to the Board prior to the First Closing.

A yearly fee is applicable for the Consent, as set forth in this schedule:

| Period | Annual Fee | Period | Annual Fee |
|---|---|---|---|
| Approval Date– June 30, 2015 | $4,252.00/pro rata | July 1, 2019 – June 30, 2020 | $4,832.00 |
| July 1, 2015 – June 30, 2016 | $4,368.00 | July 1, 2020 – June 30, 2021 | $4,948.00 |
| July 1, 2016 – June 30, 2017 | $4,484.00 | July 1, 2021 – June 30, 2022 | $5,064.00 |
| July 1, 2017 – June 30, 2018 | $4,600.00 | July 1, 2022 – June 30, 2023 | $5,180.00 |
| July 1, 2018 – June 30, 2019 | $4,716.00 | July 1, 2023 – June 30, 2024 | $5,296.00 |
| July 1, 2019 – June 30, 2020 | $4,832.00 | July 1, 2019 – June 30, 2020 | $4,832.00 |

The annual fee, along with any taxes due under the Consent, shall be paid by Sponsor. Sponsor has deposited seven thousand dollars ($7,000.00) as security (the "Security Fund") with the Comptroller of New York City.

In accordance with the Consent, Sponsor shall construct, maintain and use a fenced–in area, together with stairs (collectively, the "Structure") projecting 4.83 feet beyond Sponsor's property line on the south sidewalk of East 19th Street, commencing at a point 5.6 feet east from the east building line of Irving Plan and extending easterly for a total length of 30.2 feet in front of the Building, as a secondary means of egress from the Building. The Structure shall be maintained in accordance with the requirements of the Landmarks Preservation Commission. The Structure shall be maintained in good, clean condition and repair. Sponsor shall complete the "Work" required by the DOT in accordance with the Consent.

In the event that DOT revokes or terminates the Consent, Sponsor (or the Board, as applicable) shall have ten (10) days to remove the Structure and restore the affected streets and sidewalk pursuant to the Consent. All such removal and restoration work shall be done at Sponsor's (or the Board, as applicable) sole cost and expense.

The City of New York (the "City") shall have a right of way under or above any part of the Structure. The City shall provide written notice from the City or its contractor when the Structure must be removed, altered or will be disturbed by the regulating or grading of the street. The City shall attempt to give thirty (30) days' notice of any requirements to be imposed upon the Structure, but reserves the right to give less notice in the case of emergency.

Unless otherwise agreed to by DOT, Sponsor (or the Board, as applicable) shall maintain general commercial liability insurance for the Work and Structure protecting the City, together with its officials and employees as additional insureds under the policy.

Please see the Revocable Consent Agreement in Part II of the Plan for more information.

## DD. IDENTITY OF PARTIES

### 1. Sponsor

Sponsor is Irving Place Investor LLC, a Delaware limited liability company, formed on February 12, 2013, with an office at 825 Third Avenue, 37th Floor, 17th Floor, New York, New York 10003.

The principals of Sponsor are Mr. Brian Shatz and Mr. Joshua Zegen (collectively "Principals of Sponsor"), who have been for many years, and continue to be active in the development and management of real property.

Mr. Brian Shatz and Mr. Joshua Zegen are real estate developers, owners, operators and investors and both reside in the State of New York. Prior to this Offering Plan, neither Mr. Shatz nor Mr. Zegen has been a sponsor or principal of sponsor in a cooperative, condominium or homeowners association within the last five (5) years, except that both principals mentioned above own more than ten percent (10%) of the units at the Omni Condominium, located at 206 East 95th Street, New York, NY (AG File No. CD06-0168), and both principals mentioned above are also principals of Downtown RE Holdings LLC, the sponsor of an offering plan for the 1 Great Jones Alley Condominium, File No. CD15-0086, which is currently pending filing at the New York State Department of Law.

Mr. Brian Shatz is also a principal of 534 West 42nd Street LLC, Sponsor of the offering plan for the Deuce Condominium, located at 534 West 42nd Street, New York, NY (AG File No. CD07-0572).

There have been no prior felony convictions of Sponsor, or any principals of Sponsor; and no prior convictions, injunctions and judgments against Sponsor, or any principals of Sponsor that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of this Plan.

### 2. Selling Agent

Douglas Elliman Real Estate, with offices at 575 Madison Avenue, New York, New York 10017, is the Selling Agent retained by the Sponsor in connection with the offering of Units. The Selling Agent is engaged in the brokerage and sale of residential properties in the New York metropolitan area. The Selling Agent is not affiliated with Sponsor.

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 fifteen (15) years prior to the submission of this Plan.

### 3. Managing Agent

First Service Residential New York Inc., with offices at 622 Third Avenue, 15th Floor, New York, New York 10017, will be the Managing Agent for the Building of the Building. (See the Section entitled "Management Agreement" in Part I of the Plan). The Managing Agent is not affiliated with the Sponsor. The Managing Agent has been engaged in the development ownership, operation and management of New York City residential properties for over 10 years.

There have been no prior felony convictions of the Managing Agent or any principals of the Managing Agent and no prior convictions, injunctions and judgments against the Managing Agent, or any principals of the Managing Agent that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of this Plan.

## 4. Attorneys for Sponsor

Sponsor has retained the law firm of Holland & Knight LLP, having an office at 31 West 52nd Street, New York, New York 10019 to represent it in connection with the Plan ("Sponsor's Counsel"). Holland & Knight LLP prepared the Plan, the Declaration, the By-Laws and the forms of Agreement, Unit Deed and Unit Power of Attorney and has also rendered an opinion with respect to the availability of income tax deductions to purchasers of Units and compliance with Section 339-i of the Real Property Law. Stuart M. Saft, Esq. had principal responsibility for the preparation of the Plan. Holland & Knight LLP will serve as Escrow Agent and will represent Sponsor in connection with matters relating to Unit Closings.

Sponsor has retained Aaron Valuation having offices at 200 Madison Avenue, Suite 1902, New York, New York 10016, to represent it in connection with the real estate taxes.

## 5. Sponsor's Architects

The Sponsor's Architect for the project is PKSB Architects, PC, located at 330 West 42nd Street, New York, New York 10036. PKSB Architects, PC and/or the principals thereof, have been providing architectural services in excess often (10) years.

Sherida Paulsen, a registered architect in the State of New York and a principal of PKSB Architects, PC, prepared the report which Sponsor has adopted as Sponsor's "Description of Property and Specifications." PKSB Architects, PC, and the principals thereof, have no financial interest in the Property, the Sponsor or the Selling Agent, or any other party interested in this transaction, except for the fees for services rendered in connection with such report and other architectural services.

## 6. Sponsor's Budget Expert

First Service Residential New York Inc., having an address at 622 Third Avenue, 15th Floor, New York, New York 10017, estimated all amounts of income and expenses in the projected "Budget for First Year of Condominium Operation, Schedule B", in consultation with Sponsor and provided its opinions regarding the adequacy of the Budget and Sponsor's compliance with Section 339-i of the Real Property Law.

## EE. REPORTS TO UNIT OWNERS

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

(1) A certified financial statement of the Condominium prepared by a certified public accountant within 120 days after the end of the Condominium's fiscal year;

(2) Prior written notice of the Annual Meeting of Unit Owners; and

(3) A copy of the proposed annual budget for the Condominium at least 10 days prior to the date set for adoption by the Board and while the Sponsor is in control of the Board, such budget shall be certified pursuant to 13 NYCRR §20.4(d).

## FF. DOCUMENTS ON FILE

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 prospective 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 six years all without charge and for copying for a reasonable charge. 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 City Register's Office following the recording of the Declaration, and an additional set will be furnished to the Board.

The Declaration and the By-Laws will be recorded in advance of or concurrently with the First Closing. The recording of all deeds conveying individual Units will also be in the City Register's Office.

## GG. 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. Exact copies are contained in Part II of the Plan of the form of Declaration, form of By-Laws, form of Agreement, form of Unit Deed, form of Unit Power of Attorney and other documents and Purchasers are urged to read the documents set forth in Part II of the Plan in their entirety. Statements made in Part I of the Plan as to the provisions of such documents or any other document referred to herein, copies of which are on file with Sponsor, are necessarily not 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.

Under applicable Federal and local law, leaded paint can no longer be used in the construction of the Building.

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.

No party other than the respective 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, upon amendment to the Plan, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor, the Purchasers and/or prospective Purchasers under the Plan. However, Sponsor may not unilaterally cancel an 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 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 adversely affects Purchasers, except as otherwise provided herein, Purchasers will have a right of rescission which may only be exercised not less than fifteen (15) days from the date of presentation of said amendment. Sponsor shall promptly return any Down Payment, together with any interest thereon, to Purchasers who rescind, except that Sponsor shall retain the Down Payment (and any interest thereon) of any Purchaser who is in default under the 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 Units because of such person's sex, race, creed, color, national origin, marital status, age, disability or any 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 and the Buildings have not been the subject of any prior public offerings.

No cooperative interest in realty or condominium unit has been offered for sale and no reservations, binding or non-binding, will be made until this Plan has been accepted for filing by the Department of Law. No deposits will be accepted by Sponsor until this Plan has been accepted for filing by the Department of Law.

No Units offered in the Building are occupied by residential or tenants as of the date of submission of the Plan to the Department of Law.

## HH. SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor hereby adopts the Description of Property set forth as Exhibit 5 in Part II of the Plan and represents that it has no knowledge of any material defects or need for major repairs to the Property.

## II. RESERVATION OF AIR AND DEVELOPMENT RIGHTS

Pursuant to the terms of the Declaration, Sponsor has reserved to itself or to Sponsor's designee, their successors or assigns, all unused transferable air rights and/or Development Rights (hereinafter "Development Rights"). As against all other Unit Owners and any Mortgagee thereof, the Sponsor, its successor and assigns, shall have the exclusive right to cause any part or all Development Rights pertaining to the Property, which Sponsor is herein reserving for itself, its successors and assigns, to be conveyed, transferred or otherwise assigned to any other premises, "zoning lot," "development" or "enlargement" as those prior three (3) terms are now defined in the Zoning Resolution of the City of New York, as amended.

Based upon the approved New Building Plans for the construction of the Building, currently there are approximately zero (0) square feet of Development Rights. However, currently the use of the Development Rights by any adjoining property owner are severely limited due to the fact that the Property is located in the "Gramercy Park Historic District." Due to this fact, development by adjacent property owners is subject to Community Board review and the approval of the Landmarks Preservation Commission of the City of New York. Such review and approval requires that any development minimize the visibility of any rooftop additions in new or existing structures and therefore limits the number of stories that may be added to the adjoining properties. Additionally, if the floor area ratio for the zoning district changes in the future, such change may create excess transferable Development Rights and/or air rights at that time. Until such time that the floor area ratio for the applicable zoning district changes, it is not possible for Sponsor to represent the maximum amount of additional excess Development Rights and/or air rights that would be generated or how many stories that may be added to the adjoining properties.

Further, Sponsor has bound itself, its successors and assigns from transferring air rights and/or Development Rights, if such transfer, assignment or surrender shall make illegal the erection, existence or restoration or use of the Building at the time of the recordation of the Declaration or as will allow any part including Sponsor as the holder of Unsold Units, to build on or directly above the land and/or expand the Building.

As a result of Sponsor's reservation of Development Rights, the Building may not be expanded without the purchase of said rights from Sponsor.

The transfer of such Development Rights to adjoining premises may allow the owner of an adjoining premises to build a bigger and/or taller structure than permitted as of right under the Zoning Resolution and therefore block views of the Units being offered pursuant to the Offering Plan.

At the Closing of title to a Unit, Purchasers shall appoint the Sponsor, as their attorney-in fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, in whole or part, of the Development Rights which Sponsor has retained, for itself, its successors and assign.

# PART II

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**78 IRVING PLACE CONDOMINIUM**

**78 IRVING PLACE**

**NEW YORK, NEW YORK 10003**

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**EXHIBIT "1"**

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**PURCHASE AGREEMENT**

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# PURCHASE AGREEMENT

**Irving Place Investor LLC**

Sponsor-Seller

**TO**

_____

Purchaser

**UNIT NUMBER _____**

**78 IRVING PLACE CONDOMINIUM**
**78 IRVING PLACE**
**NEW YORK, NEW YORK 10003**

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**UNIT NUMBER(S)_____**

**78 IRVING PLACE CONDOMINIUM**
**78 IRVING PLACE**
**NEW YORK, NEW YORK 10003**

**(to be executed in quadruplicate)**

AGREEMENT, made as of _____, 20__, between Irving Place Investor LLC, a Delaware limited liability company, having an office at c/o 825 Third Avenue, 37th Floor, New York, New York 10022 ("Sponsor"), and _____, having an address at _____ ("Purchaser").

**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 78 Irving Place Condominium and all amendments thereto, if any, filed with the Department of Law of the State of New York (hereinafter, collectively, referred to as the "Plan") at least three (3) days prior to Purchaser's signing this Agreement. If Purchaser has not received the Plan and all amendments thereto at least three (3) full days prior to Purchaser's signing this Agreement, Purchaser shall have the right to rescind this Agreement within seven (7) days from the date of this Agreement. 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 Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof, as well as amendments to the Plan duly filed by Sponsor.

2. 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(s) ("Unit"), together with the percentage of undivided interest in the Common Elements of the Condominium appurtenant thereto.

3. DEFINITIONS.

Terms used herein which are also used in the Plan shall have the same meanings herein as therein unless the context otherwise requires.

4. PURCHASE PRICE.

4.1 The purchase price for the Unit (the "Purchase Price") is $_____

The Purchase Price is payable as follows:

(a) $_____ [an amount that is at least 15% of the Purchase Price unless the purchaser is a foreign government or a person with a diplomatic immunity in which event the down payment is 50%] (the "First Installment"), due upon Purchaser's signing and submitting this Agreement, by check (subject to collection), receipt of which is hereby acknowledged and, applied to the Purchase Price;

(b) A Down Payment of $_____ [an amount that with the Initial Payment equals at least twenty percent (20%) of the Purchase Price (the "Additional Payment"; the term "Payment", as used herein, refers to both the Initial Payment and, if the same has been paid at the time in question, the Additional Payment")], due on the earlier of four (4) months after the execution of this Agreement or thirty (30) days after the Plan is declared effective, by check (subject to collection). [This paragraph is inapplicable to foreign governments or persons with diplomatic immunity.] Agreements entered into after the construction of the building has been completed and the temporary certificate of occupancy issued, shall not require an Additional Payment deposit. If the Purchaser exercises the option to purchase the Unit or fails to provide notice of Purchaser's exercise of the option during the Notice Period, the Additional Payment shall be applied to the Purchase Price; and

(c) $_____, constituting the 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.

4.2 All checks shall represent United States currency and shall be drawn on or issued by a New York bank or trust company which is a member of The New York Clearing House Association, unless otherwise agreed to by Sponsor. Checks for the First Installment shall be made payable to "Holland & Knight LLP, Escrow Agent". Checks for the balance of the Purchase Price shall be made payable to the direct order of "Irving Place Investor LLC" or such other party as Sponsor may designate upon not less than two (2) days prior notice. If any check is returned for insufficient funds or any other reason, Sponsor at its option, may declare this Agreement void ab initio and of no further force and effect and may institute an action against Purchaser for the collection of the Down Payment as liquidated damages or may declare a default by Purchaser under this Agreement which shall entitle Sponsor to exercise any of the remedies set forth in Article 15 hereof.

5. 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) stated in Section 4 of this Agreement, and Purchaser understands and agrees that his or her failure to obtain such financing will not relieve him or her of his or her obligations hereunder. Purchaser further understands and agrees that if he or she chooses to finance his or her 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 his financial status or condition shall release or relieve him or her of his or her obligations pursuant to this Agreement.

6. CLOSING OF TITLE.

6.1 The closing of title shall be held at such place in the City and State of New York and on such date and hour as Sponsor may designate to Purchaser on not less than thirty (30) days' prior written notice. In the event the Purchase Agreement is executed prior to the Plan being declared effective, the Closing shall not occur until at least thirty (30) days' notice is provided after the Plan is declared effective. Notwithstanding the foregoing, Purchaser may waive such prior notice period. If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Sponsor's attorneys at closing an extra fee as set forth in the Plan. Sponsor, from time to time, may adjourn the date and hour for closing on written notice to Purchaser, which notice shall fix a new date, hour and place for the closing of title and will be given not less than two (2) business days prior to the new scheduled date and time for closing.

6.2 The closing of title shall occur only after or concurrently with the compliance with the prerequisites as set forth under "Terms of Sale" in Part I of the Plan.

6.3 The term "Closing Date" or "closing of title" or words of similar import, whenever used herein, shall mean the date designated by Sponsor on which the deed to the Unit is delivered to Purchaser, or any adjourned date fixed by Sponsor pursuant to subsection 6.1 hereof.

6.4 Sponsor has projected that, based upon currently anticipated schedules, construction of the Building will be sufficiently completed to permit closings of Units to begin on or about July 1, 2015. The actual date for the First Closing is only an estimate and is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with other prerequisites described in the Plan. Purchaser acknowledges that construction may be delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery or inability to obtain on a timely basis or otherwise materials or equipment, governmental restrictions, or other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the Units in the Building will be completed at varying times over a period that could extend well beyond the First Closing. The order in which these Units will be completed is in the discretion of the Sponsor. Purchaser acknowledges that except as otherwise expressly provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for damages or losses, in the event that the First Closing occurs substantially earlier or later than the projected date or the time to complete or to close title to the Unit is accelerated, delayed or is postponed by Sponsor, Purchaser's rights as set forth in the Plan in respect thereof being in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of hereby expressly waived by Purchaser.

## 7. DELIVERY OF THE DEED AND RESIDENTIAL UNIT POWER OF ATTORNEY.

7.1 At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenants against grantor's acts conveying title to the Unit to Purchaser. The deed shall be prepared by Sponsor in substantially 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

execute a New York City Real Property Transfer Tax return and any other forms then required by law, all of which shall be prepared by Sponsor.

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

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

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

8. MARKETABLE TITLE.

8.1 Purchaser shall order a title report within ten (10) days of receiving a fully executed Purchase Agreement and Purchaser must deliver any title objections to Sponsor's attorney at least twenty (20) days prior to the Closing or any such objections shall be deemed waived. At the closing of title, Sponsor shall convey to Purchaser fee simple title to the Unit, free and clear of all encumbrances other than those expressly agreed to or waived by Purchaser or set forth in Schedule A annexed hereto and made a part hereof. Any encumbrance to which title is not to be subject shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to Purchaser's title insurance company, together with the attendant recording or filing fee, if any, or (b) First Nationwide Title Agency LLC, having an address at 220 East 42nd Street, New York, New York 10017 (Tel: (212) 499-0100 (or such other title insurance company as Purchaser may utilize), is or would be willing, in a fee policy issued by it to the 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.

8.2 The title conveyed by Sponsor to Purchaser shall be subject only to the liens, encumbrances and title conditions set forth in Schedule A annexed hereto and made a part hereof. Any lien, encumbrance or condition to which title is not to be subject shall not be an objection to title if: (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to First American Land Title Insurance Company (or such other title or abstract company designated by Sponsor; the "Title Company"), together with the recording or filing fee; or (b) Purchaser's title insurance company will insure Purchaser, at the company's regular rates and without additional premium, that it will not be collected out of, or enforced against, the Unit; or (c) Purchaser's title insurance company is unwilling to issue the affirmative insurance described in subsection (b) at its regular rates and without additional

premium, and the Title Company would be willing to do so at its regular rates and without additional premium (as evidenced by the issuance of the same by the Title Company in connection with the closing of any other Units in the Condominium).

8.3 Sponsor shall be entitled to adjourn the closing to remove or correct and 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, then, for purposes of Article 15 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 having been requested by Purchaser.

8.4 The covenants in the deed will be solely for the personal benefit of Purchaser and will not inure to the benefit of Purchaser's successors or subrogees. In the event of a claimed breach of any covenant of the grantor contained in the deed, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor, it being agreed that the liability of Sponsor will be limited to any loss or damage not covered by such title insurance. In the event Purchaser elects not to purchase title insurance, then the liability of Sponsor shall be limited to any loss or damage which would not have been covered by the title insurance that was available to Purchaser at the closing. The terms of any marked-up title binder of any title insurance company authorized to do business in New York State issued in connection with any Unit shall be conclusive evidence of the title insurance coverage that was available to Purchaser. The provisions of this Section 8.4 shall survive the closing of title or the termination of this Agreement.

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 for the month in which title closes; and

(c) accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement, if any, covering the Unit.

9.2 If a Unit has been separately assessed but the closing of title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title. If a Unit has not been separately assessed 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.

9.3 Purchaser hereby agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such 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 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.

9.5 Any errors or omissions in computing adjustments shall be corrected and payment made to the proper party after discovery. The provisions of this subsection shall survive the Closing.

9.6 In the event that Purchaser fails to close title to the Unit on the date originally scheduled for the closing of title, postpones the closing for any reason, or is deemed at fault for not timely sending notice of a title defect as provided in Article 8 above, and title thereafter closes, then:

10. MORTGAGE TAX CREDIT. In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, it is specifically understood that such credit shall inure 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. Sponsor at Closing will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

11. CLOSING COSTS AND TRANSFER TAXES.

11.1 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 Part I of the Plan entitled "Closing Costs and Adjustments."

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

11.3 Purchaser shall pay all New York City Real Property Transfer Taxes and New York State Real Estate Transfer Taxes (and, if applicable, the so-called "mansion tax"), and any other real property transfer tax due to the City or State of New York and the cost of any stock transfer stamps. Purchaser agrees to indemnify and hold Sponsor harmless from and against any and all liabilities and expenses (including, without limitation, reasonable legal fees and disbursements) incurred by Sponsor by reason of the non-payment by Purchaser of any of

the taxes Purchaser is obligated to pay hereunder in connection with the purchase of the Unit. Purchaser's obligations to pay the taxes described in this Article and to indemnify Sponsor as herein provided shall survive the closing or the termination of this Agreement.

12. DOWN PAYMENT. The Down Payment made pursuant to this Agreement is subject to the requirements of Section 71-a(3) of the State of New York Lien Law and Sections 352-e(2)(b) and 352-h of the General Business Law of the State of New York. Any Down Payment received from Purchaser will be held in accordance with the provisions of the Subsection entitled "Escrow and Trust Fund Requirements" under the Section entitled "Procedure to Purchase" set forth in Part I of the Plan and as set forth in this section below. 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 Down Payment to Sponsor in the event Sponsor and Purchaser close title under this Agreement. Sponsor is required by law to submit a Form 1099 to the Internal Revenue Service reporting interest earned on Purchaser's Down Payment, if any. Purchaser will be taxed accordingly on such interest, whether or not Purchaser ultimately receives the interest in accordance with the terms of this paragraph.

12.1 The law firm of Holland & Knight LLP, with an address at 31 W. 52nd Street, New York, New York, telephone number (212) 513-3200, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Neither Escrow Agent nor any authorized signatories on the account are the Sponsor, Douglas Elliman, LLC ("Selling Agent"), Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

12.2 Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its courts for any cause of action arising out of the Purchase Agreement or otherwise concerning the maintenance of release of the Deposit from escrow.

12.3 The Escrow Agent has established a master escrow account at Signature Bank (the "Bank") at its branch located at 261 Madison Avenue, New York, New York, a bank authorized to do business in the State of New York. The master escrow account is entitled "Holland & Knight LLP - 78 Irving Place Condominium, Escrow Account" or similar name (the "Master Escrow Account"). All Down Payments will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) in the form set forth in Part II of the Plan or a Form W-8 (Certificate of Foreign Status) in the form set forth in Part II of the Plan, as applicable, to Sponsor or Selling Agent at the time Purchaser tenders the Down Payment and the Purchase Agreement. If a Down Payment is accompanied by a completed and signed Form W-9 or Form W8, the Down Payment will thereafter be promptly transferred to an individual interest bearing sub-escrow savings account in the name of Purchaser. The Master Escrow Account is federally insured by the FDIC at the maximum amount of $250,000.00 per deposit.

12.4 The Down Payment shall be paid by good certified check of Purchaser or official bank check or, at Sponsor's sole option, by wire transfer. All Down Payment checks must be made payable to the direct order of "Holland & Knight LLP, Escrow Agent". All checks delivered in payment of the Down Payment 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 this Purchase Agreement to be canceled and of no further force or effect.

12.5 If a Down Payment is accompanied by a completed and signed Form W-9 or Form W-8, the Down Payment will thereafter be promptly transferred to an individual interest bearing sub-escrow savings account in the name of Purchaser. The interest rate for all Down Payments transferred to an individual interest bearing sub-escrow savings account shall be the prevailing rate for such accounts, which as of December, 2014 is .20%. Interest shall begin to accrue upon placing the Down Payment into the individual interest bearing sub-escrow savings account. All interest earned thereon shall be paid to Purchaser at Closing. If a Purchaser does not deliver the Form W-9 or Form W-8, the Down Payment will remain in the non-interest bearing checking portion of the Master Escrow Account. No fees of any kind may be deducted from the Master Escrow Account or individual escrow accounts, and Sponsor shall bear all costs associated with the maintenance of the Master Escrow Account and individual escrow accounts.

12.6 Within five (5) business days after the fully executed Purchase Agreement has been tendered to Escrow Agent along with the Down Payment, the Escrow Agent shall sign the Purchase Agreement and place the Down Payment into the Master Escrow Account. Within ten (10) business days after deposit of the first portion of the Down Payment into the Master Escrow Account, Escrow Agent will notify Purchaser and Sponsor that such funds have been deposited into escrow and will provide the account number and the initial interest rate, if any. Any deposits made for upgrades, extras, or custom work shall be initially deposited into the Master Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor.

12.7 The Escrow Agent is obligated to send notice to the Purchaser once the Down Payment is placed in the Master Escrow Account. If Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the first portion of the Down Payment, Purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the Purchase Agreement and Down Payment to Escrow Agent or may apply to the Attorney General for relief. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Down Payment was timely deposited in the Master Escrow Account in accordance with the New York State Department of Law's regulations concerning Down Payments and requisite notice was timely mailed to Purchaser.

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

12.9 Under no circumstances shall Sponsor seek or accept release of the Down Payment of a defaulting Purchaser until after consummation of the Plan, as evidenced by acceptance of a post-closing amendment by the New York State Department of Law.

Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-3(2-b) and 352-h.

12.10 Escrow Agent will hold the Down Payment in escrow until otherwise directed in:

(a) pursuant to terms and conditions set forth in Article 12 of this Agreement upon closing of title to the Unit; or

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

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

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

Sponsor will not object to the release of the Down Payment to:

(a) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law; or

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

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

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

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

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

12.15 Sponsor agrees that Sponsor and its agents, including any selling agents, shall deliver the Down Payment received by them prior to closing of the Unit to a designated attorney who is a member of or employed by Escrow Agent, within two (2) business days of tender of the Down Payment by Purchaser.

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

12.17 Sponsor shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, and deliver such form to Escrow Agent together with the Down Payment and this Agreement. Failure to receive a completed and signed Form W-9 or W-8, as applicable, at the time the Escrow Agent receives the Down Payment and this Agreement, shall not prevent the consummation of this Agreement. Within five (5) days following receipt of the Form W-9 or W-8, as applicable, the Down Payment will be transferred to an individual interest bearing sub-escrow savings account in the name of Purchaser, and within ten (10) days following receipt of the Form W-9 or W-8, as applicable, Escrow Agent shall notify Purchaser of the deposit of the Down Payment into the individual interest bearing sub-escrow savings account.

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

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

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

14. AGREEMENT SUBJECT TO MORTGAGE. No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. 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, including, but not limited to, any construction or building loan mortgage, refinancing, extension or assignment of mortgage, heretofore or hereafter made 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 each Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless Purchaser voluntarily assumes such mortgage or consents to the continuation of the lien thereof. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its (their) 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 its 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.

15. DEFAULT BY PURCHASER.

15.1 The following shall constitute "Events of Default" hereunder:

(a) Purchaser's failure to pay the Second Installment, if required, when due, or the balance of the Purchase Price on the Closing Date designated by Sponsor; or

(b) Purchaser's failure to duly complete and sign before a notary public and deliver on the Closing Date the New York State and City transfer tax returns; or

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

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

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

(f) 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

(g) If a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same; or

(h) Purchaser's failure to pay any closing costs set forth in this Agreement or the Plan, on the Closing Date designated by Sponsor; or

(i) The failure to pay, perform or observe any of Purchaser's other

obligations hereunder; or

(j) the occurrence of any Events of Default under any other Agreement between Sponsor and Purchaser, or between Sponsor and any member or members of Purchaser's immediate family or between Sponsor and any parent, affiliate or subsidiary of Purchaser.

15.2 TIME IS OF THE ESSENCE with regard to Purchaser's obligations to pay the balance of the Purchase Price and to perform Purchaser's other obligations under this Agreement. If Purchaser fails to make such payment when required as herein provided or fails to perform any of Purchaser's other obligations hereunder, Sponsor shall give written notice to Purchaser of such default. If such default shall not be cured within thirty (30) days thereafter, Sponsor may, at its option, cancel this Agreement by notice of cancellation to Purchaser. If Sponsor elects to cancel this Agreement, (a) Sponsor may retain all sums deposited by Purchaser hereunder (including any amounts paid by Purchaser for additional work in the Unit), together with interest earned thereon, as liquidated damages (Sponsor's actual damages being difficult or impossible to ascertain) and, upon retaining such sum, 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 and (b) Sponsor may sell the Unit to any third party as though this Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale).

15.3 If Purchaser fails for any reason to close title to his or her Unit on the originally scheduled Closing Date (a) the closing adjustments 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 higher 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 0.04% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. 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 his Unit on the rescheduled Closing Date.

15.4 Sponsor and Purchaser each hereby agree and acknowledge that it would be impractical and/or extremely difficult to fix or establish the actual damage sustained by Sponsor as a result of a default by Purchaser hereunder, and that the Down Payment (including all interest) shall constitute and shall be deemed to be the reasonable and agreed upon liquidated damages of Sponsor in respect of the possible loss of a timely closing, the possible fluctuation of values, additional carrying costs of the Unit and other expenses that may be incurred, including, without limitation, attorneys' fees, and shall be paid by Purchaser to Sponsor as Sponsor's sole and exclusive remedy. The payment of the Down Payment (including all interest) as liquidated damages is not intended to be a forfeiture or penalty, but is intended to constitute liquidated damages to Sponsor.

15.5 NEITHER SPONSOR NOR PURCHASER SHALL CHALLENGE THE VALIDITY OF THE PROVISIONS OF THE AGREEMENT OR THE PLAN WITH RESPECT

TO LIQUIDATED DAMAGES OR ANY RIGHT OF SPONSOR SET FORTH HEREIN OR THEREIN TO RETAIN THE DOWN PAYMENT IN THE EVENT OF A PURCHASER DEFAULT. SUCH PROVISIONS HAVE BEEN AGREED TO VOLUNTARILY, AFTER NEGOTIATION, WITHOUT DURESS OR COERCION BY ANY PARTY UPON ANY OTHER PARTY, AND WITH EACH PARTY HAVING BEEN (OR HAVING HAD FULL AND ADEQUATE OPPORTUNITY TO BE) REPRESENTED AND ADVISED BY COUNSEL, ACCOUNTANTS, BROKERS, APPRAISERS AND OTHER EXPERTS AND ADVISORS OF ITS OWN CHOOSING.

16. CLOSING CONTINGENT UPON PLAN BEING DECLARED EFFECTIVE. The respective obligations of Purchaser and Sponsor hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the Plan, as same may be amended from time to time. Purchaser understands and agrees that Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter in certain limited cases set forth in the Plan (see the Section in the Plan entitled "Effective Date" for full details). Purchasers shall be required to cooperate with the NYS Department of Law, Real Estate Financing Bureau's procedures relating to the Plan being declared effective. The Plan will be abandoned or deemed abandoned if it has not been declared effective within the time limits prescribed in the Plan. Sponsor shall notify Purchaser, in writing or by a duly filed amendment to the Plan, when the Plan becomes effective or is abandoned.

17. WITHDRAWAL OR ABANDONMENT OF PLAN. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in Part I of the Plan. Provided Purchaser is not then in default under this Agreement beyond any applicable grace period, if the Plan is withdrawn or abandoned or Sponsor elects not to declare the Plan effective or if after being declared effective the Plan will not be consummated for any reason, this Agreement shall be deemed canceled and, not later than five (5) days thereafter, Sponsor shall return to Purchaser the Down Payment paid by Purchaser hereunder, together with interest earned thereon, if any, subject to Sponsor's rights to retain certain funds deposited by Purchaser for special work in the Unit, as more particularly described in the Section entitled "Effective Date" in Part I of the Plan. After the monies are so disbursed, Purchaser and Sponsor will have no claim against each other or the Selling Agent or Escrow Agent in connection with this Agreement or the Plan, and all of same will be released and discharged from all liabilities and obligations hereunder and under the Plan.

18. SPONSOR'S INABILITY TO CONVEY THE UNITS.

18.1 If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, 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, and, in such case, if Sponsor notifies Purchaser of its refusal to cure such inability 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 inability (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall, within thirty (30) days after receipt of notice

of termination from Purchaser, return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, subject to Sponsor's rights to retain certain funds deposited by Purchaser for special work in the Unit, and, 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 fifteen (15) days after the giving of Sponsor's notice of refusal 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).

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

19. FIXTURES, APPLIANCES AND PERSONAL PROPERTY. Only those fixtures, appliances and items of personal property which are described in the Description of the Property in Part II of the Plan as being part of the Unit are included in the sale of the Unit pursuant to the provisions of this Agreement. At the Closing, Sponsor shall transfer to Purchaser any assignable warranties and undertakings received by Sponsor in its possession which relate to appliances, equipment or fixtures located in the Unit.

20. ACCEPTANCE OF CONDITION OF PROPERTY. Purchaser shall accept title (without abatement in, or credit against, the Purchase Price or any provision for escrow deposits at the closing of title) notwithstanding the failure to complete construction of (a) minor details of the Unit or the Property, (b) other Units or (c) the Common Elements of the Property which do not prevent Purchaser's use of the Unit. Purchaser shall have a reasonable opportunity, upon written request of Purchaser, for Purchaser to examine the Unit and the Property, during normal business hours and in the company of Sponsor's agent prior to the Closing. Purchaser shall carefully inspect the Unit prior to the closing of title and shall execute at such time an inspection statement acknowledging Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan. However, if Purchaser finds that Sponsor's improvements have not been completed, although such improvements have been substantially completed, then Sponsor and Purchaser will agree to include on the inspection statement a list of incomplete work of a material nature to be completed in the Unit by Sponsor following the closing of title, but all such obligations to complete work in the Unit shall cease once the work has been completed. Notwithstanding the foregoing, Sponsor's obligations to perform work in any Unit shall not survive beyond one (1) year after the Closing Date. Sponsor shall have no obligation to complete any work to the Unit which is not specifically designated on the inspection statement by Purchaser, except for work necessary to cure violations and to obtain a temporary or permanent certificate of occupancy covering the Unit. Purchaser shall provide written notice that he or she wishes to inspect the Unit pursuant to this Paragraph at least ten (10) days prior to Closing and Sponsor shall respond prior to Closing. If Purchaser fails to inspect such Unit prior

to the Closing, Purchaser shall be deemed to have accepted the Unit in good condition and in accordance with the terms of the Plan. Except as expressly provided in this Agreement or the Plan, including but not limited to subparagraph (1) of the subsection entitled "Sponsor's Obligations with Respect to the Building" of the Section entitled "Rights and Obligations of Sponsor," Sponsor shall have no obligation to repair or improve the Unit, any portion of the Property, or the appliances, equipment or fixtures attached to or used in connection with the Unit or the Property.

Sponsor will not be obligated to correct, and will not be liable to any Board or Unit Owner as a result of any defects in construction, or in the installation or operation of any mechanical equipment, appliances, other equipment, finishes, materials or fixtures (including kitchen appliances and bathroom fixtures), as specifically set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor".

Notwithstanding the foregoing, prior to Closing, Sponsor will be obligated to repair abnormal scratches in plastic laminate, vitreous china, natural stone, wood, porcelain and metallic surfaces by filling or refinishing the same, but Sponsor will not be obligated to replace any such surfaces.

21. 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:

21.1 The risk of loss to the Unit by fire or other casualty is assumed by Sponsor until the earlier of closing of title or possession of the Unit by Purchaser, but without any obligation or liability by Sponsor to repair or restore the Unit. If Sponsor elects to repair or restore the Unit, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the respective Boards 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.

21.2 In the event Sponsor notifies Purchaser that it does not elect to repair or restore 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 canceled and of no further force and effect and Sponsor shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, subject to Sponsor's rights to retain certain funds deposited by Purchaser for special work in the Unit, 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 such sums deposited by Purchaser hereunder, together with any interest earned thereon, as and for liquidated damages.

22. 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, Sponsor's Counsel, Sponsor's attorneys, Escrow Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the purchase of the Unit, or any other data, except as herein or in the Plan specifically represented, Purchaser having relied solely on his 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. 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 on file in Sponsor's office and [to be] filed in the City Register's Office, is accurate or correct, and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error. The provisions of this Article 22 shall survive the closing of title or the termination of this Agreement.

23. PROHIBITION AGAINST SALES OR ADVERTISING. In order to facilitate the Sponsor's sale of the Units, prior to a Purchaser's closing of a Unit and for one (1) year after a Purchaser's closing on its Unit, a Purchaser will not be permitted, without the prior written consent of Sponsor, to sell his or her Unit(s) or list the Unit for resale with any broker or otherwise, or advertise, promote or publicize the availability of his or her Unit for sale or lease. This provision shall survive the closing of title and delivery of the Deed.

24. BROKER. Purchaser represents to Sponsor that Sponsor, Sponsor's Selling Agent and _____ are the only brokers or sales agents with whom Purchaser has dealt in connection with this transaction, and Sponsor agrees to pay the commission earned by said broker pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the aforementioned brokers, 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 reasonable legal fees. The provisions of this Article 24 shall survive the closing of title.

25. AGREEMENT MAY NOT BE ASSIGNED.

25.1 Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor. 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 be required to pay Sponsor's reasonable attorneys' fees in advance, for preparation of an assignment agreement and otherwise comply with the Section of the Plan entitled "Assignment of Purchase Agreements".

25.2 Notwithstanding the provisions of Section 25.1 above, Sponsor will not unreasonably withhold its consent to the assignment by Purchaser, on one (1) occasion only, of all the Purchaser's rights under this Agreement to a Purchaser affiliate or to member(s) of Purchaser's immediate family. For purposes of this Section 25.2 only: (i) "Purchaser affiliate" means an entity, as of the date of the assignment and at all times thereafter through and including the Closing controlled by or under common control with Purchaser; (ii) "immediate family" means Purchaser's spouse, domestic partner, children, parents, grandchildren, brothers or sisters, stepchildren and stepparents; and (iii) "control" means the ownership of fifty-one percent (51%) or more of the interests in such entity and possession of the power to direct the management and policies of such entity and distribution of its profits.

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

25.4 If Purchaser is a corporation, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the stock of Purchaser, or if Purchaser is a partnership, limited liability company or other entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any interest in such partnership, limited liability company or other entity shall, for purposes of this Agreement, be considered an assignment and shall be subject to the provisions, prohibitions and terms of this Article concerning assignment of this Agreement, except that a sale of 49% or less of the stock, or in the case of a partnership, limited liability company, trust or other entity, 49% or less than of the ownership interests, of Purchaser which does not result in a change in control of Purchaser shall not be considered an assignment. For purposes of the preceding sentence only, "control" shall mean the ownership of fifty-one percent (51%) or more of the interests in such entity and possession of the power to direct the management and policies of such entity and the distribution of its profits.

25.5 If a Purchaser desires to assign its rights under this Agreement or to take title in the name of an affiliate of, or entity related to, or controlled by Purchaser that differs from that reflected in this Agreement, or to add, delete or substitute the name of a member of the Purchaser's family, then, if such assignment, alteration, addition, deletion or substitution is permitted by Sponsor (in Sponsor's sole discretion), Purchaser shall deliver to Selling Agent or Sponsor's counsel, four (4) signed forms of assignment of this Agreement (to be prepared by Sponsor's counsel at Purchaser's expense and in form and content acceptable to Sponsor, in its sole discretion), four (4) Affidavits of Intention to Reside (the form of which is attached hereto as Schedule B) signed and notarized by the assignee, and three (3) completed and signed copies of either Form W-9 (Request for Taxpayer Identification Number and Certification), Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), or other appropriate Form W-8, as applicable, in the form required by law. Upon each assignment or other change permitted by Sponsor (it its sole discretion), the assignments, affidavits and Form W-8 or Form W-9, as applicable, must be delivered to Selling Agent or Sponsor's counsel,

together with a personal certified check, or an official bank or cashier's check, in the amount of $1,500 made payable to Holland & Knight LLP (for services rendered in connection with the assignment), not less than twenty (20) days prior to the date scheduled for the Purchaser's closing. In no event shall Purchaser or its assignee (or any added or substituted party) have any right to adjourn or postpone the closing as a result of any such change or assignment. Sponsor is not obligated to consent to any such change or assignment and, Sponsor's refusal to consent to an assignment or change in name will not entitle Purchaser to cancel this Agreement or excuse Purchaser from any of its obligations hereunder or give rise to any claim for damages against Sponsor; and the prohibition against advertising or publicizing the availability of Purchaser's Unit as set forth in Article 23 above and in the Plan will remain in effect.

26. BINDING EFFECT. This Agreement shall not be binding on Sponsor until a fully executed counterpart hereof has been delivered to Purchaser. If this Agreement is not accepted within thirty (30) days from the date hereof by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed to have been rejected and canceled and the Down Payment paid on the execution hereof shall be promptly returned to Purchaser. If Purchaser has not received the Plan and all amendments thereto at least three full (3) days prior to Purchaser's signing this Agreement, the Purchaser shall have the right to rescind this Agreement within seven (7) days from the date of this Agreement.

27. NOTICES.

27.1 Any notice, request, letter, consent or other communication hereunder or under the Plan shall be in writing and hand delivered or sent, postage prepaid, by registered or certified mail, to Purchaser at the address given at the beginning of this Agreement, and to Sponsor at the address given at the beginning of this Agreement, with a copy to Holland & Knight LLP, 31 West 52nd Street, New York, New York 10019, Attn: ., in the same manner as notice is given to Sponsor, or to such other address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, the date of hand delivery or mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself. A failure by Purchaser to acknowledge receipt of any notice, request, letter, consent or other communication hereunder shall not in any way invalidate such communication.

27.2 Sponsor hereby designates and empowers both Selling Agent and Sponsor's counsel (Holland & Knight LLP) 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.

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

29. PURCHASER'S REPRESENTATIONS.

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

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

29.3 Purchaser has taken, and shall continue to take until the closing of title, such measures as are required by applicable law to assure that the funds used to pay to Sponsor 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 5312 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 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.

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

30. WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY.

30.1 Purchaser hereby waives any and all immunity from suit or other actions or proceedings and agrees that, should Sponsor or any of its successors or assigns bring any suit, action or proceeding in New York or any other jurisdiction to enforce any obligation or liability

of Purchaser arising, directly or indirectly, out of or relating to this Agreement, no immunity from such suit, action or proceeding will be claimed by or on behalf of Purchaser.

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

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

30.4 Purchaser agrees to execute, deliver and file all such further instruments as may be necessary under the laws of the State of New York, in order to make effective the consent of Purchaser to jurisdiction of the state courts of New York and the federal courts sitting in New York and any other provisions of this Article 30.

30.5 Nothing in this Article 30 shall affect the ability of Sponsor to bring proceedings against Purchaser in the courts of any jurisdiction or jurisdictions.

30.6 The provisions of this Article 30 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.

30.7 In the event Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), such Purchaser shall hereby be deemed to have designated and hereby designates C.T. Corporation System, having its offices, at the date hereof, at 111 Eighth Avenue, New York, New York 10011 as its duly authorized and 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.

30.8 If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. 4305, Purchaser shall notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor, Sponsor shall not be bound under this Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice of received by the Department of State.

31. SECTION 1031 EXCHANGE. Sponsor hereby acknowledges that the acquisition of the Unit hereunder may be in connection with a tax deferred exchange under §1031 of the Internal Revenue Code and that Purchaser may be assigning all of its rights and obligations hereunder to a qualified intermediary as part of, and in furtherance of, such tax deferred exchange. Sponsor hereby agrees to reasonably assist and cooperate in such tax deferred exchange, provided, however, that: (i) any action taken in connection with such tax deferred exchange or requested of Sponsor shall not result in any cost, expense or liability on the part of Sponsor or increased risk to Sponsor relating to the transaction contemplated by this Agreement (and, among other things, Purchaser acknowledges that a fee shall be payable to Sponsor's Counsel in connection with the review of any documentation related to such tax-deferred exchange); (ii) no action or failure on the part of Sponsor in connection with or related to such tax deferred exchange or cooperation on the part of Sponsor in connection with or related to said tax deferred exchange will frustrate the purpose of this Agreement or otherwise result in a reduction of Sponsor's rights, remedies and privileges under this Agreement or increase any of Sponsor's obligations or duties under this Agreement or otherwise; and (iii) Sponsor shall not be obligated, as part of any tax deferred exchange, to convey any property (other than the Unit), acquire any property, or accept any form of payment in respect of the amounts due hereunder other than as set forth herein. Purchaser shall indemnify and shall hold Sponsor harmless from and against any and all costs, expenses, fees (including, without limitation, reasonable attorneys' fees) or liabilities incurred by Sponsor in connection with or resulting from the said tax deferred exchange, and such indemnity shall survive the closing of title or the termination of this Agreement. Notwithstanding the foregoing, Sponsor makes no representation and expresses no opinion with respect to the applicability of §1031 of the Internal Revenue Code to the purchase or acquisition of the Unit.

32. PERFORMANCE BY AND LIABILITY OF SPONSOR.

32.1 Other than those obligations on the part of Sponsor that have been expressly stated to survive the delivery of the deed in this Agreement, the Plan, 13 NYCRR, Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of the Plan) and General Business Law §352-e, Purchaser's acceptance of the deed for the Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of Sponsor to be performed pursuant to the provisions of this Agreement, the Plan, 13 NYCRR Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of the Plan) and General Business Law §352-e.

32.2 Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure

of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused.

33. 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.

34. COSTS OF ENFORCING AND DEFENDING AGREEMENT. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder.

35. 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.

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

37. 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. Purchaser hereby grants jurisdiction to the Supreme Court of the State of New York in New York County and the United States District Court for the Southern District of New York for all disputes relating to the Condominium including this Purchase Agreement.

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

39. ENTIRE AGREEMENT. This Agreement supersedes any and all understandings

and agreements between the parties with respect to the subject matter hereof.

40. CERTAIN REFERENCES. A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The 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.

41. 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, 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.

42. 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

43. RULE OF CONSTRUCTION. There shall be no presumption against the draftsman of this Agreement.

44. SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall bind and inure to the benefit of Purchaser and his heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

45. 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.

46. AMENDMENTS TO THE PLAN. Subject to any provision of the Plan to the contrary, if there is a substantial amendment to the Plan that materially and adversely affects Purchaser, Purchaser will have a period of fifteen (15) days from the date of presentation of said amendment within which to rescind this Agreement and, if Purchaser exercises such right of rescission, Sponsor shall return the Down Payment, together with any interest thereon, pursuant to this Agreement within thirty (30) days.

47. RECORDING. This Agreement may not be recorded.

48. COUNTERPARTS. This Agreement and any Rider(s) which may be annexed hereto may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document. A facsimile signature on this Agreement (or any such Rider(s)) shall be acceptable and be deemed binding. The party tendering such facsimile signature shall provide the other party with original counterparts of the signature page promptly after delivery of the facsimile signature page, although the failure to do so shall not invalidate the effectiveness of the facsimile signature.

49. LIS PENDENS. Purchaser waives any right to place a Lis Pendens against the Unit or the Building. In the event of the Sponsor's failure to substantially complete the Unit in accordance with the terms of the Plan and this Agreement, Purchaser's sole remedy shall be the return of Purchaser's Down Payment. The Down Payment shall only be returned if Purchaser has complied with the conditions contained in the Plan and this Agreement. Purchaser acknowledges that if Purchaser has not acted in compliance with the foregoing, Purchaser may not have the right to have the Purchaser's Down Payment refunded.

50. CERTIFICATION OF SPONSOR AND PRINCIPAL. Consistent with a recent First Department decision, the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from such principal's execution of the Certification of Sponsor and Principal, 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, 2013 N.Y. Slip Op 03574 (1st Dept. May 16, 2013).

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

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**SPONSOR:**

**Irving Place Investor LLC**

By: _____
Name:
Title:

**PURCHASER:**

_____

_____

_____
(Social Security or Federal I.D. Number)

Telephone No. _____

**ESCROW AGENT**
Accepted and agreed as to the provisions of Article 12:

HOLLAND & KNIGHT LLP

By: _____
Name:
Title:

## 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 of the Building and the Unit would show, or such other items as a personal inspection of the Property would show, provided such facts would not make title to the Unit unmarketable, except as otherwise permitted herein.

3. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the By-Laws and the Rules and Regulations, the Power of Attorney from the Grantee to the Residential Board and other parties, and the Floor Plans; as all of the same may be amended from time to time.

4. Consents by the Grantor 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. Encroachments of stoops, areas, lower level 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 between record lines of the Property and retaining walls and the like, if any.

8. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.

9. 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.

10. The lien of any unpaid assessment payable in installments (other than assessments levied by the Board), except that the Grantor 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 Grantee shall pay all assessments due from and after the Closing Date.

11. Any declaration or other instrument affecting the Property which the Grantor 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.

12. Any encumbrance as to which Kensington Vanguard National Land Services (or such other New York Board of Title Underwriters member title insurance company which insures the Grantee's title to the Unit) would be willing, in a fee policy issued by it to the Grantee, to insure the Grantee that such encumbrance (1) will not be collected out of the Unit if it is a lien or (2) will not be enforced against the Unit if it is not a lien.

13. 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 Residential Unit for residential purposes.

14. Any lease covering the Unit made from the Grantor to the Grantee.

15. State of facts found on survey made by KaBa Surveying, dated 2/20/2013 and revised 5/31/2013.

16. Party Wall Agreement recorded in Sec. 3 Liber 66 cp 54. Policy affirmatively insures that the party wall may remain undisturbed so long as it shall stand.

17. Premises or part of premises have been designated as a Landmark, Landmark Site or Historic District, by an instrument dated 10/3/1966 and recorded on 10/5/1966 in Rec. Liber 108, Page 211, and are subject to the restricted use as provided in Chapter 21 of the New York City Charter and Title 25, Chapter 3 of the New York City Administrative Code.

18. Declaration of Easement for Common Heating Plant by Renrose Associates, LLC, dated 7/25/2002, recorded 10/7/2002 in Reel 3627 Page 884.

19. Revocable Consent Agreement between Irving Place Investor LLC and the New York City Department of Transportation, dated October 6, 2014.

**EXHIBIT "2"**

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**POWER OF ATTORNEY**

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# UNIT POWER OF ATTORNEY

_____

**TO**

**THE BOARD OF 78 IRVING PLACE CONDOMINIUM**

**AND**

**IRVING PLACE INVESTOR LLC**

**78 IRVING PLACE CONDOMINIUM**

78 IRVING PLACE, NEW YORK, NEW YORK 10003

UNIT _____

COUNTY: NEW YORK

BLOCK: 874

LOT:

## UNIT POWER OF ATTORNEY

**CAUTION TO THE PRINCIPAL**: Your Power of Attorney is an important document. As the "principal," you give the person whom you choose (your "agent") authority to spend your money and sell or dispose of your property during your lifetime without telling you. You do not lose your authority to act even though you have given your agent similar authority.

When your agent exercises this authority, he or she must act according to any instructions you have provided or, where there are no specific instructions, in your best interest. "Important Information for the Agent" at the end of this document describes your agent's responsibilities.

Your agent can act on your behalf only after signing the Power of Attorney before a notary public.

You can request information from your agent at any time. If you are revoking a prior Power of Attorney by executing this Power of Attorney, you should provide written notice of the revocation to your prior agent(s) and to the financial institutions where your accounts are located.

You can revoke or terminate your Power of Attorney at any time for any reason as long as you are of sound mind. If you are no longer of sound mind, a court can remove an agent for acting improperly.

Your agent cannot make health care decisions for you. You may execute a "Health Care Proxy" to do this.

The law governing Powers of Attorney is contained in the New York General Obligations Law, Article 5, Title 15. This law is available at a law library, or online through the New York State Senate or Assembly websites, www.senate.state.ny.us or www.assembly.state.ny.us.

If there is anything about this document that you do not understand, you should ask a lawyer of your own choosing to explain it to you.

## UNIT POWER OF ATTORNEY

Terms used in this Unit Power of Attorney which are used (a) in the declaration (the "Declaration") submitted by Irving Place Investor LLC ("Declarant") establishing a plan for Condominium ownership of the premises known as 78 Irving Place Condominium and by the street number 78 Irving Place, New York, New York 10003 under Article 9-B of the Real Property Law of the State of New York, dated _____ __, 200__, and recorded in the New York County Office of the Register of The City of New York on _____, 20__, in City File Register Number _____, or (b) in the By-Laws of the Condominium (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned (the "Principal"), the owner of the Unit (the "Unit") in 78 Irving Place Condominium which is (are) designated and described as Unit No. _____ in the Declaration and also designated as Tax Lot _____, in Block 874 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department 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:

A. The board of managers of the Condominium (hereinafter collectively referred to as the "**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 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, (1)(a) following due authorization by a Majority of Unit Owners, to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign, surrender or lease the same, (b) to acquire any Unit, together with its Appurtenant Interests, from any Unit Owner who elects to surrender the same pursuant to the By-Laws, and (c) following due authorization by a Majority of Unit Owners, to acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, all on such terms and at such price or rental, as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and, after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present; (2) upon determination by the Board, to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Units, including retaining counsel and taking any other actions which the Board deems necessary or appropriate, and (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium, which the Board, deems necessary or appropriate to comply with any ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Building, (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting

the Building which the Board deems necessary or appropriate or (c) following due authorization by any affected Unit Owner(s), to the extent required in the Declaration and By-laws, any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium, any of the Common Elements, in each case that the Board deems necessary or appropriate.

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

This Unit Power of Attorney shall be irrevocable; and

B. The **Declarant**, true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, in the name of its designee (corporate or otherwise) but subject in all respects to the By-laws and the Declaration then in effect, to execute an amendment to the Declaration, By-Laws and the Rules and Regulations of the Condominium or any permits, applications or documents required to undertake, perform or complete work to the Unsold Units or Common Elements by Declarant or obtain an amended certificate of occupancy therefor, or any of said documents when such amendment (i) shall be required to reflect any changes in Unsold Units, Non-Units and/or the reapportionment of the Common Interests of the aforesaid Units resulting therefrom made by Declarant in accordance with the Declaration or (ii) shall be required by an (x) Institutional Lender designated by Declarant to make a mortgage loan secured by a mortgage on any Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Declarant to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (a) or (b) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material or physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money 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.

This Unit Power of Attorney shall be irrevocable.

Each Agent may act SEPARATELY.

This Unit Power of Attorney does not revoke any prior powers of attorney executed by the Principal.

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

PRINCIPAL signs here: =>_____

=>_____

STATE OF NEW YORK )
) ss.:
COUNTY OF NEW YORK )

On the _____ day in _____the year 20__ before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK )
) ss.:
COUNTY OF NEW YORK )

On the _____ day in _____the year 20__ before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

**IMPORTANT INFORMATION FOR THE AGENT:**

When you accept the authority granted under this Power of Attorney, a special legal relationship is created between you and the principal. This relationship imposes on you legal responsibilities that continue until you resign or the Power of Attorney is terminated or revoked.

You must:

(1) act according to any instructions from the principal, or, where there are no instructions, in the principal's best interest;

(2) avoid conflicts that would impair your ability to act in the principal's best interest;

(3) keep the principal's property separate and distinct from any assets you own or control, unless otherwise permitted by law;

(4) keep a record or all receipts, payments, and transactions conducted for the principal; and

(5) disclose your identity as an agent whenever you act for the principal by writing or printing the principal's name and signing your own name as "agent" in either of the following manner: (Principal's Name) by (Your Signature) as Agent, or (Your Signature) as Agent for (Principal's Name).

You may not use the principal's assets to benefit yourself or give major gifts to yourself or anyone else unless the principal has specifically granted you that authority in this Power of Attorney or in a Statutory Major Gifts Rider attached to this Power of Attorney. If you have that authority, you must act according to any instructions of the principal or, where there are no such instructions, in the principal's best interest. You may resign by giving written notice to the principal and to any co-agent, successor agent, monitor if one has been named in this document, or the principal's guardian if one has been appointed. If there is anything about this document or your responsibilities that you do not understand, you should seek legal advice.

Liability of agent:

The meaning of the authority given to you is defined in New York's General Obligations Law, Article 5, Title 15. If it is found that you have violated the law or acted outside the authority granted to you in the Power of Attorney, you may be liable under the law for your violation.

AGENT'S SIGNATURE AND ACKNOWLEDGMENT OF APPOINTMENT: It is not required that the principal and the agent(s) sign at the same time, nor that multiple agents sign at the same time.

I/we, _____, have read the foregoing Power of Attorney. I am/we are the person(s) identified therein as agent(s) for the principal named therein.

I/we acknowledge my/our legal responsibilities.

AGENT(s) sign(s) here:==>

**The Condominium Board of 78 Irving Place Condominium**

By: _____
Name:
Title:

STATE OF NEW YORK )
) ss.:
COUNTY OF NEW YORK )

On the _____ day in _____the year 201__ before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

I/we acknowledge my/our legal responsibilities.

AGENT(s) sign(s) here:==>

**Irving Place Investor LLC**

By: _____
Name:
Title: Authorized Representative

STATE OF NEW YORK )
) ss.:
COUNTY OF NEW YORK )

On the _____ day in _____the year 201__ before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

**SIGNATURES OF WITNESSES**:

By signing as a witness, I acknowledge that the Agent signed the Power of Attorney in my presence and the presence of the other witness, or that the Agent acknowledged to me that the Agent's signature was affixed by him or her or at his or her direction. I also acknowledge that the principal has stated that this Power of Attorney reflects his or her wishes and that he or she has signed it voluntarily. I am not named herein as a permissible recipient of major gifts.

| | |
|---|---|
| Signature of witness 1 | Signature of witness 2 |
| Date | Date |
| Print name | Print name |
| Address | Address |
| City, State, Zip code | City, State, Zip code |

**EXHIBIT "3"**

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**FORM OF UNIT DEED**

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**UNIT DEED**

THIS INDENTURE, made the ____ day of _____, 20___, between Irving Place Investor LLC, a Delaware limited liability company, having an office at c/o _____, 825 Third Avenue, 37th Floor, New York, New York 10003 (the "Grantor") and _____ (the "Grantee"), having an address at _____.

**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 (the "Unit") in the premises known as a 78 Irving Place Condominium (the "Condominium") and by the street number 78 Irving Place, Borough of Manhattan, City, County and State of New York, said Unit being designated and described as Unit No. _____ in the declaration ("Declaration") establishing a plan for condominium ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), dated _____, 20__ and recorded in the New York County Office of the Register of The City of New York (the "City Register's Office") on _____, 20__ in City Register File Number _____, and also designated as Tax Lot(s) ____ in Block ____ of Section ____ of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of said building, certified by _____, on _____, 20___, and filed in the Real Property Assessment Department of the City of New York on _____ _____ as Condominium Plan No. _____ also filed in the City Register's Office on _____, 20__, as Condominium Map No. _____. The premises within which the Unit is (are) located are more particularly described in Schedule A attached hereto and made a part hereof. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the By-Laws of the Condominium. (Said By-Laws, as the same may be amended from time to time, are hereinafter referred to as the "By-Laws".)

Together with an undivided _____ percentage 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, all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in (any of) the Unit, as though recited and stipulated at length herein.

Subject also to such other liens, agreements, covenants, easements, restrictions and other

matters as pertain to the Unit and/or to the Property as more particularly described in Schedule B attached hereto and made a part hereof.

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.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has (have) been encumbered in any way whatever, except as aforesaid.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

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

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

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

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

**GRANTOR:**

**Irving Place Investor LLC**

By: _____
Name:
Title:

_____
Grantee

_____
Grantee

STATE OF NEW YORK )
) ss.:
COUNTY OF NEW YORK )

On the _____ day in _____ the year 20_____ before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK )
) ss.:
COUNTY OF NEW YORK )

On the _____ day in _____ the year 20_____ before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK )
) ss.:
COUNTY OF NEW YORK )

On the _____ day in _____ the year 20_____ before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

## SCHEDULE B

## REFER TO PERMITTED ENCUMBRANCES SET FORTH AS SCHEDULE A TO PURCHASE AGREEMENT

## TO BE INSERTED PRIOR TO CLOSING

**EXHIBIT "4"**

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**STORAGE BIN LICENSE PURCHASE AGREEMENT**

**AND**

**STORAGE BIN LICENSE**

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**STORAGE BIN LICENSE**
**PURCHASE AGREEMENT**

This Storage Bin License Purchase Agreement (this "Agreement") is made as of _____, 20___, between Sponsor and Purchaser.

Re: Unit No. ___ ("Unit")
78 Irving Place Condominium (the "Condominium")
78 Irving Place
New York, NY 10003

1. (a) Sponsor agrees to sell and grant, and Purchaser agrees to purchase the right to use a storage bin (the "Storage Bin") for a Purchase Price of $_____. At Closing, Sponsor shall designate, in its sole discretion, the Storage Bin which will be subject to such License(s). The License to use the Storage Bin shall be prepared by Sponsor substantially in the form set forth in Part II of the Plan.

Choose (b) or (c) (*delete whichever is inapplicable*)

(b) Upon execution of this Agreement, Purchaser has delivered a check to Sponsor (subject to collection) in an amount $_____ (an amount that equals at least 10% of the Purchase Price) representing the Deposit due in connection with the purchase of the Storage Bin License.

-or-

(c) Within fifteen (15) days of receipt of notice that Sponsor has met the threshold percentages set forth in the Plan or upon closing of the Unit, whichever is earlier, Purchaser shall deliver to Sponsor a check (subject to collection) in the amount of $_____ representing the Deposit due in connection with the purchase of the Storage Bin License.

2. If there is a fire or other casualty to the area in which the Storage Bin is located and Sponsor does not elect to repair or restore such area(s) following such fire or casualty, then this Agreement shall be deemed modified to provide for the closing of title with respect to the Unit and any other unaffected License(s) only.

3. A default by Purchaser under this Agreement shall constitute a default under the Purchase Agreement for the Unit and any other default by Purchaser under the Purchase Agreement for the Unit shall constitute a default under this Agreement entitling Sponsor to those remedies as more fully described in the Purchase Agreement and the Plan. Notwithstanding an earlier closing of title with respect to the Unit, the provisions of the Purchase Agreement with respect to the delivery of the License shall survive.

4. All capitalized terms used in this Agreement not defined herein shall have the same meanings ascribed to them in the Purchase Agreement to which this Agreement is annexed or in the Plan.

5. In the event of any inconsistency between the provisions of this Agreement and those contained in the Purchase Agreement to which this Agreement is annexed, the provisions of this Agreement shall govern and be binding.

6. Except as set forth in this Agreement, all of the terms and conditions of the Purchase Agreement remain unchanged and in full force and effect.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date written herein below.

**PURCHASER(S)**:

_____
(signature)

_____
(signature)

**SPONSOR**:

**IRVING PLACE INVESTOR LLC**

By: _____
Name:
Title:

## STORAGE BIN LICENSE AGREEMENT

AGREEMENT made this ____ day of _____, 20___ (this "Agreement") by and between Irving Place Investor LLC, having an address at c/o 825 Third Avenue, 37th Floor, New York, New York 10022 ((the "Sponsor"), the Condominium Board of the 78 Irving Place Condominium (the "Board") and collectively with Sponsor, the "Licensor") and _____ having an address at _____ ("Licensee");

**WHEREAS**, the 78 Irving Place Condominium, located at 78 Irving Place, New York, New York ("Condominium"), is governed by a certain Declaration of Condominium dated _____, 20___, recorded in the New York County Office of the Register of the City of New York on _____, 20___ in Reel ___, as the same has been or may be amended from time to time (the "Declaration"), the by-laws of the Condominium, as the same has been or may be amended from time to time (the "By-Laws") and the rules and regulations of the Condominium, as the same has been or may be amended from time to time (the "Rules and Regulations") (the "Declaration", the "By-Laws" and the "Rules and Regulations" are collectively, referred to as the "Condominium Documents); and

**WHEREAS**, in the Condominium there are certain areas designated as the "storage bins", which have been installed in the Cellar for use by permitted Unit Owners; and

**WHEREAS**, Licensee, owns or simultaneously herewith is acquiring a Unit in the Condominium; and

**WHEREAS**, Licensee desires the right to the exclusive use of the Storage Bin designated as _____ (the "Storage Bin") for so long as Licensee owns a 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 the Storage Bin ("License") and Licensee hereby accepts such License from the Sponsor for a term commencing on the date hereof.

2. The Storage Bin may only be used for storage purposes, in compliance with law. No articles or material which pose a threat to the health or safety of the Units Owners or the Building, or that cause noxious odors, dirt or other sanitary problems or otherwise create a nuisance, shall be permitted to be brought into or stored in the Storage Bin. The Storage Bin cannot be owned independently of a Unit.

3. Licensee shall not (a) store any property outside of the Storage Bin or (b) allow any other person to use the License except in accordance with the terms hereof.

4. The License may be assigned by Licensee at any time provided that no outstanding money is owed to the Condominium Board and provided that the assignee: (i) is a Unit Owner at the Condominium, (ii) assumes the obligations hereunder in the form annexed hereto, and (iii) delivers notice of the assignment, in writing to the Condominium Board in compliance with their requirements. The License shall automatically terminate at such time as the Licensee no longer owns a Unit in the Condominium unless this License is assigned to and assumed by another Unit Owner. In the event this License terminates without being assigned by the Licensee, the Board shall have the right to designate the successor licensee and retain any payment made for the License.

5. Licensee represents that it accepts the Storage Bin in its condition "as is" as of the date of this Agreement. Licensee shall throughout the term of this Agreement, take good care of and maintain the Storage Bin. All repairs and replacements to the Storage Bin shall be performed by the Condominium Board and the cost and expense thereof shall be borne by the Licensee as a special assessment pursuant to the Condominium Documents.

6. Neither Sponsor nor the Condominium nor the Board nor their respective agents or employees shall be liable for any theft or damage to any property stored in the Storage Bin.

7. The terms of this Agreement 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 Agreement and the Condominium Documents shall be resolved in favor of the Condominium Documents.

8. If Licensee defaults in its obligations hereunder or under the Condominium Documents, Condominium may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of Storage Bin until Licensee cures such default or (ii) terminate this Agreement upon written notice to Licensee.

9. Licensor or its agents shall have the right (but not the obligation) to open the Storage Bin in an emergency at any time, and, at the other reasonable times upon prior notice to Licensee, to inspect and examine the Storage Bin and to make such repairs, replacements and improvements as the Condominium shall deem necessary.

10. This Agreement shall constitute a License only and shall not be construed under any circumstances to be a sale of the Storage Bin or conveyance of title thereto. In no event shall a landlord/tenant relationship exist between the Condominium or the Licensor and the Licensee with respect to this Agreement.

11. Licensee shall indemnify and hold the Condominium, the Sponsor of the Condominium, the Condominium Board, and their officers, agents and employees, harmless from and against any and all liabilities, claims, penalties, and judgments, together with any related costs and expenses, including reasonable legal fees, asserted against or sustained by any of them in connection with any act, omission, or negligence of Licensee or Licensee's family, servants, employees, agents, guests and invitees in connection with the License.

12. Licensee shall be obligated to reimburse the Condominium and the Licensor for any legal fees and disbursements incurred by the Condominium or the Licensor in defending the rights of the Condominium or Licensor under this Agreement, or, in the event Licensee defaults under this Agreement beyond any applicable grace period, enforcing Licensee's obligations hereunder.

13. Neither this Agreement 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.

14. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Agreement, which alone fully and completely express their agreement and that this Agreement supersedes any and all such understandings and agreements with respect to the subject matter hereof.

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

16. Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to conform or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

17. Any failure by the Licensor to insist upon strict performance by Licensee of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and the 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 Agreement to be performed by Licensee.

**IN WITNESS WHEREOF**, the undersigned have executed this Agreement as of the day and year first above written.

**LICENSOR:**

**IRVING PLACE INVESTOR LLC, SPONSOR**

By:_____
Name:
Title:

**LICENSEE:**

_____

**78 IRVING PLACE CONDOMINIUM**

**BY: CONDOMINIUM BOARD**

By:_____

# EXHIBIT "5"

## DESCRIPTION OF PROPERTY

**Condominium Offering Plan Report for**

# 78 Irving Place Condominium

**78 Irving Place**

**New York, New York 10003**

**Sponsor**

Irving Place Investor LLC

825 3rd Ave., 37th Floor

New York, NY 10022

**Architect**

PKSB Architects, P.C.

330 West 42nd Street, 11th Floor

New York, New York 10036

**Structural Engineer**

Robert Silman Associates

32 Old Slip, 10th Floor

New York, New York 10005

**Mechanical Engineer**

MG Engineering D.P.C.

116 West 32nd Street

New York, New York 10001

**Specifications**

Robert Schwartz & Associates

333 W. 39th Street

New York, NY 10018

APRIL 13, 2015



## DESCRIPTION OF PROPERTY AND SPECIFICATIONS

### Location & Use of Property

| | |
|---|---|
| Location/Address: | 78 Irving Place & 124 East 19th Street |
| Block & Lot number: | Block 874, Lot 60 |
| Zoning: | Zoning Map 12-C; Zoning District: R8B; Special District: LH-1 |
| Permissible Use: | Use Groups 1-4 (residential and community facilities) |

### Status of Construction

| | |
|---|---|
| Year Built: | 1900 and 1916 |
| Class of Construction: | Multiple Dwelling: Old Law Tenement; Non-Fireproof, Class A |
| Final Certificate of Occupancy: | A final certificate of occupancy will be issued upon completion of the work for a total of 7 residential units, building support space in the cellar, and an occupiable roof deck at the roof level. |
| New Building: | No |
| Alteration: | The work is an alteration of an existing 7-story plus cellar and roof bulkheads structure and an existing 1-story plus cellar structure on the same zoning lot to construct 7 new dwelling units. |
| Description of Work: | The work includes but is not limited to: interior and minor exterior demolition, installation of new mechanical, plumbing and electrical systems and equipment, installation of new structural elements, new floor systems, new roof systems and guardrails, installation of new roof decking, and new unit storage spaces in the basement. The work includes the interior construction of seven (7) new dwelling units. |
| Special Conditions: | The building exceeds current zoning allowances for height, bulk and floor area.<br>Dwelling Units 1A and 1B each include non-dwelling areas located in the cellar that are accessory to the individual unit's residential floor area located on the ground or first floor. The use is permitted by New York City Department of Buildings (DOB) Buildings Bulletin 2012-008, based upon a decision by the NYC Board of Standards and Appeals BSA Cal. No. 14-11-A that affirmed the DOB's interpretation of the NYC Zoning Resolution definition of accessory uses found in Section 12-10. |

### Site

| | |
|---|---|
| Size: | 16,083 Square Feet Zoning Floor Area |
| Number of Buildings: | Existing: two; proposed: one |
| Use: | Current: Residential, Proposed: Residential |
| Streets: | No streets are owned or maintained as part of the property. The following streets that border the property are owned and maintained by the City of New York: North: East 19th Street; West: Irving Place. |

| | |
|---|---|
| Sidewalk Vaults: | There are two existing vaults within the public right of way beneath the existing landmark element entrance stoop. The vaults measure approximately 4'-2" from the property line into the right of way and are approximately 13 feet wide in total. The vaults provide utility access points into the building. The floor will be concrete slab on grade; the walls are brick masonry and stone rubble, and the ceiling is the underside of the stone steps and landing of the entrance stoop. The condominium owners are responsible for maintaining the landmark element entrance stoop and the vaults. |

## Drives, Sidewalks and Ramps

| | |
|---|---|
| Paving: | The sidewalks along the property are owned by the City of New York. Sidewalk paving is relatively new and in good condition. Any damage to paving during the construction process will be repaired to comply with ADA and NYC DOT standards by the construction manager after construction is complete. The sidewalk providing access to the building shall be free of tripping hazards and ponding, and the condominium shall be responsible for maintaining the sidewalks per the requirements of NYC DOT or AHJ. The sidewalks and any ramps are sloped so as to drain water away from the building foundation. |
| Curbs: | Stone. Existing curbs and/or curb cuts around the property are in fair condition and shall be maintained per the requirements of NYC DOT and LPC. Curbs and curb cuts shall be ADA-compliant if repair or replacement is required. |
| Catch Basins, Drainage: | There are no existing catch basins at the curb parallel to the property. There are existing area drains located in each of the existing areaways. One areaway and associated drain on Irving Place will be removed and the remaining will be replaced. The existing drainage system includes both sanitary and storm drains. There are two (2) existing building sewer drains connecting to the combined street sewer main in 19th Street. One serves 78 Irving Place and the other serves 124 E. 19th Street. The 124 E. 19th Street drain will be disconnected. |
| Street Lighting: | There is an existing street light pole located on Irving Place south of the corner at E 19th Street and it is maintained by the City of New York. |
| Conformance to Local Codes: | The project is located in an existing building, and has been permitted based on conformance to the NYC 1968 building code, and existing conditions related to a continued residential use. |
| Special Conditions: | The property is located within the New York City designated Gramercy Park Historic District and contains Landmark Elements that fall within the city-owned sidewalks (i.e.: brass grills and railings, building entry and canopy, areaways and their curbs, and stone curbs at the sidewalks). These elements shall be maintained by the condo board or unit owners in accordance with the condominium documents. Any proposed modification of the areaways, sidewalks or curbs shall be submitted for review to New York City Landmarks Preservation Commission, Department of Transportation and/or Department of Buildings. |

## Utilities

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| Electricity: | Electricity is currently provided to the building by the Consolidated Edison Company of New York. The existing service will be replaced and a new service will be provided with a point of entry on Irving Place. Each residential unit will be individually metered by Con Edison. The electricity consumed by the building's residential common elements such as the residential lobby, residential storage areas, sump and ejector pumps, corridor air handling unit, toilet exhaust and kitchen exhaust fans, water heater, elevator and common area lighting will be separately metered and included in Condominium Common Charges. All metering equipment is located in the cellar of the building. A summary of the electrical metering is follows: One (1) Con Ed direct meter for the building house load; One (1) Con Ed direct meter for the cable television service; Each apartment, total of seven (7), provided with a direct Con Ed meter. |
| Gas: | Two (2) Con Edison gas services will be provided to serve the building. Both services will be connected to the low pressure gas main on E 19th Street.<br>One (1) existing three-inch (3") gas service will remain.<br>One (1) new three-inch (3") dedicated gas service will be provided for the emergency generator.<br>Gas service to the building will be levied on the basis of the gas meters to the individual apartments and included in the Common Condominium Charges. |
| Water: | Domestic water will be supplied via a new 4" combined (domestic/sprinkler) ductile iron water service from the New York City public water system street main in East 19th Street. Water service to the building will be levied on the basis of the master city water meter and included in the Common Condominium Charges. |
| Sewer: | There is an existing 8" combined sanitary and storm house sewer exiting the building into the NYC DEP combined storm/sewer sewer main in East 19th Street. Sewer service from the building (including residential units and common areas) will be levied on the basis of the master city water meter and included in the Condominium Common Charges. |
| Telephone: | Telephone service will be available to all unit owners through Time Warner Cable or Verizon FiOS service. Each unit owner may subscribe and pay for service directly to either Provider. |

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| Cable Television and Internet: | Cable television service will be available to all unit owners through Time Warner Cable or Verizon FiOS. Each unit owner may subscribe and pay for cable directly to either Provider. Any Internet service connection from the telephone or cable company will be billed in the same manner. Each unit will be prewired for service. |

**Sub-Soil Conditions**

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| Uneven or Settling Conditions: | Per the geotechnical report by Langan Engineering Dec. 30, 2013, allowable soil bearing capacity is expected to be 8 tons per square foot. No evidence of ground water or seepage has been observed at the cellar, and although there are some cracks visible in masonry above the ground floor, evidence of foundation settlement has not been observed at the site. |
| Evidence of Moisture, Seepage: | No evidence of ground water or seepage has been observed. |
| Danger from flooding: | None |
| FEMA Flood Zone: | Not in a flood zone; less than 1%ACF (annual chance of flooding), per FEMA designation |
| Water Table: | Test pits approximately 3-4 feet below cellar slab did not reveal any ground water. |

**Landscaping(Ground Floor)**

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| | None |
| Plants: | None |
| Trees: | There are four existing tree pits and deciduous street trees: three on East 19th Street: 12 inch, 13 inch and 10 inch diameter; and one on Irving Place: 8 inch diameter. Two trees (12 inch and 10 inch) have been removed as permitted by NYC Department of Parks and Recreation (DPR) and will be replaced as required by DPR guidelines . Existing street trees are to be protected during construction and replaced, if damaged, according to NYC Department of Parks and Recreation guidelines; No additional street trees are required as part of this construction work. |
| Fencing: | There are existing, Landmarked Element, painted brass railings mounted on stone curbs around the areaways on East 19th Street and Irving Place, within the city-owned sidewalk. One railing on Irving Place will be removed, and one on East 19th Street will be modified using the existing and new building elements. All shall be restored according to New York City Landmarks Preservation Commission Certificate of Appropriateness approval. All shall be maintained by the condo board or unit owners in accordance with the condominium documents and the standards of the NYC LPC and DOB. The railings are in fair condition. |
| Gates: | There is an existing, Landmarked Element, approximately five foot wide, double leaf painted wrought-iron gate located between the one-story and seven-story wings at the entrance to Unit 1B, set back from the property line. It shall be repaired and refurbished according to the Landmarks Preservation Commission Certificate of Appropriateness (NYC LPC) approval. It shall be maintained by the condo board or unit owners in accordance with the condominium documents and the standards of the NYC LPC and New York City Department of Buildings. The gate is in fair condition. |
| Garden Walls: | None. |

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| Retaining Walls: | There are four existing areaways. The existing retaining walls are in fair condition and will remain in place. One areaway on Irving Place will be filled in with clean back fill per NYC DOT standards, and one areaway on E 19th Street will be modified as follows: an existing retaining wall measuring approximately 29 feet, located approximately 3'-6" from the property line will be removed and replaced by a new retaining wall located approximately 4'-0" from the property line in the public right of way pusuant to NYC DOT approval 5048 (areaway) dated August 12, 2014 . The new retaining wall will be constructed of poured in place concrete, approximately 1 foot thick with waterproofing applied to the outer face of the wall. |
| Display Pools, Fountains: | None |

**Building Size**

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| Total Height: | Approximately 76 feet - 8-1/2 inches |
| Crawl Spaces: | None |
| Number of Floors (by code): | Eight, including Cellar |
| Number of Floors above Grade: | Seven |
| Equipment Rooms: | Cellar: Gas Meter Room, Water Service Room, Mechanical Equipment Room, ATS Room for Emergency Generator, IT Closet, Electrical Service Closet. Roof: Mechanical Equpment Room, Elevator Machine Room. |
| Parapet Heights: | Parapet wall heights vary from 1'6" to 2'6". The existing parapet is provided by the existing metal cornice. The cornice is to be retained and restored. A new guard rail will be installed at the roof to provide NYC code-compliant protection (described below). |
| Guardrail Heights: | There will be a new galvanized metal pipe guardrail, 3'-6" high, around the perimeter of the roof area surrounding the mechanical equipment. There will be a new glass and stainless steel guardrail, 3'-6" high, around the perimeter of the roof area at the occupiable area for the penthouse unit. |

**Structural System**

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| Foundation: | Existing foundations consist of concrete wall footings at the perimeter walls and at a central bearing line. Portions of the central bearing line footings will be replaced with individual spread footings. A new elevator pit will also be installed, and the existing adjacent building will be underpinned at this location. Beyond these modifications, the general load path of the building is remaining generally constant from a foundation perspective. |
| Structures: | The building structure consists of north & south masonry bearing walls with an interior bearing line. The original interior bearing line was composed of timber bearing walls. It will be replaced by a system of steel posts & beams. The masonry walls also resist lateral loads imposed on the building. |

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| Sound Insulation | A new floor and ceiling will be installed to include a new wood floor at living areas and tile at bath areas, an acoustical membrane above the sub-floor, acoustical insulation between the wood joists, acoustical spring isolators and metal furring channels below the wood joists and a double-layer of gypsum wall board ceiling. The assembly is to achieve at least a minimum STC and IIC rating of 50. |

## Exterior of Building

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| Exterior Walls: | The existing building exterior walls are 12" to 16" brick masonry bearing walls. Infill of existing opening in existing exterior walls will be masonry to match the existing. New exterior walls south wall of the new connector between the 1-story and 7-story wings will be steels studs with exterior sheathing and exterior stucco. |
| Type of Construction: | Multiple Dwelling, Old Law Tenement, Non-fireproof, Class A |
| Vapor Barrier: | None. See insulation below. |
| Insulation: | New interior closed cell spray Insulation will be provided at all existing exterior walls in renovated areas with 1/2 inch moisture resistant gypsum wallboard or cementitious tile backer board. The exterior wall at renovated areas will have an R value = 11.81 or greater, a U value of 0.08. New exterior walls will have thermal batt insulation with an R value = 19. |
| Local Law 10: | Façade, elevator and boiler inspections are required to be performed on a cyclical basis. Facade inspections are to occur every 5 years and submitted to the NYC Department of Buildings for buildings six stories or greater. Cycle 7 has recently been completed in 2013. Cycle 8 inspections will be due in 2015-2018. The condominium board will be responsible for commissioning facade inspections within the cycle required by NYC DOB. |
| Local Law 11: | Façade, elevator and boiler inspections are required to be performed on a cyclical basis. Facade inspections are to occur every 5 years and submitted to the NYC Department of Buildings for buildings six stories or greater. Cycle 7 has recently been completed in 2013. Cycle 8 inspections will be due in 2015-2018. The condominium board will be responsible for commissioning facade inspections within the cycle required by NYC DOB. |
| Energy Conservation Code: | The building is exempt from the New York State Energy Code as a contributing building listed on the State and National Register. |

## Windows

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| Types & Locations: | New wood one-over-one double hung thermally broken windows will be installed in all existing window openings of the seven-story building and the E 19th Street facade of the one-story building. No window screens will be provided. Window guards must be installed by the unit owner pursuant to NYC Local Law 57 of 2011 and concominium documents if required. |
| Flashing: | Stainless Steel Flashing |
| Caulking: | Non-Sag Exterior wall sealant. |
| Glazing: | 1" Insulated Glazing Unit |
| Lintels: | Hung and Loose Steel Lintels |
| Sills: | Existing limestone to remain at the 7-story wing; new wood sills at the East 19th Street window openings at the 1-story wing. |
| Finish: | Factory Applied Painted Finish at exterior |

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| Hardware: | By window manufacturer. |
| Warranty: | By window manufacturer. There is a 10-year warranty on the general window product and a 20-year warranty on the glass seal. |
| Lot Line Windows: | There are two (2) existing lot line window openings on the south façade of the one-story building in Unit 1B that will be modified. New wood sash, fixed insulated glass windows will be installed in modified openings with sprinkler protection. |

**Landmark Status**

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| | 78 Irving Place and 124 East 19th Street Building is located within a New York City Historic District (Gramercy Park), and is listed on the State and National Registers of Historic Places. |
| Consequences: | All work on the building and individual units, both interior and exterior, other than routine maintenance, requires review and approval by the New York City Landmarks Preservation Commission under current regulations. These reviews and approvals must be obtained prior to issuance of permits for construction. As a National Historic Landmark, the building is currently exempt from providing the calculations required to comply with Energy Code. Best practices are still employed in selecting light fixtures, energy efficient appliances, building insulation, and insulated glass. The NYC Department of Buildings should be consulted for any changes in regulations. |

**Parapets & Coping**

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| Materials: | The one-story portion and south wall are existing clay tile copings to remain. They are in fair condition. The seven-story west, north and east parapets are masonry walls clad with a copper metal cornice that will remain in place. The cornice is in fair condition. |
| Method of Attachment: | The existing clay tiles are anchored in a mortar bed to be repaired as necessary. The existing cornice will have a new anchor system of new steel upright supports anchored to new steel roof beams. |
| Indication of Problems: | All parapets are being restored. |

**Chimneys, Flues & Caps**

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| Number of Flues: | Two (2) new flues will be provided. An individual flue will be provided for each of the two gas fired domestic water heaters located in the roof mechanical room. |
| Materials: | Double wall factory fabricated stainless steel inner wall. |
| Boilers: | None |
| Incinerators: | None |
| Compactors: | None |
| Fireplaces: | Seven ventless fireplaces will be provided: two in Unit 1B; one each in Units 2-5, and one in Unit 6. |
| Decorative: | None |
| Conditions: | None |
| Locations: | Flues terminate above the roof level of the rooftop mechanical room. |

**Balconies & Terraces**

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| Deck/Finish Material: | Stone pavers on adjustable pedestal system. |
| Balustrade Types and Materials: | None |

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| Railings Material: | There will be a new galvanized metal pipe guardrail, 3'-6" high, around the perimeter of the roof area surrounding the mechanical equipment. There will be a new glass and stainless steel guardrail, 3'-6" high, around the perimeter of the roof area at the occupiable area for the penthouse unit. |
| Coping Materials: | N/A |
| Soffits Materials: | None |
| Awnings: | None |
| Door Types & Materials: | See stair bulkhead at roof. |

**Exterior Entrances**

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| Exterior Doors & Frames | Existing building entrance doors and sidelights are brass over wood framing with clear glass. The framing and brass will be repaired and restored, and new glass lights will be installed. A new glass and metal door and sidelight will be installed at the sidewalk entrance to unit 1A. |
| Vestibule Doors & Frames | New vestibule door and sidelights to be installed at the main entrance. |
| Exterior Stairs | Entrance stairs are existing granite to remain. They are in fair condition. |
| Railings | Existing granite walls are to remain. They are in fair condition. |
| Mail Boxes | New painted aluminum USPS approved mailboxes will be installed at the elevator vestibule in the building lobby. |
| Lighting | Two new exterior wall-mounted light fixtures that accept medium base bulbs (fluorescent or LED) will be installed at the exterior outside the entrance doors. They will be mounted through existing openings at locations for historic fixtures. |
| Drainage | A new drain is to be provided between the propoerty line and Landmark Element gate at entrance to Unit 1B. Cellar entry area drains will be provided. |
| ADA Compliance | The existing building entrance is not ADA compliant. It is a contributing landmark feature on a structure listed as contributing within the Gramercy Park Historic District listed on the National Register of Historic Places. There is one new sidewalk level entrance: Unit 1B has an ADA adaptable entrance. |

**Service Entrances**

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| Doors & Frames: | New painted metal doors in metal frames. |
| Gates: | New brass gate at modified areaway to provide for egress from new cellar door. |
| Exterior Stairs: | New open galvanized steel grating with metal railings. |
| Railings: | Existing brass railings to be restored. |

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| **Roof & Roof Structures** | A new roof and drainage system will be installed. See descriptions below. |
| Roof Types: | A flat roof sloped to drain at the 1-story and 7-story wings. |
| Roof Material: | At the 7-story wing: a new IRMA (inverted roof membrane assembly) will be installed. At the 1-story wing: a modified bituminous membrane system cold applied adhesive over wood deck. |
| Surface Finish: | At the 7-story wing mechanical areas: ballast gravel; at terrace areas: pavers on an adjustable pedestal system. At the 1-story wing roof area: modifed asphalt sheathing with a granular surface. |

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| Insulation: | At the 7-story wing: Installed as part of the roof system above the membrane. At the 1-story wing: installed below the wood deck. The insulating material is to be extruded polystyrene, R5 per inch, 4 inches thick, total R-value = 20. |
| Bond or Guarantee: | A two year warranty is provided by the installer. |
| Warranty: | 20-year material and labor warranty with no monetary limit by Sika when installed per Sika specifications and upon successful completion and acceptance by Sika. |
| Flashing Materials: | Stainless steel. |
| Compliance with Energy Code: | 78 Irving Place and 124 East 19th Street building is listed on the State and National Registers of Historic Places and the building and spaces are exempt from the NYS and NYC Energy Codes. |

### Skylights

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| Locations & Sizes: | Two new metal and glass skylights at one-story wing: 17 feet by 4 feet approximately and 11 feet by 5 feet-6 inches. Two existing skylights at stair bulkhead and elevator bulhead. |
| Materials: | Steel frame with clear tempered insulating glass at new skyilghts. Steel frame, wire glass in existing skylights. |
| Types: | Fixed lights at new skylights. Fixed lights and operable section for code required ventilation at elevator and stair bulkhead skylights. |
| Conditions: | No leakage or other deficiencies observed. |

### Bulkheads

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| Stairs: | There is one existing stair bulkhead at the roof level constructed of masonry walls to remain. Condition is fair. |
| Elevator: | New steel studs with exterior sheathing, waterproof membrane, exterior insulating (R15) finish system with integral color. |
| Other: | New mechanical bulkheads are to be steel studs with exterior sheathing, waterproof membrance, exterior insulating finishing system with integral color. |

### Metal Work at Roof Levels

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| Exterior Metal Stairs: | None |
| Railings: | There will be a new galvanized metal pipe guardrail, 3'-6" high, around the perimeter of the roof area surrounding the mechanical equipment. There will be a new glass and stainless steel guardrail, 3'-6" high, around the perimeter of the roof area at the occupiable area for the penthouse unit. A six-foot wide clear zone along the full length of East 19th Street and Irving Place frontages will be provided to allow for required Fire Department of New York (FDNY) access. The zone must remain clear of obstructions at all times. |
| Vertical Ladders: | Yes. Galvanized steel to elevator service door. |
| Hatches: | None |
| Other: | Galvanized steel dunnage for rooftop mechanical equipment |

### Rooftop Facilities

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| Mechanical Areas: | Main Roof: Mechanical equipment will be located on the eastern area of the roof. First Floor Roof: Mechanical equipment will be located on roof. |
| Mechanical Rooms: | A roof level mechanical room will contain the domestic water heaters and accessories and exhaust fans. |

## Fire Escapes

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| Locations: | There is one existing fire escape on the East 19th Street façade that provides a second means of emergency egress from floors 2-7. |
| Floors Covered: | Floors 2-7 |
| Drop Ladder: | Provided. |
| Type: | Retractable drop ladders |
| Material: | Painted wrought iron. All fire escapes are to be restored by the Sponsor. |
| Maintenance: | Subsequent maintenance/painting of fire escapes is the responsibility of the condominium unit owners. |

## Yards & Courts

There are two lot line inner courts located on the south lot line.

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| Paving Material: | Concrete |
| Drainage type & material: | Existing metal floor drains to be replaced. |
| Railings material: | None |
| Stairs material: | None |
| Fencing type: | None |
| Wall type: | Existing masonry walls to remain. |
| Wall material: | Existing masonry walls to remain. |
| Access: | One inner court is accessible from a door at the cellar level; the other inner court is accessible from a double-hung window at the cellar level. |

## Interior Stairs

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| Location: | There are two interior egress stairs: one new stair from the cellar to grade, and one existing from ground to roof. |
| Enclosure: | New Stair: 2 hour rated gypsum wall board on metal studs; Existing Stair: Masonry walls with plaster coating. |
| Stair Construction: | New Stair: Steel pan with concrete fill; Existing Stair: Cast iron. |
| Stringers: | New Stair: Steel; Existing Stair: Cast iron. |
| Treads: | New Stair: Concrete fill; Existing Stair: Marble. |
| Risers: | New Stair: Steel; Existing Stair: Cast iron. |
| Hand and Guard Rails: | New Stair: painted Steel; Existing Stair: cast iron. |
| Balustrades: | New Stair: None; Existing Stair: cast iron. |

## Interior Doors & Frames

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| Unit Entrances & Frames: | Metal door at elevator entrance. Hollow metal 90 minute fire protected self closing door rated 90 minutes, provided in addition to rated elevator hoistway door. |
| Unit Interior Doors and Frames: | Wood doors and frames. |
| Corridor Doors and Frames: | Metal doors and frames. Hollow metal 90 minute fire protected self closing door rated 90 minutes to meet code requirements. |
| Roof Doors: | Metal doors and frames. Hollow metal 90 minute fire protected self closing door rated 90 minutes meets code requirements. |
| Cellar Doors and Frames: | Metal doors and frames. Hollow metal 90 minute fire protected self closing door rated 90 minutes meets code requirements. |

## Elevators

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| Service Elevators: | None |

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| Passenger Elevators: | Yes. One new geared traction elevator to serve floors cellar through seven. |
| Manufacturer: | Hollister Whitney #54 / 1:1, New, 2500 LBS., |
| Type of Operation: | Simplex |
| Automatic (type of controls): | VVVF-AC Motor Control. Controller, door hanger/door contact, and door opertator by GAL. |
| Doors: | 42 inch single speed "LH" opening sliding cab doors and hoistway doors. The hoistway doors are rated 90 minutes fire protected (an additional zero-clearance swing door is provided at Unit Entries 2-6/7). |
| AC Motor Generator Set: | 25 HP by Imperial |
| Other: | n/a |
| Unit Elevators: | None |
| Chair Lifts: | None. |
| Maintenance Contract: | A 3-year service and maintenance contract will be provided by the Sponsor. |

### Elevator Cabs

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| Service Elevators: | N/A |
| Passenger Elevators: | New wood panel cab with stone floor and ceiling lighting fixtures. |
| Manufacturer: | 14 gauge galvanized steel shell by Velis Associates, Inc. Custom wood millwork interior. |
| Floor: | Stone floor, metal saddle |
| Ceiling: | Metal panel |
| Lighting: | LED cove perimeter lighting and recessed downlight |
| Alarm/Safety System: | Elevator recall tied into building fire alarm system. Mini dome type camera at cab ceiling tied into building security system. Access control to individual floors with key fob. |
| Unit Elevators: | N/A |

### Auxiliary Facilities

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| Laundry Rooms: | None |
| Clothes Washers: | None |
| Clothes Dryers: | None |
| Room Ventilation: | N/A |
| Dryer Ventilation: | N/A |

### Refuse Disposal

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| Incinerators: | None |
| Compactors: | None |
| Approvals: | N/A |
| Initial Storage Location: | A garbage chute is provided with access at each floor to convey trash to the storage and recycling room at the cellar level. |
| Ultimate Storage Location: | A garbage and recycling storage room will be provided at the cellar level. The room will be cooled and the door provided with gaskets. |
| Pick-up Schedule & Provider: | NYC Department of Sanitation will pick up residential garbage and recycling |

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| **Fire Protection** | None |
| Stand-pipes: | None |
| Hose Racks & Nozzles: | None |
| Sprinklers: | Sprinklers are provided in the cellar refuse room, refuse chute, open stairwells between the cellar and first floor and at lot line windows. |
| Fire Pump: | None |
| Fire Water Service: | Combined with domestic water service. |
| Siamese Connections: | None |
| **Water Storage Tanks** | None |
| Number: | N/A |
| Type: | N/A |
| Location: | N/A |
| Material: | N/A |
| Access: | N/A |
| Capacity: | N/A |
| Fire Reserve Capacity: | N/A |
| **Plumbing & Drainage:** | |
| Shut-off Valve: | The shut-off valve is located in the Water Service Room at the Cellar Floor. |
| Hot & Cold Water Piping: | Piping is insulated throughout the building. |
| **Water Pressure** | |
| Booster Pump: | Domestic water pressure in the building is maintained by a Duplex booster pump (DWP-1 and 2) equal to or better than ~~similar to~~ American Marsh Model No. Neptune Series 1000-VDC-4000 with 35 gallon hydro-pneumatic tank and capacity of 55GPM at 56.27 psi. |
| City/Water Main Pressure: | 12" water main at 47 PSI static and 46 PSI residual. |
| Other: | None |
| **Sanitary Sewage System** | |
| Sewage Piping Materials: | Cast iron. |
| Sewage Ejector Pump: | Duplex ejector pump (SE-1) equal or better than American Marsh Model no. SSE-3V-T2-20 with a capacity of 25GPM at 25 feet. |
| Sewage Disposal: | Combined Municipal Sewer |
| **Storm Drainage System** | |
| Catch basins locations: | None indicated on existing survey. |
| Yard and roof drains locations: | New roof, cellar entry, Unit 1B entry and areaway drains to be provided. |
| Piping Materials: | Cast iron. |

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| Sump Pumps: | An elevator pit sump pump (SU-2) equal or better than LPI Controls, Inc. Simplex Model SSE-3V-S2-20 with a capacity of 85GPM at 25 feet will be provided at the base of the elevator pit and will discharge to the cellar sanitary line. |
| Drains: | New roof drains at the main and first floor roof levels, and cellar entry, Unit 1B entry and areaway drains will be provided. |
| Gutters & Leaders: | New leaders will be provided from roof drains to new storm house trap. |

## Heating

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| Is heating & domestic hot water capable of providing peak services? | The domestic hot water requirements will be provided by a duplex gas fired heater equal or better than EVO Model HWD299 with input rating of 300,000 Btu/Hr with output capacity of 291,000 Btu/Hr. Manufacturer provides a 10-year limited warranty. |
| Describe heating system ability to maintain legally required temperatures under anticipated weather conditions: | The building residential heating system is a Variable Refrigerant Flow (VRF) System utilizing the rejected heat of the refrigerant cycle to heat the residential spaces to 70 degrees F based on an outdoor design temperature of 11 degrees F. System equipment and components will be equal to or better than LG Corp. |
| Interior Temperature used in calculations: | 70 degrees F |
| Ambient Temperature used in calculations: | 11 degrees F |
| Number of boilers and manufacturers: | None |
| Burners: | N/A |
| Type of Controls: | N/A |
| Radiators: | N/A |
| Piping: | N/A |
| Insulation: | N/A |
| Valves: | N/A |
| Pumps: | N/A |
| Fuel Type and Grade: | N/A |
| Cellar/Lobby | A heating and ventilating unit (HV-1) equal or better than Trane Corp. Model No. BCVO36E1 with a capacity of 700 CFM and 10KW electric heating coil will heat and ventilate the cellar spaces and lobby outside air. |
| Radiant floors heating: | Each master bath will be provided with a thermostatically controlled electric radiant floor mat equal or better than Nuheat unit specified on plans. |
| Unit Heaters | Miscellaneous electric unit heaters equal or better than: EUH-1, Qmark Model AWH45083, 4800 watt capacity and EUH-2, Qmark Model QCJ-1151, 1500 watt capacity will be provided in residential bathrooms, building entries and stairwells. The first floor Apartment 1B entrywill be provided with two (2) 1500 watt unit heaters equal to or better than Qmark Model FDI-1500 . |

## Gas Supply

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| Type, Piping & Meters: | Two (2) Con Edison gas servies will be provided to serve the building. Both services will be connected to the low pressure gas main on East 19th Street.<br>One (1) existing three-inch (3") gas service will remain.<br>One (1) new three-inch (3") dedicated gas service will be provided for the emergency generator.<br>Gas service to the building will be levied to individual units on the basis of the gas meters and included in the Common Condominium Charges.<br>The existing three-inch (3") gas service will be connected to two (2) Con Edison service meters in the cellar gas meter room. One meter will meter the gas consumed for cooking in all Units, for clothes drying in Units 1B, 2,3,4,5, and 6/7, and for the gas grill located on the roof terrace of Unit 6/7. The second meter will meter the gas consumed for space heating and domestic water heating.<br>The new three-inch (3") dedicated gas service will be connected to one Con Edison service meter in the cellar gas meter room and will meter the gas consumed by the emergency generator. |

## Air Conditioning

| | |
|---|---|
| Describe cooling system ability to maintain comfortable temperatures under anticipated weather conditions: | The cooling system was designed in accordance with the NYC Building and Energy Conservation Codes. |
| Interior Temperature used in calculations: | 70 degrees F Winter, 78 degrees F Summer |
| Ambient Temperature used in calculations: | Winter: 11 degrees F drybulb , Summer: 89 degree F drybulb and 73 degrees wetbulb |
| Residential A/C System: | Variable Refrigerant Flow (VRF) with heat pump system, equal to or better than LG Corp. will be provided. The system includes console, wall-mounted, or suspended DX fan coil units with wall mounted 7-day programmable thermostat, remote roof mounted air cooled condensing units with refrigerant piping between condensing unit and fan coil units. Please see the mechanical drawings for individual unit locations within apartments. |
| Central System: | N/A |
| Cooling Towers: | None |
| Condensers: | A dedicated roof level air cooled heat pump condensing unit will be provided for each residential unit and will be equal to or better than LG Corp. Model ARUN with capacities as indicated on the plans. Warranties as follows: 2-year parts warranty on Multi-V; 6-year extended compressor warranty on Multi-V; 5-year parts only warranty on DFS; 7-year extended compressor warranty on DFS; 1-year warranty on labor. |
| Fan Coil Units: | Console, wall-mounted, or suspended VRF fan coil unit, equal to or better than LG Corp. Model ARNU, with capacities and locations as indicated on the plans wil be connected via copper refrigerant tubing to their respective roof level condensing unit. |
| Vibration & Noise Attenuation: | All rooftop equipment shall be mounted on steel dunnage or pre-fabricated equipment curbs and provided with vibration isolators per specifications and manufacturers' installation instructions. |

## Ventilation

| | |
|---|---|
| Residential Kitchens: | Range hoods in all units except Unit 1A will be provided with an integral exhaust fan. The hoods in Units 2,3,4 and 5 will be ducted to common exhaust fan KXF-1. KXF-1 will be equal to or better than Exhausto Model BESB400 with a capacity of 2400 CFM. The hoods in Units 1B and 6-7 will be ducted directly to the outdoors. Unit 1A will be provided with a recirculating range hood with integral fan. |
| Fireplaces: | Two with chimneys to their respective roofs. |
| Bathrooms: | Mechanical exhaust ducted to roof exhaust fans (TXF-1 and TXF-2). TXF-1 will be equal to or better than Greenheck Model No. SWD-7-VG , with a capacity of 425 CFM. TXF-2 will be equal to or better than Greenheck Model SQ-75-VG with a capacity of 200 CFM. |
| Residences: | Natural ventilation via operable windows. |
| Residential Storage: | Mechanical exhaust ventilation ducted to roof fan. |
| Trash Rooms: | Cellar trash room will be provided with mechanical supply via HV-1 and exhaust ducted to roof exhaust fan (FX-1), equal to or better than Greenheck Model No. SQ-60-VG , with a capacity of 115-CFM and located in the roof level mechanical room. |
| Roof MERs: | Water heater mechanical equipment room ventilation will be provided via high and low exterior wall louvers with thermostatically controlled motorized dampers. |
| Dryer Exhaust: | The clothes dryer in each residential unit, except Unit 1A, will be mechanically exhausted to the outdoors. Dryers in Units 1B and 6-7 are each served by a booster exhaust fan, equal to or better than Fantech Model DBF4XT with a capacity of 160 CFM, located in their respective laundry rooms. Units 1B,2,3,4 and 5 will be mechanically exhausted and ducted to an exhaust fan (DXF-1), equal to or better than Exhausto Model No. BESB250 with a capacity of 440 CFM and located on the roof level of the roof level mechanical room. |
| Cellar/Lobby | A heating and ventilating unit (HV-1) with electric heating coil will heat and ventilate the cellar spaces and the outside air supply to the Ground Floor Lobby. |

**Electrical System**

| | |
|---|---|
| Service from main switchgear: | Service from main service switchgear: 120/208 Volt, three phase, 60 Hz electric will be provided to the building from Con Edison. Service will be terminated in the cellar (main electrical room) and distributed via three (3) service switches in the building as follows:<br>(a). Combination Trans 'S' C.T. Cabinet and Service Switch #1, rated at 800 Amps, 120/208 Volt, three phase, 4 wire is dedicated for house loads, including elevator, common area lighting and mechanical equipment. (b). Service Switch #2 rated 1200 Amp, 120/208 Volt, three phase, 4 wire and is dedicated to the electrical distribution associated with the Residential Units (Meter Bank MB).(c) Service Switch #3 rated at 30 Amps, 120/208V, three phase, 4 wire and is dedicated for cable television service. |
| Service to individual units: | Each unit will be individually metered by Con Edison direct metering located in the cellar main electrical room. From meter bank (MB) individual feeders are run to each Residential Unit. Residential Unit feeders will vary in size as required by the electrical load and voltage drop. Each unit will be provided with dedicated panel(s) and services as follows: Units 1A, 1B, 2-5 will have 150 amp, three phase, 4 wire; Unit 6 will have 200 amp, 3 phase, 4 wire. |
| Emergency Generator: | A natural gas 150 KW emergency generator, equal to or better than Kohler Model No. 150REZGC will be provided and located on the main roof level of the building, in the event of power outage at the property, the generator will provide emergency power to:<br>a) Elevator and EMR A/C; b) Sump Pumps, Sewage Ejector Pumps, Hot Water Heater ignition, domestic water pump, and Gas Booster Pumps; c) Emergency/Exit Lighting; d) Three receptacles and one circuit for kitchen lighting via ATS in each residential units; e) Fire Alarm Control Panel (FACP) |
| Unit Service: | Each unit will have a three phase, 4 wire dedicated riser rated and sized in accordance with NYC Electrical Code requirements. |
| Adequacy: | Electrical service is adequate for building design loads. |
| Lighting and Fixtures: | General lighting is provided throughout the building, including cellar and staircases. All lighting in common areas, vestibule and lobby is ceiling mounted and/or recessed incandescent or fluorescent or LED fixtures. Lighting in cellar mechanical spaces and storage rooms is industrial type fluorescent lighting.<br>Combination carbon monoxide detector and photoelectric type smoke detectors, hard wired, 120 volt are provided on the outside and inside of each bedroom. |
| Convenience Outlets: | Arc Fault Circuit Interrupter (AFCI) and Ground Fault Circuit Interrupter (GFCI) types of receptacles will be provided in each apartment, in accordance with the current Electrical code requirements.<br>Tamper –resistant receptacles will be provided, in accordance with the current Electrical code requirements. Exterior mounted receptacles in waterproof enclosures will be provided where required, in accordance with the current Electrical code requirements. |
| Appliance Outlets: | All appliances outlets are provided based on manufacturer specifications. |

**Fire Alarm**

| | |
|---|---|
| Description: | Sprinkler alarm system with smoke detection. |

| | |
|---|---|
| Individual Dwelling Units: | Each residential unit will contain a smoke/carbon monoxide detector located in the vicinity of the bedrooms and in the sleeping areas. |
| Public Space and Corridors: | N/A |
| FDNY Variances: | N/A |
| **Intercom & Door Signal Systems** | The building intercom system shall be IP based and equal to or better than iDorMobile. The apartment unit shall be furnished with a tablet station equal to or better than and iPad connected to the local building WiFi network. Unit owners will have the option to purchase a mobile app for smartphone to allow them to connect via a cellular network when not connected to the building's WiFi network. The concierge call station will be furnished with an IP video phone equal to or better than IDarMobile. The concierge IP camera will display on the apartment iPad and other mobile devices. |
| **Security** | Door signal systems will consist of access control at outer and inner entrance vestibule doors and elevator control with a card or key fob equal to or better than Access Control System from Softward House. A CCTV system equal to or better than Exacq network video recorder will include 11 cameras located throughout the building on internet protocol camera technology and perimeter cameras with infrared technology. Cameras will be viewed at the concierge desk in the ground floor lobby. ~~To be determined~~ Camera models are subject to NYC LPC review. |
| **Television Reception Facilities** | Cable television service will be available to all unit owners through Time Warner Cable or Verizon FiOS. Each unit owner may subscribe and pay for cable directly to either Provider. Any Internet service connection from the telephone or cable company will be billed in the same manner. Each unit will be prewired for service. |
| **Public Area Lighting** | Emergency lighting will be provided in all public stairs and corridors. All lighting in public areas, including public stair, lobby, and cellar, will be ceiling and/or wall mounted fixtures. Fixtures in public spaces will be adequate for normal activities with task lighting at the concierge desk. All terraces will include wet type fixtures. |
| **Garages & Parking Areas** | None |
| **Swimming Pools** | None |
| **Tennis Courts/Playgrounds** | None |
| **Recreation Facilities** | None |
| **Permits** | Full list of permits available on public record |
| **Violations** | NYC DOB 9027/458689 |

NYC DOB 00574
NYC DOB 01412
NYC DOB 01847
All violations shall be removed prior to issuance of a permanent Certificate of Occupancy.

**Unit Information**

There are 7 new residential units on floors cellar through 7.

**Studio Unit** **Unit 1A:** Living/Dining/Sleeping Room, Kitchen, Recreation Room, 1.5 Baths, W/D

**2 Bedroom Unit** **Unit 1B:** Living/Dining Room and OpenKitchen, 2 Bedroom, 2 Recreation Rooms, 2.5 Baths, W/D, Entrance Hall

**3 Bedroom Units** **Units 2, 3, 4, 5:**
Living/Dining Room and Open Kitchen, 3 Bedrooms, 3 Baths, W/D, Foyer-Gallery

**4 Bedroom Unit** **Unit 6:** Living Room, Dining Room, Library, Family Room & Open Kitchen, Foyer-Gallery, 4 Bedrooms, Sitting Room, 5.5 Baths, Roof Deck

**Square Footage:** Unit square footage is measured from the exterior face of the exterior walls, to the property line at the party wall, to the centerline of demising walls between Units and Common Elements such as public corridors. Exterior square footage at Unit 1B entry and Unit 6/7 roof terrace is measured from the exterior face of the exterior wall to the centerline of demising walls between exterior square footage and Common Elements.

**Apartment Finishes and Fixtures** See Appendix

**Particular Concerns**

Building frame and envelope components (including but not limited to: brick, stone, masonry, and respective anchoring systems, wood framing) are existing from 1900 and their condition is commensurate with their age. No building components with known deficiencies are to remain at the conclusion of the conversion.

**Documents to be Provided to Condominium Board:**

i Final Approved Construction Drawings
ii Operation and Maintenance manuals
iii Electronic System manuals, as applicable
iv Equipment Warranties
v Manufacturer's roof warranty
vi Major Equipment start-up sheets

| 78 IRVING PLACE UNITS FINISHES AND FIXTURES: | | | |
|---|---|---|---|
| | ***MANUFACTURER*** | ***MODEL #*** | ***FINISH*** |
| Note: All finishes, fixtures, and appliances are subject to Sponsor's right to substitute finishes, fixtures, and appliances of equal or better quality, as recognized by industry standards for performance, efficiency, longevity and/or other classifications, as applicable. | | | |
| **UNIT 1A** | | | |
| **STUDIO / ENTRY** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Wall Paint | Benjamin Moore | OC-17, White Dove | Eggshell Finish |
| Ceiling Paint | Benjamin Moore | OC-17, White Dove | Flat Finish |
| 4" x 6" Recessed Incandescent Low-Voltage | | | Trimless Flush Installation |
| Surface Mtd. Ceiling Fixture *(Buyer supplied)* | | | Jbox Provided |
| 3" Recessed Downlight *(at stairs)* | | Halogen/CMH | Trimless Flush Installation |
| **KITCHEN** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Wall Paint | Benjamin Moore | OC-17, White Dove | Eggshell Finish |
| Ceiling Paint | Benjamin Moore | OC-17, White Dove | Flat Finish |
| Cabinet Paint | Benjamin Moore | OC-33, Opaline | High Glose |
| Marble Backsplash & Counters | Santucci | Calacatta Tucci | Honed & Sealed |
| Gas Range Oven | La Cornue | ComuFé 1908 Series - 36" | Ivory, Stainless Steel with Polished Brass accents |
| Dishwasher | Gaggenau | DF260761 - 24" | Paneled |
| Microwave Drawer | Gaggenau | MW420620 | Stainless Steel |
| 30" Refrigerator / Freezer | Gaggenau | RB 472 | Paneled |
| Range Hood Fan | La Cornue | Chateau Hood 90 | Antique White Enamel Body with Polished Brass Accent |
| Blower Luxe Air - 600 CFM | Luxe Aire | INS3415 34 X 15 X14 | Unit 1A Shall be Supplied with Conversion Kit For R-Circulating Use |
| Deck Mtd. Faucet and Spray | Lefroy Brooks | X1-2040 | Burnished Brass |
| Pot Filler | Elements of Design | ES8103DL | Vintage Brass |
| Kitchen Sink Undermount Basin | Kohler | K-6585 24-1/4" x 18-3/4" | White / Kohler Cast Iron |
| Kitchen Under Cabinet LED lights | | LED | LED |
| In-Sink Waste Disposal | Evolution Excel | Insinkerator | |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation |
| Linear Suspension Ceiling Fixture | | Medium Base Bulb | Glass and Brass, UL Listed |
| **TYP. UTILITY ROOM** (see Typical Unit ) | | | |
| **BATH** | | | |
| Marble Floor | Santucci | Calacatta Michelangelo | Honed & Sealed |
| Marble Wall Tile | Santucci | Calacatta Michelangelo | Honed & Sealed |
| Ceiling Paint | Benjamin Moore | OC-51, Intense White | Semi-Gloss Finish |
| 3 Wall Bathtub w./ Stone Front | Hydro Systems | Soaking only, 60"x30"x20" | White Finish; Non-Jetted System |
| Deck Mtd. Faucet w./ 2 volume Controls | Lefroy Brooks | X1-1021 | Polished Chrome |
| Undermount Vanity Sink / Basin / Trap | Lacava | Cube Lavatory #5451 | 001 - White |
| Shower Head Spray | Lefroy Brooks | Y1 4612 / LB 1728 | Polished Chrome |
| Zu single cross handle pressure balance trim only | Lefroy Brooks | X1-1998 | Polished Chrome |
| Three-way wall diverter | Lefroy Brooks | X1-1005 | Polished Chrome |
| Handshower on Hook | Lefroy Brooks | YI 1075 / YI 1069 / Y1 1055 | Polished Chrome |
| Bathtub Filler | Lefroy Brooks | K1-1031 | Polished Chrome, Wall Bath Spout |
| Maris® Wall-Hung Dual-Flush Toilet | Toto | CT486FG | Color: Cotton |
| Duo Fix Carrier w./ Concealed Tank System | Geberit | 111.72800.1 | with copper washlet supply line |
| Dual Flush Actuators | Geberit | 115.777.21.1 Dual Flush Actuators | Polished Chrome |
| Medicine Cabinet | Glasscrafters, Inc. | Deco Framed Mirror Cabinet GC2436-4-SC-DE | Polished Chrome |
| Toilet Roll Holder | Designer Doorware | KA-44-PC | Polished Chrome |
| Towel Bar | Designer Doorware | KA-42-450-PC Single Towel Rail | Polished Chrome |
| Robe Hook | Designer Doorware | KA-83-PC | Polished Chrome |
| Soap Dish | Valsan | 67580 Porto, Small Basket | Chrome |
| Wall Mounted Sconce | | Candelabra Bulb / Hardwire | Plated, Damp and Wet UL Listed, Polished Chrome |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation; Vapor Proof, Wet Locations |

| | *MANUFACTURER* | *MODEL #* | *FINISH* |
|---|---|---|---|
| Custom Vanity | Palmer Industries | Custom | Polished Chrome & White |
| | | | |
| **RECREATION SPACE** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Wall Paint | Benjamin Moore | OC-17, White Dove | Eggshell Finish |
| Ceiling Paint | Benjamin Moore | OC-17, White Dove | Flat Finish |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation |
| | | | |
| **POWDER ROOM** | | | |
| Marble 3/8" Wall Tile | Walker Zanger | Thassos | Honed & Sealed |
| Cement Floor Tile | Mosaic House | Stipa pattern & C-24 Silver Gray | Matte, Sealed |
| Cement Floor Tile | Mosaic House | C24 Silver Gray 4" x 4" | Honed & Sealed |
| Ceiling Paint | Benjamin Moore | OC-51, Intense White | Semi-Gloss Finish |
| Deck Mtd. Faucet Lever monobasin with volume control | Lefroy Brooks | K1-9026 | Polished Chrome |
| One hole basin pedestal sink | Lefroy Brooks | LB-7501 / LB-4970 Lisa Doone | White / Polished Chrome Legs |
| Maris® Wall-Hung Dual-Flush Toilet | Toto | CT486FG | Color: Cotton |
| Duo Fix Carrier w./ Concealed Tank System | Geberit | 111.72800.1 | with copper washlet supply line |
| Dual Flush Actuators | Geberit | 115.777.21.1 Dual Flush Actuators | Polished Chrome |
| Medicine Cabinet | Glasscrafters, Inc. | Deco Framed Mirror Cabinet GC2436-4-SC-DE | Polished Chrome |
| Toilet Roll Holder | Designer Doorware | KA-44-PC | Polished Chrome |
| Wall Mounted Sconce | | Candelabra Bulb / Hardwire | Plated, Damp and Wet UL Listed, Polished Chrome |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation; Vapor Proof, Wet Locations |
| Surface Mounted *(at closet)* | | LED Direct Wire | |
| | | | |
| **LAUNDRY CLOSET** | | | |
| Washing machine | LG | WM8500HVA | Graphite Steel |
| Dryer and Stack Kit | LG | DLEX8000V ELECTRIC DRYER | Graphite Steel |
| Surface Mounted | | LED Direct Wire | |
| | | | |
| **WALK-IN CLOSET** | | | |
| Paint at Closet Millwork | Benjamin Moore | OC - 17 | Satin Finish - White Dove |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation |
| | | | |
| **CLOSETS** (see Typical Unit) | | | |

| | *MANUFACTURER* | *MODEL #* | *FINISH* |
|---|---|---|---|
| | | | |
| **UNIT 1B** | | | |
| | | | |
| **FOYER** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Limestone Floor *(at entry)* | Santucci | Cenia Beige | Honed |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation |
| Picture Light | | | Bronze |
| Light Gate Fixture | | Custom Light Fixture (suspended from exist. Gate) | Bronze, UL Listed for Damp Locations |
| LED Recessed Light *(at Threshold Liners & Stairs to Cellar)* | | Recessed Step Light | ETL Listed for Dry/Damp and Wet Locations |
| Surface Mtd. Ceiling Fixture *(Buyer supplied) (at cellar)* | | | Jbox Provided |
| 4"x6" Recessed Wallwasher *(at cellar)* | | Incandescant / L.V. | IC Rated ALR 12 Wallwasher |
| | | | |
| **GALLERY** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Wall Paint | Benjamin Moore | OC-17, White Dove | Eggshell Finish |
| Ceiling Paint | Benjamin Moore | OC-17, White Dove | Flat Finish |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation |
| | | | |
| **FAMILY ROOM** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Wall Paint | Benjamin Moore | OC-17, White Dove | Eggshell Finish |
| Ceiling Paint | Benjamin Moore | OC-17, White Dove | Flat Finish |
| Fireplace | Hearth Cabinet | Widescreen 42 x 28 x 11.5 | Brass Color |
| Surface Mtd. Ceiling Fixture *(Buyer supplied)* | | | Jbox Provided |
| 4"x6" Recessed Wallwasher | | Incandescant / L.V. | IC Rated ALR 12 Wallwasher |
| | | | |
| **KITCHEN** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Wall Paint | Benjamin Moore | OC-17, White Dove | Eggshell Finish |
| Ceiling Paint | Benjamin Moore | OC-17, White Dove | Flat Finish |
| Cabinet Paint | Benjamin Moore | OC-33, Opaline | High Glose |
| Marble Backsplash & Counters | Santucci | Calacatta Tucci | Honed & Sealed |
| Gas Range Oven | La Cornue | CornuFé 1908 Series - 36" | Ivory, Stainless Steel with Polished Brass accents |
| Dishwasher | Gaggenau | DF260761 - 24" | Paneled |
| Wine Cooler | U-Line | 1224 WC | Paneled |
| Dishwasher - Integrated Double Drawer | Fisher & Paykel | DD24D17 - 24" | Paneled |
| Microwave Drawer | Gaggenau | MW420620 | Stainless Steel |
| 36" Refrigerator / Freezer | Gaggenau | RB 492701 | Paneled |
| Range Hood Fan | La Cornue | Chateau Hood 90 | Antique White Enamel Body with Polished Brass Accent |
| Blower Luxe Air - 600 CFM | Luxe Aire | INS3415 34 X 15 X14 | Unit 1A Shall be Supplied with Conversion Kit For R-Circulating Use |
| Deck Mtd. Faucet and Spray | Lefroy Brooks | X1-2040 | Burnished Brass |
| Pot Filler | Elements of Design | ES8103DL | Vintage Brass |
| Kitchen Sink Undermount Basin | Kohler | K-6585 24-1/4" x 18-3/4" | White / Kohler Cast Iron |
| Kitchen Sink Undermount | Kohler, Iron/Tones | K-6625 | White / Kohler Cast Iron |
| Deck Mtd. Faucet | Lefroy Brooks | X1-1041 | Burnished Brass Finish |
| In-Sink Waste Disposal | Evolution Essential | Insinkerator | |
| Kitchen Under Cabinet LED lights | | LED | LED |
| Linear Suspension Ceiling Fixture | | Medium Base Bulb | Glass and Brass, UL Listed |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation |
| | | | |
| **BATH 1** ( Floor 1) | | | |
| Marble 3/8" Wall Tile | Walker Zanger | Thassos | Honed & Sealed |
| Stone Basketweave Mosaic | Waterworks | Thassos with Blue De Savoie | Honed & Sealed - Custom |
| Marble 3/8" Border Tile | Waterworks | Thassos | Honed & Sealed |
| Marble 1" Tile Border | | Blue De Savoie | |
| Ceiling Paint | Benjamin Moore | OC-51, Intense White | Semi-Gloss Finish |
| Deck Mtd. Faucet Lever monobasin with volume control | Lefroy Brooks | K1-9026 | Polished Chrome |

| | *MANUFACTURER* | *MODEL #* | *FINISH* |
|---|---|---|---|
| Custom Vanity | Palmer Industries | Custom | Polished Chrome & White |
| Maris® Wall-Hung Dual-Flush Toilet | Toto | CT486FG | Color: Cotton |
| Duo Fix Carrier w./ Concealed Tank System | Geberit | 111.72800.1 | with copper washlet supply line |
| Dual Flush Actuators | Geberit | 115.777.21.1 Dual Flush Actuators | Polished Chrome |
| Medicine Cabinet | Glasscrafters, Inc. | Deco Framed Mirror Cabinet GC2436-4-SC-DE | Polished Chrome |
| Toilet Roll Holder | Designer Doorware | KA-44-PC | Polished Chrome |
| Towel Bar | Designer Doorware | KA-42-450-PC Single Towel Rail | Polished Chrome |
| Robe Hook | Designer Doorware | KA-83-PC | Polished Chrome |
| Handshower on Hook | Lefroy Brooks | YI 1075 / YI 1069 / Y1 1055 | Polished Chrome |
| Shower Head Spray | Lefroy Brooks | Y1 4612 / LB 1728 | Polished Chrome |
| Cross handle pressure balance with Zu lever 2-way diverter trim only | Lefroy Brooks | X1 2000 | Polished Chrome |
| Shower Drain | Watermark Design | SD7 | Polished Chrome |
| Wall Mounted Sconce | | Candelabra Bulb / Hardwire | Plated, Damp and Wet UL Listed, Polished Chrome |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation; Vapor Proof, Wet Locations |
| | | | |
| **(TYP.) MASTER BEDROOM** (see Typical Unit) | | | |
| | | | |
| **(TYP.) BEDROOM 1** (see Typical Unit / Typ. Bedroom) | | | |
| | | | |
| **(TYP.) MASTER BATH** (see Typical Unit) | | | |
| | | | |
| **RECREATION SPACE** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Wall Paint | Benjamin Moore | OC-17, White Dove | Eggshell Finish |
| Ceiling Paint | Benjamin Moore | OC-17, White Dove | Flat Finish |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation |
| | | | |
| **POWDER ROOM w./ STORAGE** (CELLAR) | | | |
| Marble 3/8" Wall Tile | Walker Zanger | Thassos | Honed & Sealed |
| Cement Floor Tile | Mosaic House | Stipa pattern & C-24 Silver Gray | Matte, Sealed |
| Cement Floor Tile | Mosaic House | C24 Silver Gray 4" x 4" | Honed & Sealed |
| Ceiling Paint | Benjamin Moore | OC-51, Intense White | Semi-Gloss Finish |
| Deck Mtd. Faucet Lever monobasin with volume control | Lefroy Brooks | K1-9026 | Polished Chrome |
| Custom Vanity | Palmer Industries | Custom | Polished Chrome & White |
| Maris® Wall-Hung Dual-Flush Toilet | Toto | CT486FG | Color: Cotton |
| Duo Fix Carrier w./ Concealed Tank System | Geberit | 111.72800.1 | with copper washlet supply line |
| Dual Flush Actuators | Geberit | 115.777.21.1 Dual Flush Actuators | Polished Chrome |
| Medicine Cabinet | Glasscrafters, Inc. | Deco Framed Mirror Cabinet GC2436-4-SC-DE | Polished Chrome |
| Toilet Roll Holder | Designer Doorware | KA-44-PC | Polished Chrome |
| Wall Mounted Sconce | | Candelabra Bulb / Hardwire | Plated, Damp and Wet UL Listed, Polished Chrome |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation; Vapor Proof, Wet Locations |
| | | | |
| **WALK-IN CLOSET** | | | |
| Paint at Closet Millwork | Benjamin Moore | OC - 17 | Satin Finish - White Dove |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Surface Mounted *(at closet)* | | LED Direct Wire | |
| | | | |
| **LAUNDRY CLOSET** | | | |
| Washing machine | LG | WM8500HVA | Graphite Steel |
| Dryer and Stack Kit | LG | DLGX8001V GAS DRYER | Graphite Steel |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation; Vapor Proof, Wet Locations |
| | | | |

| | *MANUFACTURER* | *MODEL #* | *FINISH* |
|---|---|---|---|
| TYP. CLOSETS (see Typical Unit) | | | |
| | | | |
| | | | |
| TYPICAL UNITS 2, 3, 4, & 5 | | | |
| | | | |
| FOYER / GALLERY | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Wall Paint | Benjamin Moore | OC-17, White Dove | Eggshell Finish |
| Ceiling Paint | Benjamin Moore | OC-17, White Dove | Flat Finish |
| Surface Mtd. Ceiling Fixture *(Buyer supplied)* | | | Jbox Provided |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation |
| | | | |
| BATH 3 (TYPICAL POWDER ROOM) | | | |
| Marble 3/8" Wall Tile | Walker Zanger | Thassos | Honed & Sealed |
| Cement Floor Tile | Mosaic House | Stipa pattern & C-24 Silver Gray | Matte, Sealed |
| Marble 3/8" Border Tile | Waterworks | Thassos | Honed & Sealed |
| Ceiling Paint | Benjamin Moore | OC-51, Intense White | Semi-Gloss Finish |
| Deck Mtd. Faucet Lever monobasin with volume control | Lefroy Brooks | K1-9026 | Polished Chrome |
| One hole basin pedestal sink | Lefroy Brooks | LB-7501 / LB-4970 Lisa Doone | White / Polished Chrome Legs |
| Maris® Wall-Hung Dual-Flush Toilet | Toto | CT486FG | Color: Cotton |
| Duo Fix Carrier w./ Concealed Tank System | Geberit | 111.72800.1 | with copper washlet supply line |
| Dual Flush Actuators | Geberit | 115.777.21.1 Dual Flush Actuators | Polished Chrome |
| Medicine Cabinet | Glasscrafters, Inc. | Deco Framed Mirror Cabinet GC2436-4-SC-DE | Polished Chrome |
| Toilet Roll Holder | Designer Doorware | KA-44-PC | Polished Chrome |
| Towel Bar | Designer Doorware | KA-42-450-PC Single Towel Rail | Polished Chrome |
| Robe Hook | Designer Doorware | KA-83-PC | Polished Chrome |
| Handshower on Hook | Lefroy Brooks | YI 1075 / YI 1069 / Y1 1055 | Polished Chrome |
| Shower Head Spray | Lefroy Brooks | Y1 4612 / LB 1728 | Polished Chrome |
| Cross handle pressure balance with Zu lever 2-way diverter trim only | Lefroy Brooks | X1 2000 | Polished Chrome |
| Shower Drain | Watermark Design | SD7 | Polished Chrome |
| Wall Mounted Sconce | | Candelabra Bulb / Hardwire | Plated, Damp and Wet UL Listed, Polished Chrome |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation; Vapor Proof, Wet Locations |
| | | | |
| TYP. KITCHEN | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Wall Paint | Benjamin Moore | OC-17, White Dove | Eggshell Finish |
| Ceiling Paint | Benjamin Moore | OC-17, White Dove | Flat Finish |
| Cabinet Paint | Benjamin Moore | OC-33, Opaline | High Gloss |
| Marble Backsplash & Counters | Santucci | Calacatta Tucci | Honed & Sealed |
| Gas Range Oven | La Cornue | ComuFé 1908 Series - 36" | Ivory, Stainless Steel with Polished Brass accents |
| Dishwasher | Gaggenau | DF260761 - 24" | Paneled |
| Wine Cooler | U-Line | 1224 WC | Paneled |
| Dishwasher - Integrated Double Drawer | Fisher & Paykel | DD24D17 - 24" | Paneled |
| Microwave Drawer | Gaggenau | MW420620 | Stainless Steel |
| 36" Refrigerator / Freezer | Gaggenau | RB 492701 | Paneled |
| Range Hood Fan | La Cornue | Chateau Hood 90 | Antique White Enamel Body with Polished Brass Accent |
| Blower Luxe Air - 600 CFM | Luxe Aire | INS3415 34 X 15 X14 | Unit 1A Shall be Supplied with Conversion Kit For R-Circulating Use |
| Deck Mtd. Faucet and Spray | Lefroy Brooks | X1-2040 | Burnished Brass |
| Pot Filler | Elements of Design | ES8103DL | Vintage Brass |
| Kitchen Sink Undermount Basin | Kohler | K-6585 24-1/4" x 18-3/4" | White / Kohler Cast Iron |
| Kitchen Sink Undermount | Kohler, Iron/Tones | K-6625 | White / Kohler Cast Iron |
| Deck Mtd. Faucet | Lefroy Brooks | X1-1041 | Burnished Brass Finish |
| In-Sink Waste Disposal | Evolution Essential | Insinkerator | |
| Kitchen Under Cabinet LED lights | | LED | LED |
| Linear Suspension Ceiling Fixture | | Medium Base Bulb | Glass and Brass, UL Listed |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation |
| 3" Recessed Downlight - narrow Flood *(at desk)* | | Halogen/CMH | Trimless Flush Installation |
| | | | |

| | *MANUFACTURER* | *MODEL #* | *FINISH* |
|---|---|---|---|
| **TYP. UTILITY ROOM** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Wall Paint | Benjamin Moore | OC-17, White Dove | Eggshell Finish |
| Ceiling Paint | Benjamin Moore | OC-17, White Dove | Flat Finish |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation; Vapor Proof, Wet Locations |
| | | | |
| **TYP. WET BAR** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Marble Backsplash & Counters | Santucci | Calacatta Tucci | Honed & Sealed |
| Deck Mtd. Faucet | Lefroy Brooks | X1-1041 | Burnished Brass Finish |
| UNDER-MOUNT KITCHEN SINK K-6584 | Kohler, Iron/Tones | K-6584 | White / Kohler Cast Iron |
| Under Counter Refrigerator | Sub-Zero | UC-24R | Paneled |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation |
| | | | |
| **TYP. LIVING / DINING ROOM / FAMILY ROOM** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Wall Paint | Benjamin Moore | OC-17, White Dove | Eggshell Finish |
| Ceiling Paint | Benjamin Moore | OC-17, White Dove | Flat Finish |
| Fireplace | Hearth Cabinet | Widescreen 42 x 28 x 11.5 | Brass |
| Surface Mtd. Ceiling Fixture *(Buyer supplied)* | | | Jbox Provided |
| 4"x6" Recessed Wallwasher | | Incandescant / L.V. | IC Rated ALR 12 Wallwasher |
| | | | |
| **TYP. MASTER BEDROOM** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Wall Paint | Benjamin Moore | OC-17, White Dove | Eggshell Finish |
| Ceiling Paint | Benjamin Moore | OC-17, White Dove | Flat Finish |
| Surface Mtd. Ceiling Fixture *(Buyer supplied)* | | | Jbox Provided |
| 4"x6" Recessed Wallwasher | | Incandescant / L.V. | IC Rated ALR 12 Wallwasher |
| | | | |
| **BEDROOM 2 (TYPICAL BEDROOM)** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Wall Paint | Benjamin Moore | OC-17, White Dove | Eggshell Finish |
| Ceiling Paint | Benjamin Moore | OC-17, White Dove | Flat Finish |
| Surface Mtd. Ceiling Fixture *(Buyer supplied)* | | | Jbox Provided |
| | | | |
| **TYP. MASTER BATHROOM** | | | |
| Marble Floor - Mosaic | Akdo | Carrarra Bella with Pearl Gray | Honed & Sealed |
| Marble Walls | Santucci | Calacatta Michelangelo | Honed & Sealed |
| Ceiling Paint | Benjamin Moore | OC-51, Intense White | Semi-Gloss Finish |
| Cabinet Paint | Benjamin Moore | OC-33, Opaline | High Gloss |
| 3 Wall Bathtub w./ Stone Front | Hydro Systems | 60"x30"x20" | White Finish |
| Bathtub Filler w./ Handshower | Lefroy Brooks | M2-2201 | Polished Chrome, Tub Deck Mounted Fitting |
| Wall Mtd. Faucet w.Zu 3-hole wall basin mixer | Lefroy Brooks | X1-1030 | Polished Chrome |
| CUBE Lavatory | Lacava | 5451 | White |
| Handshower on Hook | Lefroy Brooks | YI 1075 / YI 1069 / Y1 1055 | Polished Chrome |
| Shower Head Spray | Lefroy Brooks | Y1 4612 / LB 1728 | Polished Chrome |
| Cross handle pressure balance with Zu lever 2-way diverter trim only | Lefroy Brooks | X1 2000 | Polished Chrome |
| Steam Shower Controls | Mr Steam | Butler Package | Polished Chrome |
| Shower Drain | Watermark Design | SD7 | Polished Chrome |
| Manis® Wall-Hung Dual-Flush Toilet | Toto | CT486FG | Color: Cotton |
| Duo Fix Carrier w./ Concealed Tank System | Geberit | 111.72800.1 | with copper washlet supply line |
| Dual Flush Actuators | Geberit | 115.777.21.1 Dual Flush Actuators | Polished Chrome |
| Medicine Cabinet | Glasscrafters, Inc. | Deco Framed Mirror Cabinet GC2436-4-SC-DE | Polished Chrome |
| Toilet Roll Holder | Designer Doorware | KA-44-PC | Polished Chrome |
| Towel Bar | Designer Doorware | KA-42-450-PC Single Towel Rail | Polished Chrome |
| Robe Hook | Designer Doorware | KA-83-PC | Polished Chrome |
| Soap Dish | Valsan | 67580 Porto, Small Basket | Chrome |
| Shower Door Handle | | | Polished Chrome |

| | *MANUFACTURER* | *MODEL #* | *FINISH* |
|---|---|---|---|
| Custom Vanity | Palmer Industries | Custom | Polished Chrome & White |
| Wall Mounted Sconce | | Candelabra Bulb / Hardwire | Plated, Damp and Wet UL Listed, Polished Chrome |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation; Vapor Proof, Wet Locations |
| | | | |
| **TYP. BATH 2** | | | |
| Marble 3/8" Wall Tile | Walker Zanger | Thassos | Honed & Sealed |
| Ceiling Paint | Benjamin Moore | OC-51, Intense White | Semi-Gloss Finish |
| Stone Basketweave Mosaic | Waterworks | Thassos with Blue De Savoie | Honed & Sealed - Custom |
| Marble 3/8" Border Tile | Waterworks | Thassos | Honed & Sealed |
| 3 Wall Bathtub w./ Stone Front | Hydro Systems | Soaking only, 60"x30"x20" | White Finish; Non-Jetted System |
| Bathtub Filler | Lefroy Brooks | K1-1031 | Polished Chrome, Wall Bath Spout |
| Deck Mtd. Faucet w. Zu 3-hole basin mixer, | Lefroy Brooks | X1-1021 | Polished Chrome |
| CUBE Lavatory | Lacava | 5451 | White |
| Handshower on Hook | Lefroy Brooks | YI 1075 / YI 1069 / Y1 1055 | Polished Chrome |
| Shower Head Spray | Lefroy Brooks | Y1 4612 / LB 1728 | Polished Chrome |
| Zu single cross handle pressure balance trim only | Lefroy Brooks | X1-1998 | Polished Chrome |
| Three-way wall diverter | Lefroy Brooks | X1-1005 | Polished Chrome |
| Maris® Wall-Hung Dual-Flush Toilet | Toto | CT486FG | Color: Cotton |
| Duo Fix Carrier w./ Concealed Tank System | Geberit | 111.72800.1 | with copper washlet supply line |
| Dual Flush Actuators | Geberit | 115.777.21.1 Dual Flush Actuators | Polished Chrome |
| Medicine Cabinet | Glasscrafters, Inc. | Deco Framed Mirror Cabinet GC2436-4-SC-DE | Polished Chrome |
| Toilet Roll Holder | Designer Doorware | KA-44-PC | Polished Chrome |
| Towel Bar | Designer Doorware | KA-42-450-PC Single Towel Rail | Polished Chrome |
| Shower Head Spray | | | |
| Robe Hook | Designer Doorware | KA-83-PC | Polished Chrome |
| Soap Dish | Valsan | 67580 Porto, Small Basket | Chrome |
| Custom Vanity | Palmer Industries | Custom | Polished Chrome & White |
| Wall Mounted Sconce | | Candelabra Bulb / Hardwire | Plated, Damp and Wet UL Listed, Polished Chrome |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation; Vapor Proof, Wet Locations |
| | | | |
| **TYP. LAUNDRY CLOSET** | | | |
| Washing machine | LG | WM8500HVA | Graphite Steel |
| Dryer and Stack Kit | LG | DLGX8001V GAS DRYER | Graphite Steel |
| | | | |
| **TYP. CLOSETS** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Paint at Closet Millwork | Benjamin Moore | OC - 17 | Satin Finish - White Dove |
| Surface Mounted | | LED Direct Wire | |
| | | | |
| **TYP. WALK-IN CLOSETS** | | | |
| Paint at Closet Millwork | Benjamin Moore | OC - 17 | Satin Finish - White Dove |
| Marble 3/4" thick | Santucci | Blue de Savoie | Honed & Sealed |

| | *MANUFACTURER* | *MODEL #* | *FINISH* |
|---|---|---|---|
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation |
| | | | |
| | | | |
| **UNITS 6/7 PENTHOUSE** | | | |
| | | | |
| **FOYER / GALLERIES / ENTRANCE HALL (FLOORS 6&7)** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Wall Paint | Benjamin Moore | OC-17, White Dove | Eggshell Finish |
| Ceiling Paint | Benjamin Moore | OC-17, White Dove | Flat Finish |
| Linear Suspension Ceiling Fixture *(Buyer Supplied)* | | | |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation |
| LED Recessed Light (at Stairs) | | Recessed Step Light | ETL Listed for Dry/Damp and Wet Locations |
| | | | |
| **WET BAR (FLOOR 7)** - (see Typical Unit) | | | |
| | | | |
| **MIDNIGHT KITCHEN (FLOOR 6)** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Marble Backsplash & Counters | Santucci | Calacatta Tucci | Honed & Sealed |
| Under Counter Refrigerator | Sub-Zero | UC-24R | Paneled |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation |
| | | | |
| **TYP. BEDROOM 2, 3, 4** (see Typical Unit / Typ. Bedroom) | | | |
| | | | |
| **TYP. MASTER BEDROOM** (see Typical Unit / Typ. M. Bedroom) | | | |
| | | | |
| **TYP. POWDER ROOM (FLOOR 6)** (see Typical Unit / Typ. Powder Room) | | | |
| | | | |
| **POWDER ROOM (half bath.) (FLOOR 7)** | | | |
| Marble 3/8" Wall Tile | Walker Zanger | Thassos | Honed & Sealed |
| Cement Floor Tile | Mosaic House | Stipa pattern & C-24 Silver Gray | Matte, Sealed |
| Marble 3/8" Border Tile | Waterworks | Thassos | Honed & Sealed |
| Ceiling Paint | Benjamin Moore | OC-51, Intense White | Semi-Gloss Finish |
| Deck Mtd. Faucet w. Zu 3-hole basin mixer, | Lefroy Brooks | X1-1021 | Polished Chrome |
| CUBE Lavatory | Lacava | 5451 | White |
| Custom Vanity | Palmer Industries | Custom | Polished Chrome & White |
| Maris® Wall-Hung Dual-Flush Toilet | Toto | CT486FG | Color: Cotton |
| Duo Fix Carrier w./ Concealed Tank System | Geberit | 111.72800.1 | with copper washlet supply line |
| Dual Flush Actuators | Geberit | 115.777.21.1 Dual Flush Actuators | Polished Chrome |
| Medicine Cabinet | Glasscrafters, Inc. | Deco Framed Mirror Cabinet GC2436-4-SC-DE | Polished Chrome |
| Toilet Roll Holder | Designer Doorware | KA-44-PC | Polished Chrome |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation; Vapor Proof, Wet Locations |
| 3" Recessed Downlight - narrow Flood *(at vanity)* | | Halogen/CMH | Trimless Flush Installation |
| | | | |
| **MASTER BATHROOM 1** | | | |
| Marble Floor - Mosaic | Akdo | Carrarra Bella with Pearl Gray | Honed & Sealed |
| Marble Walls | Santucci | Calacatta Michelangelo | Honed & Sealed |
| Ceiling Paint | Benjamin Moore | OC-51, Intense White | Semi-Gloss Finish |
| Cabinet Paint | Benjamin Moore | OC-33, Opaline | High Gloss |
| 3 Wall Bathtub w./ Stone Front | Hydro Systems | 60"x30"x20" | White Finish |
| Bathtub Filler w./ Handshower | Lefroy Brooks | M2-2201 | Polished Chrome, Tub Deck Mounted Fitting |
| Wall Mtd. Faucet w.Zu 3-hole wall basin mixer | Lefroy Brooks | X1-1030 | Polished Chrome |
| CUBE Lavatory | Lacava | 5451 | White |
| Handshower on Hook | Lefroy Brooks | YI 1075 / YI 1069 / Y1 1055 | Polished Chrome |
| Shower Head Spray | Lefroy Brooks | Y1 4612 / LB 1728 | Polished Chrome |
| Cross handle pressure balance with Zu lever 2-way diverter trim only | Lefroy Brooks | X1 2000 | Polished Chrome |
| Steam Shower Controls | Mr Steam | Butler Package | Polished Chrome |
| Shower Drain | Watermark Design | SD7 | Polished Chrome |
| Maris® Wall-Hung Dual-Flush Toilet | Toto | CT486FG | Color: Cotton |

| | *MANUFACTURER* | *MODEL #* | *FINISH* |
|---|---|---|---|
| Duo Fix Carrier w./ Concealed Tank System | Geberit | 111.72800.1 | with copper washlet supply line |
| Dual Flush Actuators | Geberit | 115.777.21.1 Dual Flush Actuators | Polished Chrome |
| Medicine Cabinet | Glasscrafters, Inc. | Deco Framed Mirror Cabinet GC2436-4-SC-DE | Polished Chrome |
| Toilet Roll Holder | Designer Doorware | KA-44-PC | Polished Chrome |
| Towel Bar | Designer Doorware | KA-42-450-PC Single Towel Rail | Polished Chrome |
| Robe Hook | Designer Doorware | KA-83-PC | Polished Chrome |
| Soap Dish | Valsan | 67580 Porto, Small Basket | Chrome |
| Shower Door Handle | | | Polished Chrome |
| Custom Vanity | Palmer Industries | Custom | Polished Chrome & White |
| Wall Mounted Sconce | | Candelabra Bulb / Hardwire | Plated, Damp and Wet UL Listed, Polished Chrome |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation; Vapor Proof, Wet Locations |
| | | | |
| **MASTER BATHROOM 2** | | | |
| Marble Floor - Mosaic | Akdo | Carrarra Bella with Pearl Gray | Honed & Sealed |
| Marble Walls | Santucci | Blue de Savoie Slab | Honed & Sealed |
| Ceiling Paint | Benjamin Moore | OC-51, Intense White | Semi-Gloss Finish |
| Cabinet Paint | Benjamin Moore | OC-33, Opaline | High Gloss |
| Wall Mtd. Faucet w.Zu 3-hole wall basin mixer | Lefroy Brooks | X1-1030 | Polished Chrome |
| CUBE Lavatory | Lacava | 5451 | White |
| Handshower on Hook | Lefroy Brooks | YI 1075 / YI 1069 / Y1 1055 | Polished Chrome |
| Shower Head Spray | Lefroy Brooks | Y1 4612 / LB 1728 | Polished Chrome |
| Cross handle pressure balance with Zu lever 2-way diverter trim only | Lefroy Brooks | X1 2000 | Polished Chrome |
| Steam Shower Controls | Mr Steam | Butler Package | Polished Chrome |
| Shower Drain | Watermark Design | SD7 | Polished Chrome |
| Maris® Wall-Hung Dual-Flush Toilet | Toto | CT486FG | Color: Cotton |
| Duo Fix Carrier w./ Concealed Tank System | Geberit | 111.72800.1 | with copper washlet supply line |
| Dual Flush Actuators | Geberit | 115.777.21.1 Dual Flush Actuators | Polished Chrome |
| Medicine Cabinet | Glasscrafters, Inc. | Deco Framed Mirror Cabinet GC2436-4-SC-DE | Polished Chrome |
| Toilet Roll Holder | Designer Doorware | KA-44-PC | Polished Chrome |
| Towel Bar | Designer Doorware | KA-42-450-PC Single Towel Rail | Polished Chrome |
| Robe Hook | Designer Doorware | KA-83-PC | Polished Chrome |
| Soap Dish | Valsan | 67580 Porto, Small Basket | Chrome |
| Shower Door Handle | | | Polished Chrome |
| Custom Vanity | Palmer Industries | Custom | Polished Chrome & White |
| Wall Mounted Sconce | | Candelabra Bulb / Hardwire | Plated, Damp and Wet UL Listed, Polished Chrome |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation; Vapor Proof, Wet Locations |
| | | | |
| **(TYP.) BATHROOM 2** (see Typical Unit / Typ. Bathroom) | | | |
| | | | |
| **BATHROOM 3** | | | |
| Marble 3/8" Wall Tile | Walker Zanger | Thassos | Honed & Sealed |
| Ceiling Paint | Benjamin Moore | OC-51, Intense White | Semi-Gloss Finish |
| Stone Basketweave Mosaic | Waterworks | Thassos with Blue De Savoie | Honed & Sealed - Custom |
| Marble 3/8" Border Tile | Waterworks | Thassos | Honed & Sealed |
| Deck Mtd. Faucet w. Zu 3-hole basin mixer, | Lefroy Brooks | X1-1021 | Polished Chrome |
| CUBE Lavatory | Lacava | 5451 | White |
| Handshower on Hook | Lefroy Brooks | YI 1075 / YI 1069 / Y1 1055 | Polished Chrome |
| Shower Head Spray | Lefroy Brooks | Y1 4612 / LB 1728 | Polished Chrome |
| Zu single cross handle pressure balance trim only | Lefroy Brooks | X1-1998 | Polished Chrome |
| Shower Drain | Watermark Design | SD7 | Polished Chrome |
| Maris® Wall-Hung Dual-Flush Toilet | Toto | CT486FG | Color: Cotton |
| Duo Fix Carrier w./ Concealed Tank System | Geberit | 111.72800.1 | with copper washlet supply line |
| Dual Flush Actuators | Geberit | 115.777.21.1 Dual Flush Actuators | Polished Chrome |
| Medicine Cabinet | Glasscrafters, Inc. | Deco Framed Mirror Cabinet GC2436-4-SC-DE | Polished Chrome |
| Toilet Roll Holder | Designer Doorware | KA-44-PC | Polished Chrome |
| Towel Bar | Designer Doorware | KA-42-450-PC Single Towel Rail | Polished Chrome |
| Robe Hook | Designer Doorware | KA-83-PC | Polished Chrome |
| Soap Dish | Valsan | 67580 Porto, Small Basket | Chrome |

| | *MANUFACTURER* | *MODEL #* | *FINISH* |
|---|---|---|---|
| Custom Vanity | Palmer Industries | Custom | Polished Chrome & White |
| Wall Mounted Sconce | | Candelabra Bulb / Hardwire | Plated, Damp and Wet UL Listed, Polished Chrome |
| 3" Recessed Downlight | | Halogen/CMH | Trimless Flush Installation; Vapor Proof, Wet Locations |
| | | | |
| **LAUNDRY CLOSET** | | | |
| Washing machine | LG | WM8500HVA | Graphite Steel |
| Dryer and Stack Kit | LG | DLGX8001V GAS DRYER | Graphite Steel |
| Surface Mounted | | LED Direct Wire | |
| | | | |
| **TYP. CLOSETS** (see Typical Unit) | | | |
| | | | |
| **TYP. WALK-IN CLOSETS** (see Typical Unit) | | | |
| | | | |
| **TYP. KITCHEN** (see Typical Unit) | | | |
| | | | |
| **TYP. TRASH VESTIBULE Flrs. 6 & 7** (see Typical Unit) | | | |
| | | | |
| **LIVING ROOM** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern with Border |
| Wall Paint | Benjamin Moore | OC-17, White Dove | Eggshell Finish |
| Ceiling Paint | Benjamin Moore | OC-17, White Dove | Flat Finish |
| Fireplace | Hearth Cabinet | Widescreen 42 x 28 x 11.5 | Brass Color |
| 4"x6" Recessed Wallwasher | | Incandescant / L.V. | IC Rated ALR 12 Wallwasher |
| Surface Mtd. Ceiling Fixture *(Buyer supplied)* | | | Jbox Provided |
| | | | |
| **DINING ROOM** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern |
| Wall Paint | Benjamin Moore | OC-17, White Dove | Eggshell Finish |
| Ceiling Paint | Benjamin Moore | OC-17, White Dove | Flat Finish |
| Surface Mtd. Ceiling Fixture *(Buyer supplied)* | | | Jbox Provided |
| 4"x6" Recessed Wallwasher | | Incandescant / L.V. | IC Rated ALR 12 Wallwasher |
| | | | |
| **FAMILY ROOM / LIBRARY** | | | |
| Wood Floor | | White Oak Flooring | Chevron Pattern |
| Wall Paint | Benjamin Moore | OC-17, White Dove | Eggshell Finish |
| Ceiling Paint | Benjamin Moore | OC-17, White Dove | Flat Finish |
| 4"x6" Recessed Wallwasher | | Incandescant / L.V. | IC Rated ALR 12 Wallwasher |
| | | | |
| **TERRACE / OUTDOOR KITCHEN** (ROOF) | | | |
| Outdoor Gas Grill | Wolf | OG36 Natural Gas | 36" Stainless Steel Finish |
| Outdoor Undercounter Refrigerator | Sub-Zero | UC-24RO/PH | 24" Stainless Steel Finish |
| Undercounter Ice Machine | Sub-Zero | UC-151PO Drain Pump | 15" Stainless Steel Finish |
| Undermount Kitchen Sink | Kohler | Undertone K-3325 | Polished Chrome |
| Faucet | Grohe | K7 Medium Semi-Pro | Supersteel InfinityFinish |
| Stone Pavers on Pedestal System | | TBD | |
| Quartz Counter | Caeserstone | TBD | |
| | | | |

# EXHIBIT "6"

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## FLOOR PLANS

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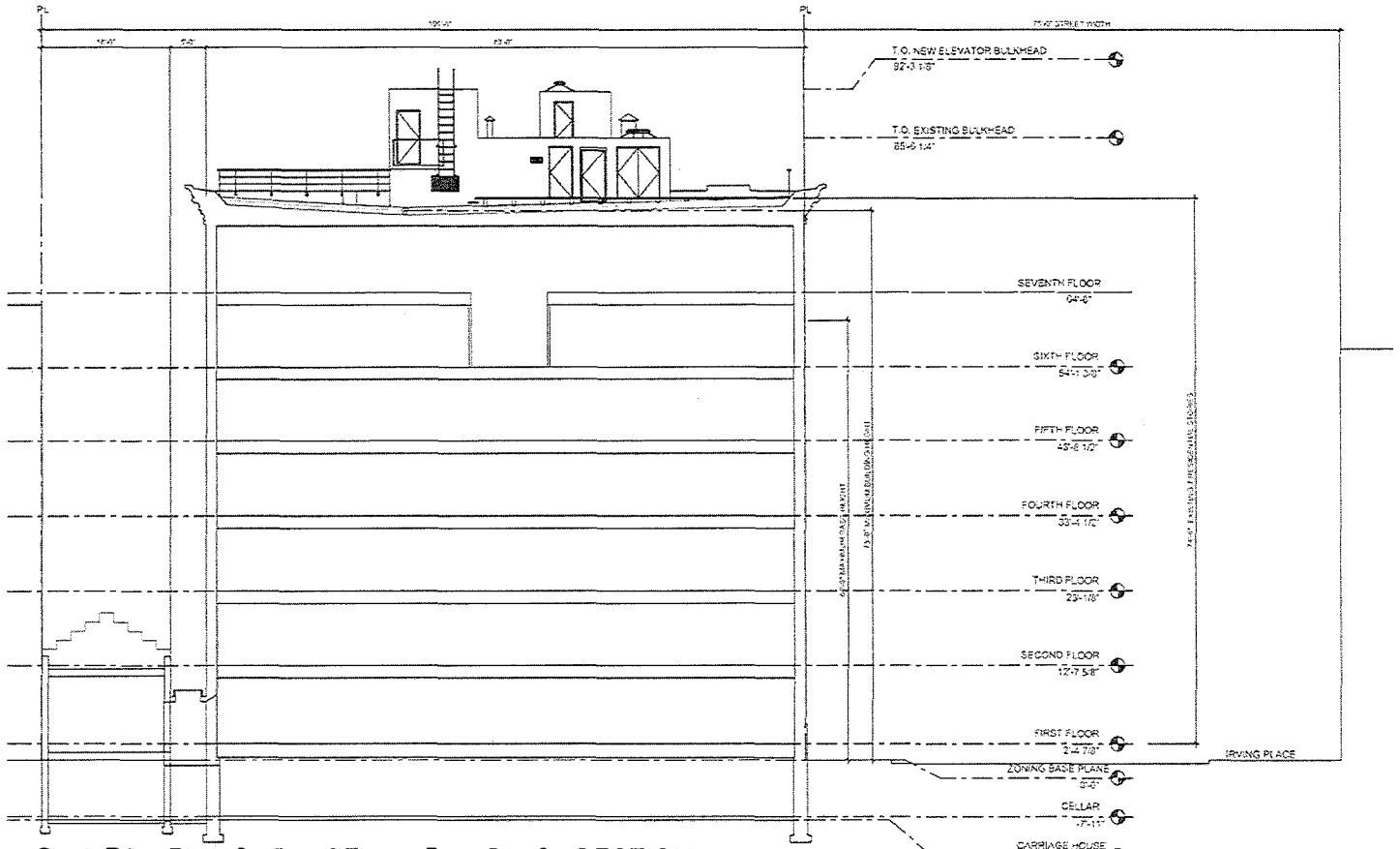
| | |
|---|---|
| COMMON ELEMENT | 6,853 SF |
| LIMITED COMMON ELEMENT | 891 SF |
| RESIDENTIAL UNIT | 14,384 SF |
| LANDMARKS BUILDING ELEMENT | N/A |
| BUILDING TOTAL SF | 22,128 SF |

All areas and dimensions set forth on the plans are approximations. The actual areas and dimensions may vary.

IRVING PLACE INVESTOR LLC
825 3rd Ave. / 37th Floor
New York, NY 10022

REGISTERED ARCHITECT
SHERIDA E. PAULSEN
017703
STATE OF NEW YORK

SEAL




01 78 IRVING PLACE – BUILDING SECTION


P K
S + B
PKSB ARCHITECTS, PC
330 W42 STREET
NEW YORK NY 10036
212 594 2010

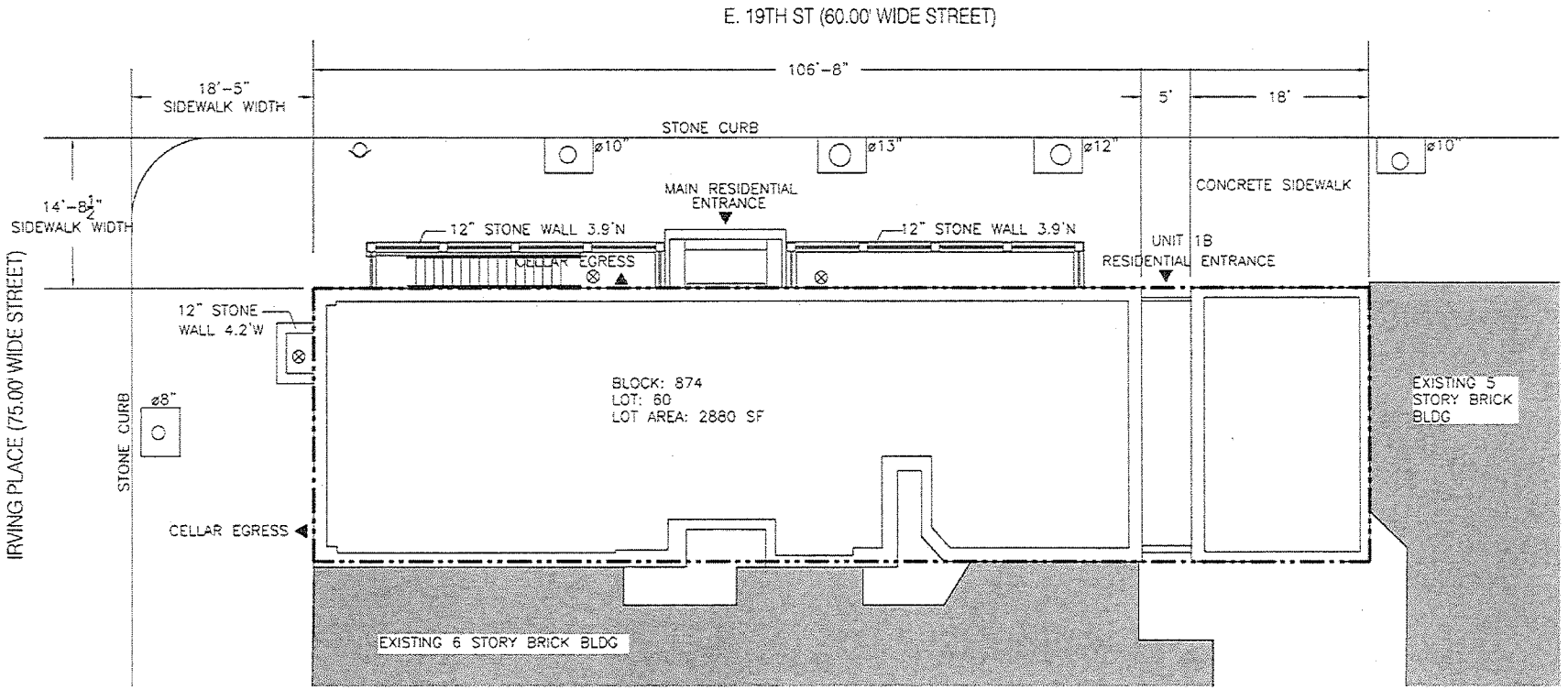

78 IRVING PLACE, NEW YORK, NY 10003

DATE: 03/23/15

IRVING PLACE INVESTOR LLC
825 3rd Ave. / 37th Floor
New York, NY 10022

REGISTERED ARCHITECT
SHERIDA E. PAULSEN
017709
STATE OF NEW YORK

SEAL




# 01 78 IRVING PLACE – SITE PLAN

All areas and dimensions set forth on the plans are approximations. The actual areas and dimensions may vary.

N

LEGEND
- ⊗ EXIST. DRAIN
- ◇ EXIST. HYDRANT
- ○ EXIST. TREE


P K S + B
PKSB ARCHITECTS, PC
330 W42 STREET
NEW YORK NY 10036
212 594 2010

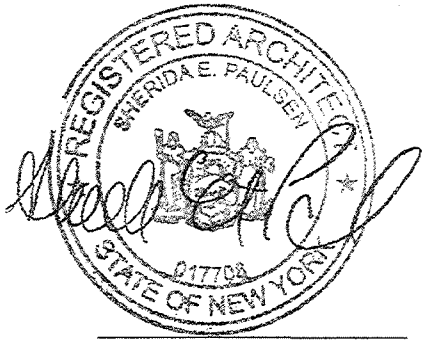

78 IRVING PLACE, NEW YORK, NY 10003

DATE: 03/23/15

| | |
|---|---|
| COMMON ELEMENT | 6,853 SF |
| LIMITED COMMON ELEMENT | 891 SF |
| RESIDENTIAL UNIT | 14,384 SF |
| LANDMARKS BUILDING ELEMENT | N/A |
| BUILDING TOTAL SF | 22,128 SF |

All areas and dimensions set forth on the plans are approximations. The actual areas and dimensions may vary.

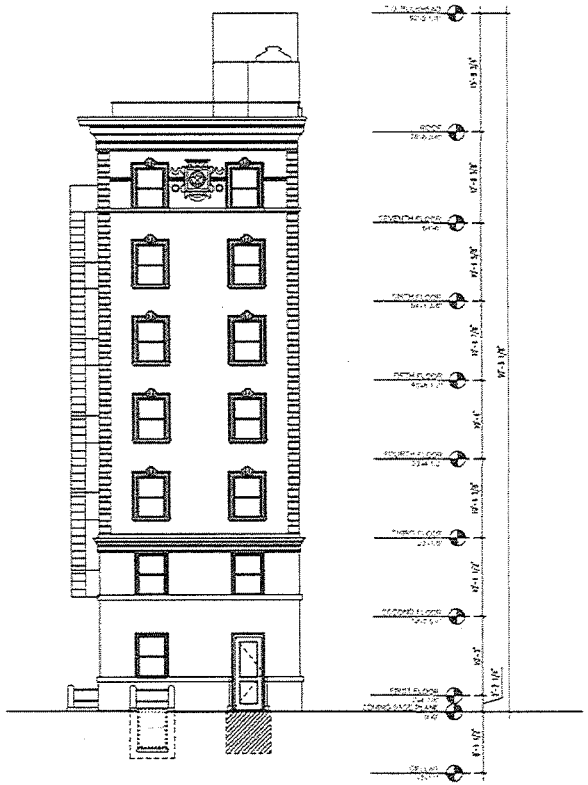
IRVING PLACE INVESTOR LLC
825 3rd Ave. / 37th Floor
New York, NY 10022




SEAL



01 78 IRVING PLACE – NORTH ELEVATION



02 78 IRVING PLACE – WEST ELEVATION

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NEW YORK NY 10036
212 594 2010

78 IRVING PLACE, NEW YORK, NY 10003

DATE: 03/23/15

| | |
|---|---|
| | GENERAL COMMON ELEMENT |
| | LIMITED COMMON ELEMENT |
| | RESIDENTIAL UNIT |
| | LANDMARK BUILDING ELEMENT |

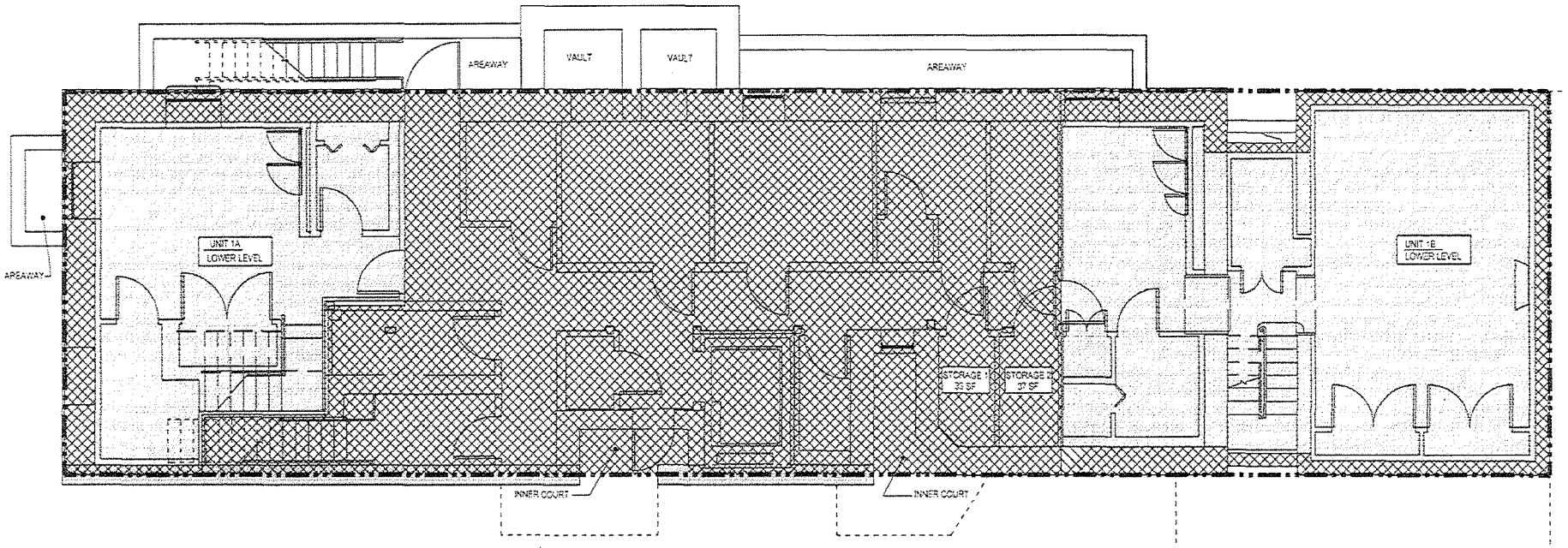
LEGEND

All areas and dimensions set forth on the plans are approximations. The actual areas and dimensions may vary.

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New York, NY 10022




SEAL




01 78 IRVING PLACE – CELLAR

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330 W42 STREET
NEW YORK NY 10036
212 594 2010

78 IRVING PLACE, NEW YORK, NY 10003

DATE: 03/23/15

| | |
|---|---|
| | GENERAL COMMON ELEMENT |
| | LIMITED COMMON ELEMENT |
| | RESIDENTIAL UNIT |
| | LANDMARK BUILDING ELEMENT |

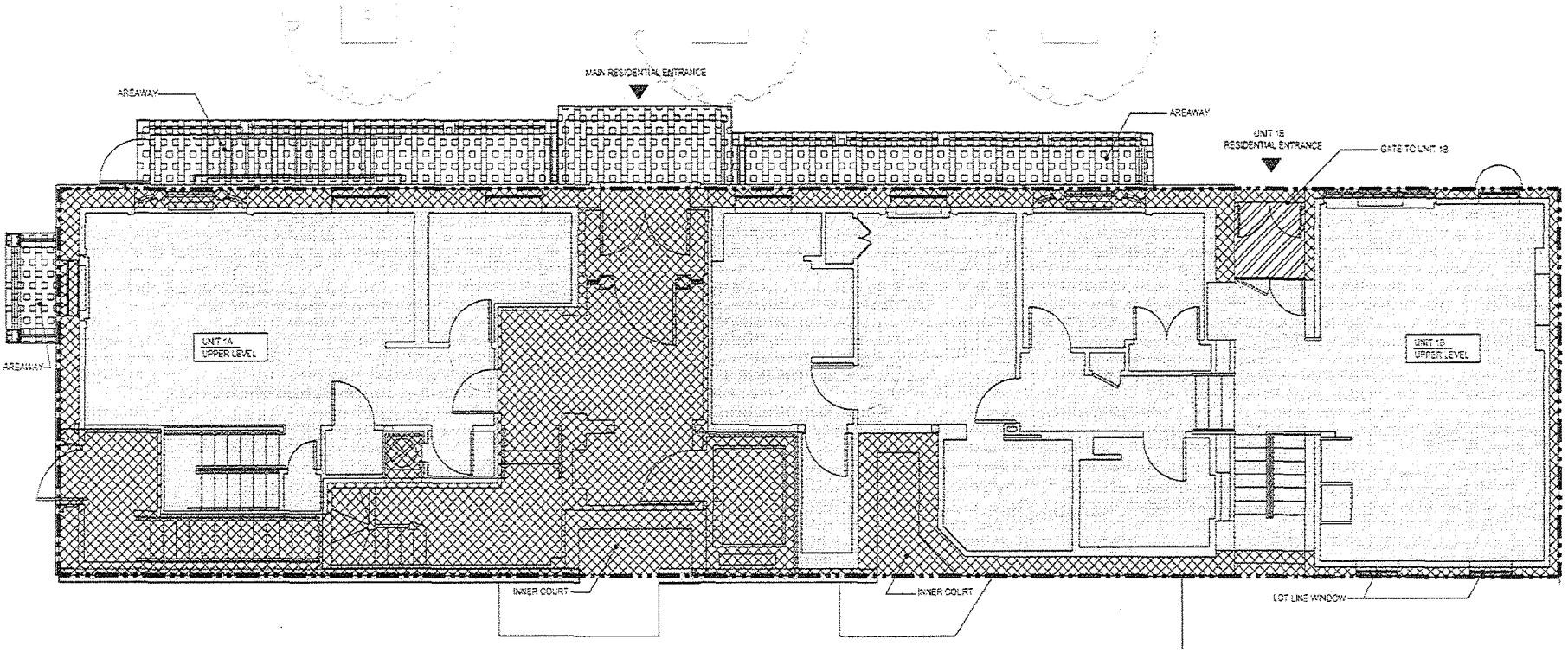
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All areas and dimensions set forth on the plans are approximations. The actual areas and dimensions may vary.

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New York, NY 10022

REGISTERED ARCHITECT
SHERIDA E. PAULSEN
017708
STATE OF NEW YORK

SEAL




# 01 78 IRVING PLACE – 1ST FLOOR

P K
S + B
PKSB ARCHITECTS, PC
330 W42 STREET
NEW YORK NY 10036
212 594 2010

78 IRVING PLACE, NEW YORK, NY 10003

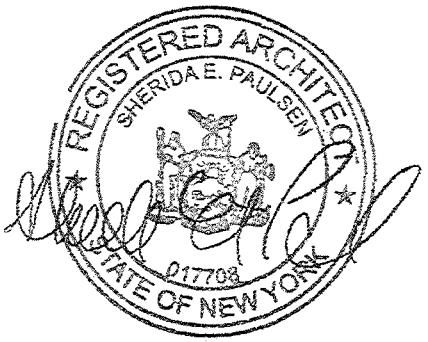
DATE: 03/23/15

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|---|---|
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| | LIMITED COMMON ELEMENT |
| | RESIDENTIAL UNIT |
| | LANDMARK BUILDING ELEMENT |

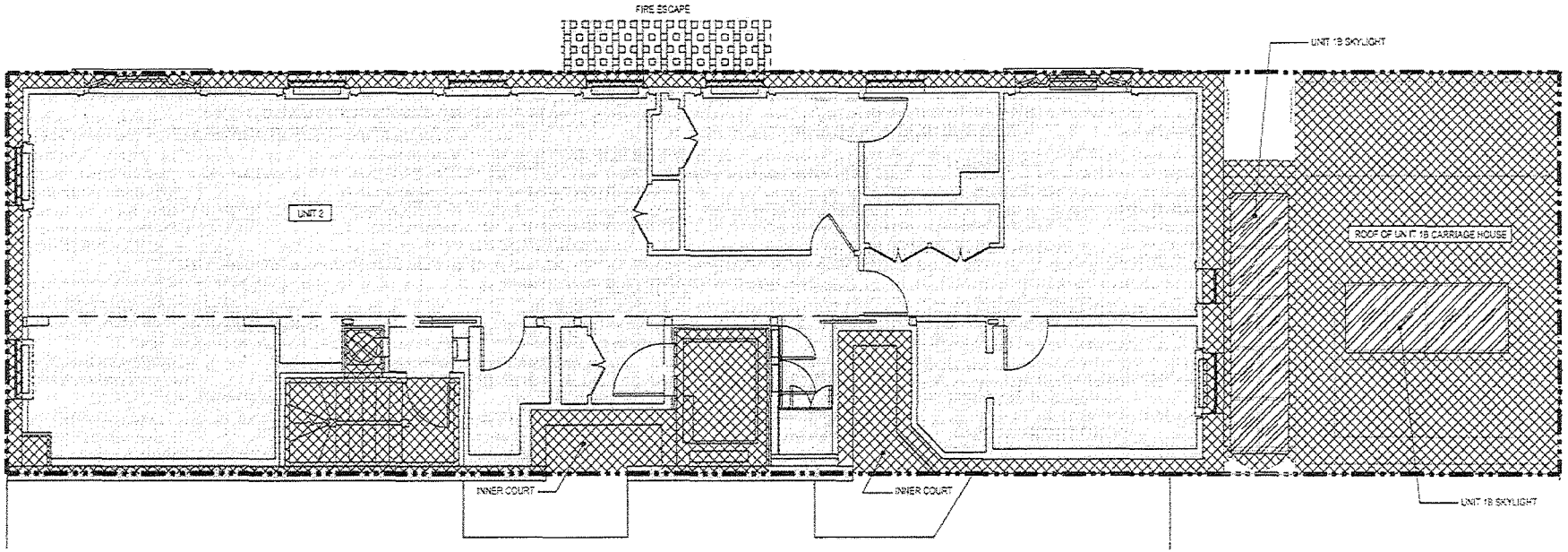
LEGEND

All areas and dimensions set forth on the plans are approximations. The actual areas and dimensions may vary.

IRVING PLACE INVESTOR LLC
825 3rd Ave. / 37th Floor
New York, NY 10022




SEAL




01 78 IRVING PLACE – 2ND FLOOR

P K S B
PKSB ARCHITECTS, PC
330 W42 STREET
NEW YORK NY 10036
212 594 2010

78 IRVING PLACE, NEW YORK, NY 10003

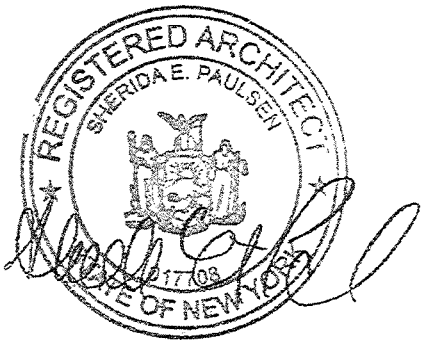
DATE: 03/23/15

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|---|---|
| | GENERAL COMMON ELEMENT |
| | LIMITED COMMON ELEMENT |
| | RESIDENTIAL UNIT |
| | LANDMARK BUILDING ELEMENT |

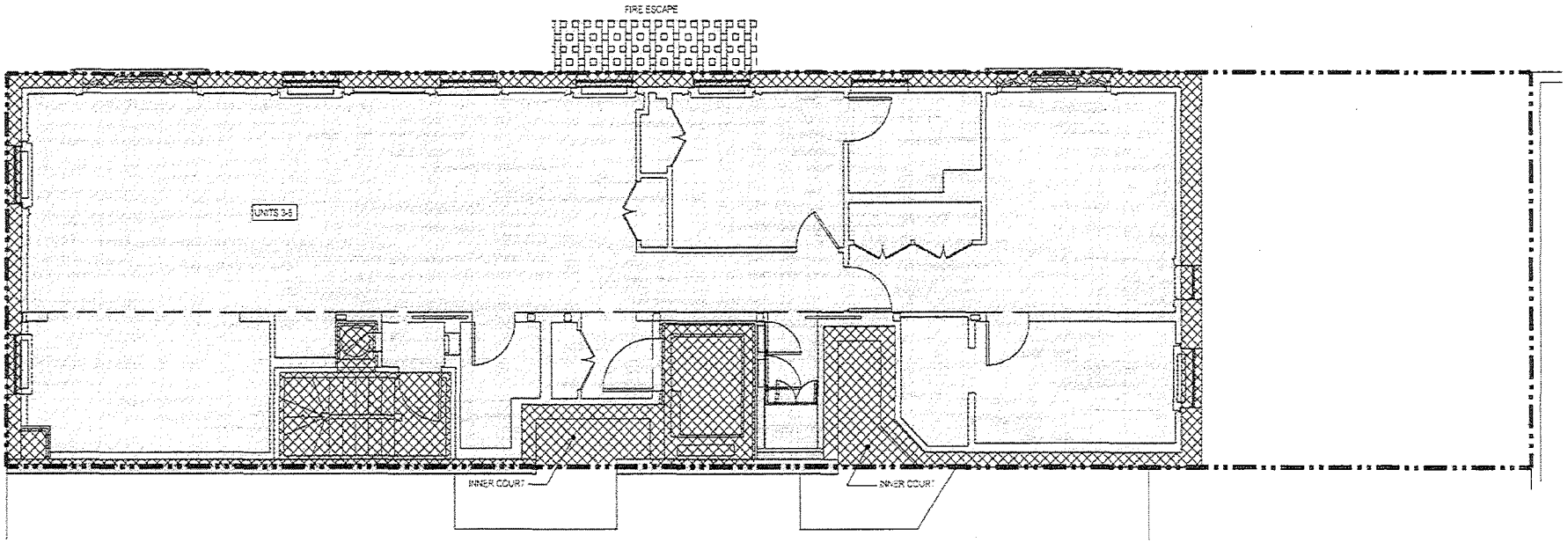
LEGEND

All areas and dimensions set forth on the plans are approximations. The actual areas and dimensions may vary.

IRVING PLACE INVESTOR LLC
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New York, NY 10022




SEAL




01 78 IRVING PLACE – 3RD–5TH FLOOR

P + S K B
PKSB ARCHITECTS, PC
330 W42 STREET
NEW YORK NY 10036
212 594 2010

78 IRVING PLACE, NEW YORK, NY 10003

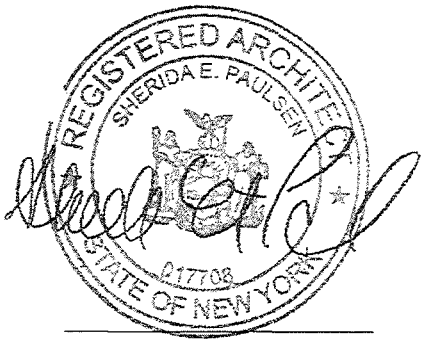
DATE: 03/23/15

| | |
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| | GENERAL COMMON ELEMENT |
| | LIMITED COMMON ELEMENT |
| | RESIDENTIAL UNIT |
| | LANDMARK BUILDING ELEMENT |

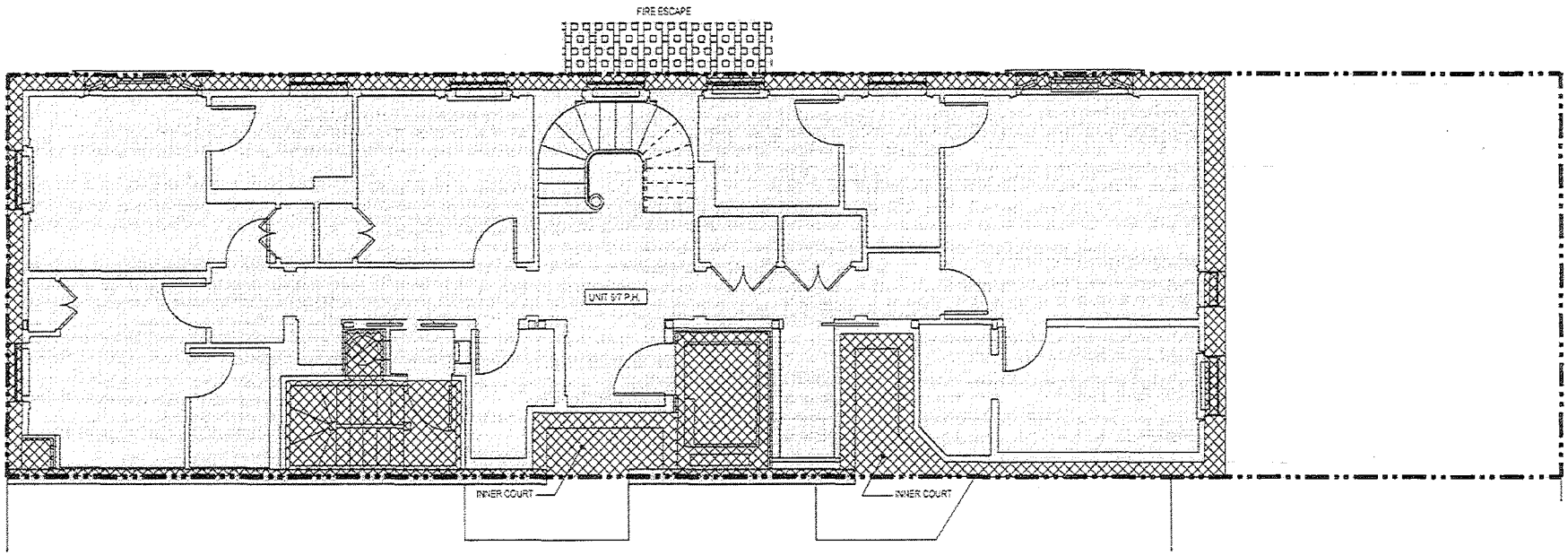
LEGEND

All areas and dimensions set forth on the plans are approximations. The actual areas and dimensions may vary.

IRVING PLACE INVESTOR LLC
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New York, NY 10022




SEAL




01 78 IRVING PLACE – 6TH FLOOR – P.H.

P K S + B
PKSB ARCHITECTS, PC
330 W42 STREET
NEW YORK NY 10036
212 594 2010

78 IRVING PLACE, NEW YORK, NY 10003

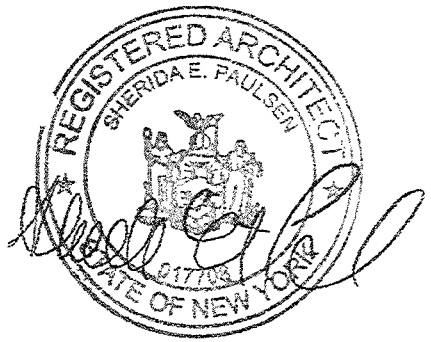
DATE: 03/23/15

| | |
|---|---|
| | GENERAL COMMON ELEMENT |
| | LIMITED COMMON ELEMENT |
| | RESIDENTIAL UNIT |
| | LANDMARK BUILDING ELEMENT |

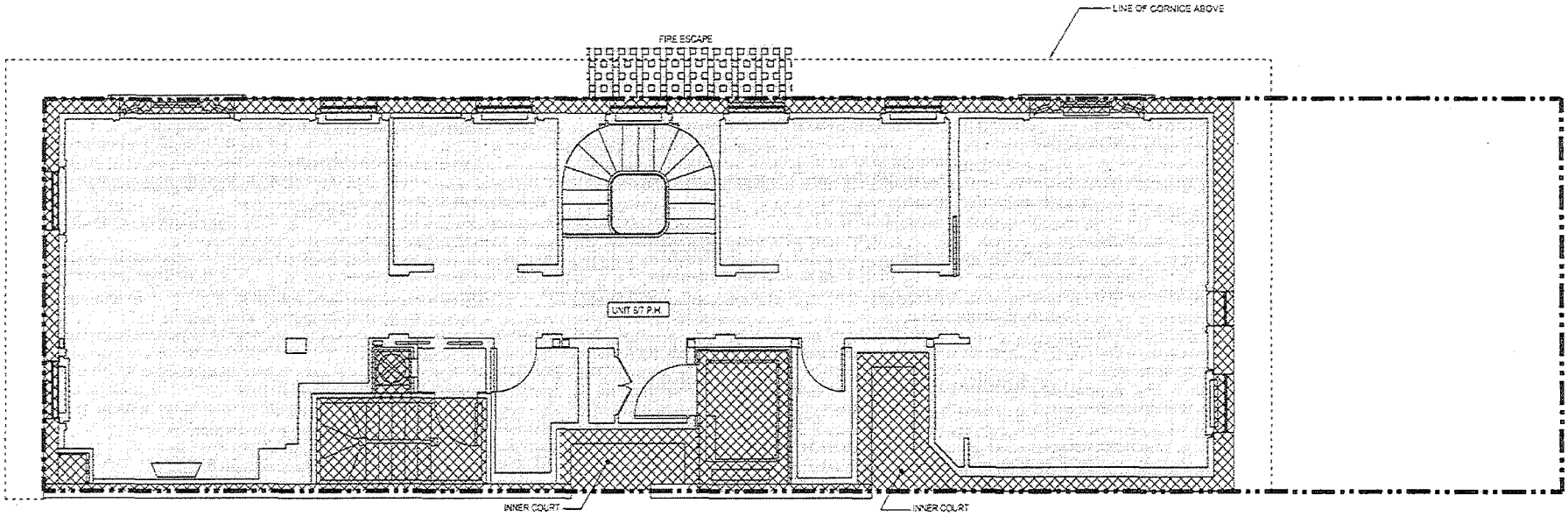
LEGEND

All areas and dimensions set forth on the plans are approximations. The actual areas and dimensions may vary.

IRVING PLACE INVESTOR LLC
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New York, NY 10022




SEAL




01 78 IRVING PLACE – 7TH FLOOR – P.H.

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78 IRVING PLACE, NEW YORK, NY 10003

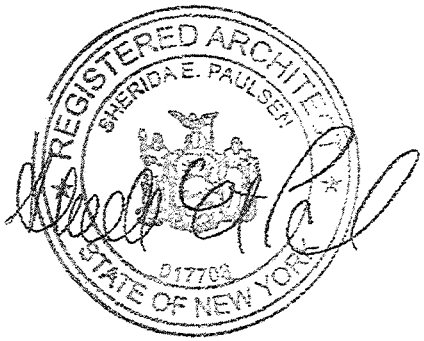
DATE: 03/23/15

| | |
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| | GENERAL COMMON ELEMENT |
| | LIMITED COMMON ELEMENT |
| | RESIDENTIAL UNIT |
| | LANDMARK BUILDING ELEMENT |

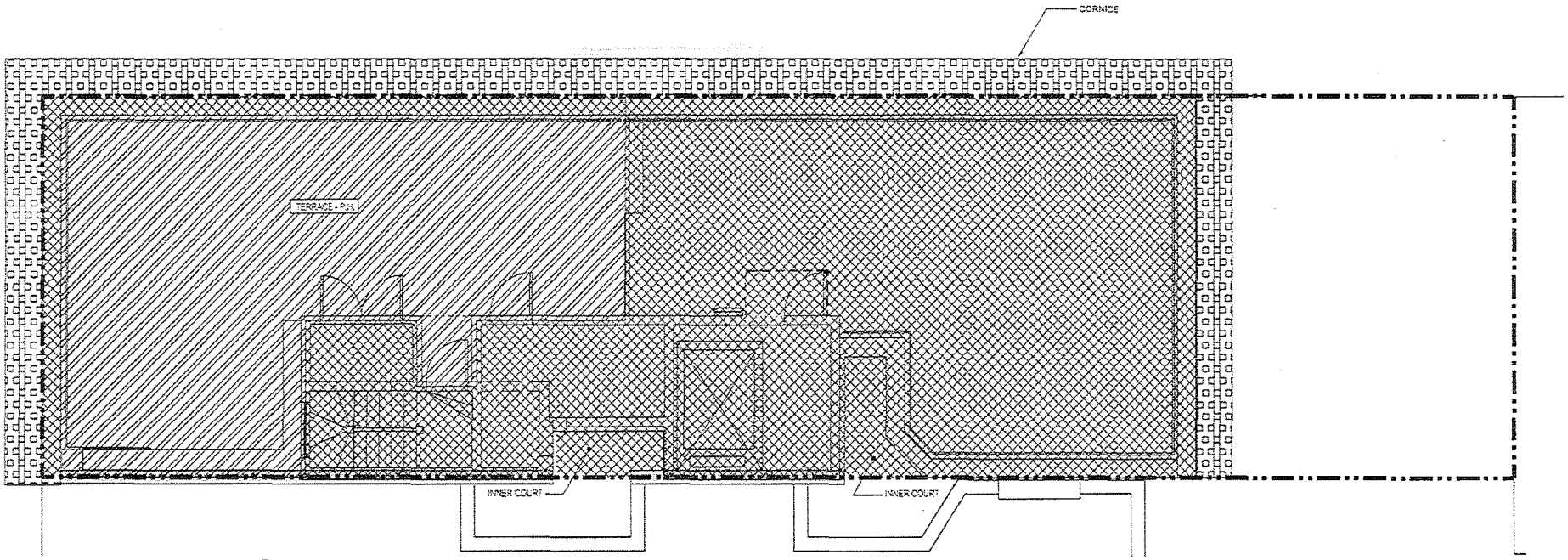
LEGEND

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IRVING PLACE INVESTOR LLC
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New York, NY 10022




SEAL




01 78 IRVING PLACE – ROOF

P K S B
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330 W42 STREET
NEW YORK NY 10036
212 594 2010

78 IRVING PLACE, NEW YORK, NY 10003

DATE: 03/23/15

| | |
|---|---|
| | GENERAL COMMON ELEMENT |
| | LIMITED COMMON ELEMENT |
| | RESIDENTIAL UNIT |
| | LANDMARK BUILDING ELEMENT |

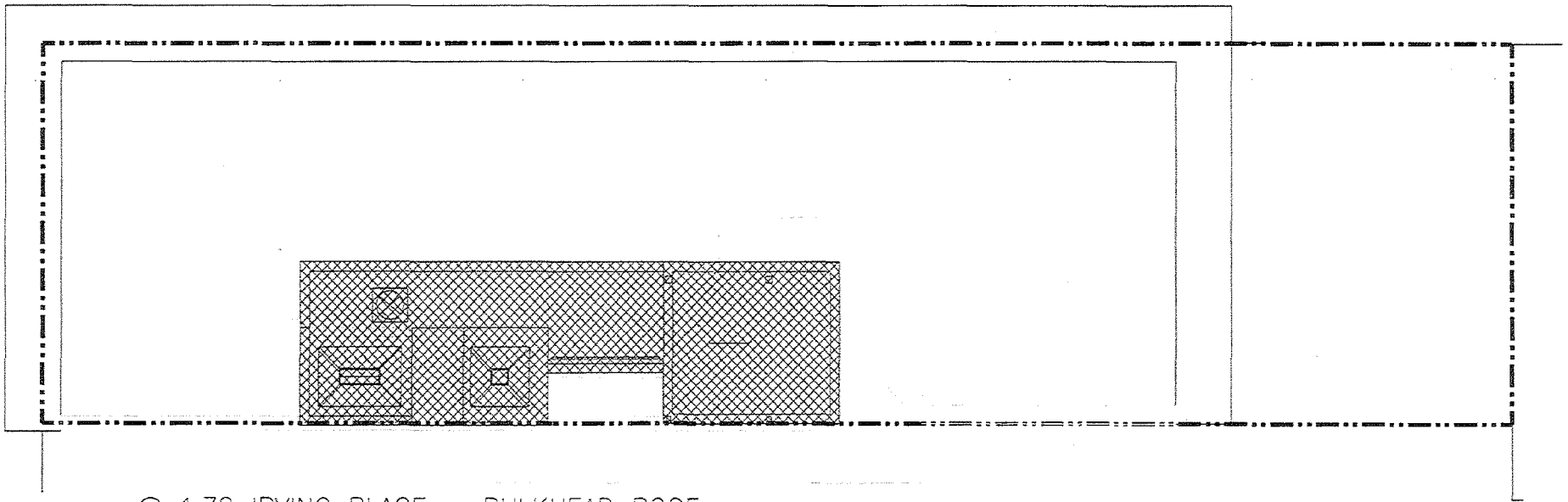
LEGEND

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IRVING PLACE INVESTOR LLC
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New York, NY 10022




SEAL

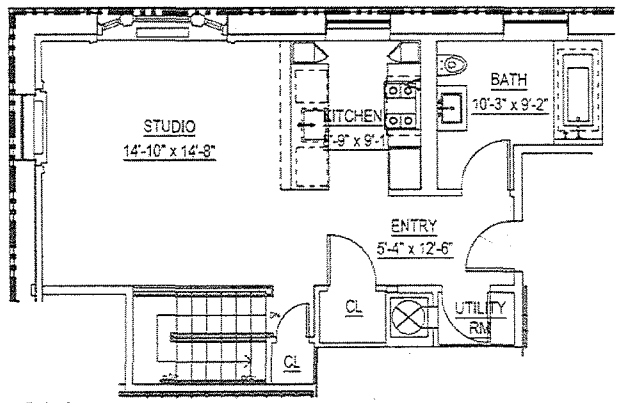


01 78 IRVING PLACE – BULKHEAD ROOF

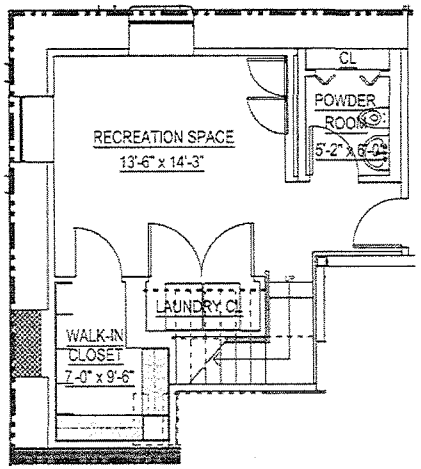
P K
S + B
PKSB ARCHITECTS, PC
330 W42 STREET
NEW YORK NY 10036
212 594 2010

78 IRVING PLACE, NEW YORK, NY 10003

DATE: 03/23/15

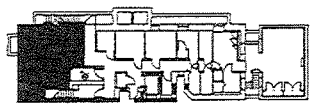



FLOOR 1

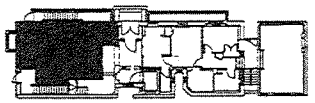



CELLAR

# 01 78 IRVING PLACE – UNIT 1A



CELLAR



FLOOR 1

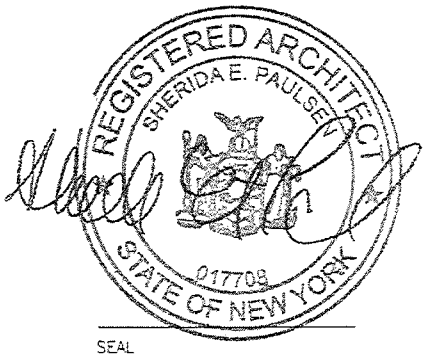
| | |
|---|---|
| UNIT NUMBER | 1A |
| CELLAR<br>FLOOR 1 | 554<br>691 |
| UNIT SQ FOOTAGE TOTAL | 1245 |
| NO. OF BEDROOMS | 0 |
| NO. OF BATHROOMS | 1.5 |
| CEILING HEIGHTS: MAIN BATHROOMS, CLOSETS, ETC. | 9'–0"<br>8'–8" |

UNIT LOCATION

UNIT INFORMATION

All areas and dimensions set forth on the plans are approximations. The actual areas and dimensions may vary. Variations in ceiling height may occur due to structural, mehcanical, etc.

IRVING PLACE INVESTOR LLC
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New York, NY 10022

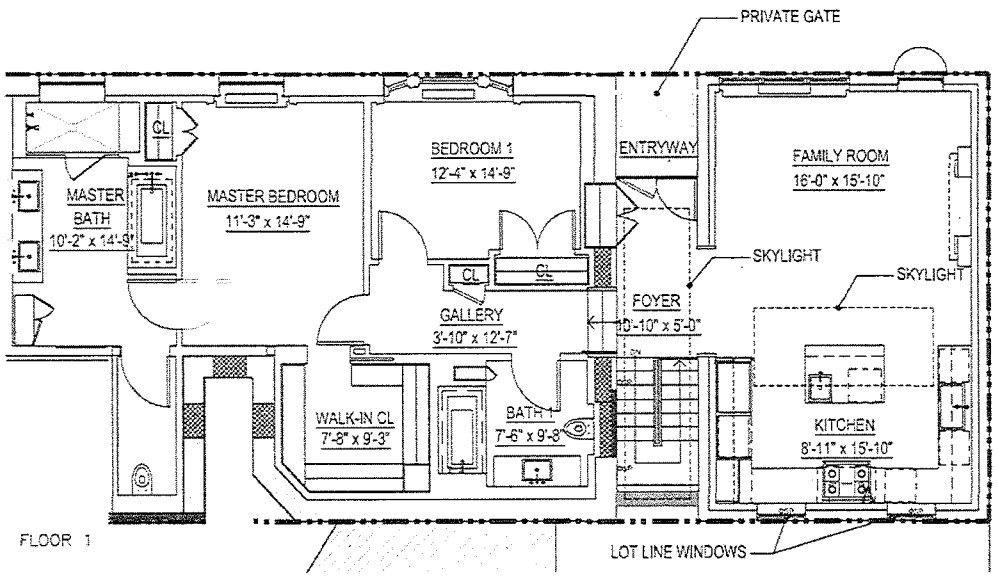



SEAL

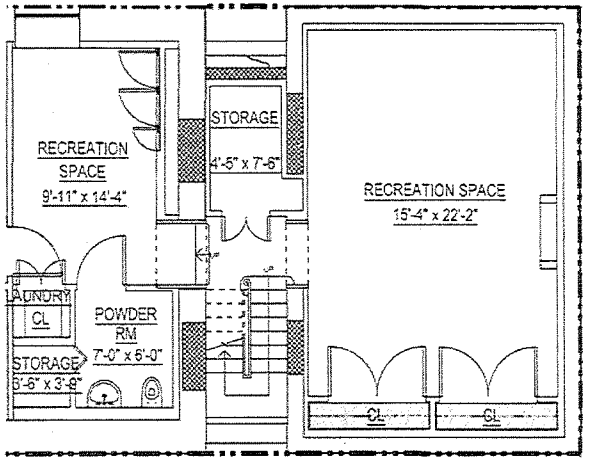
P K
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PKSB ARCHITECTS, PC
330 W42 STREET
NEW YORK NY 10036
212 594 2010

78 IRVING PLACE, NEW YORK, NY 10003

DATE: 03/23/15

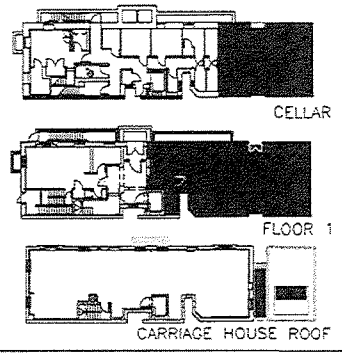



FLOOR 1




CELLAR

# 01 78 IRVING PLACE – UNIT 1B

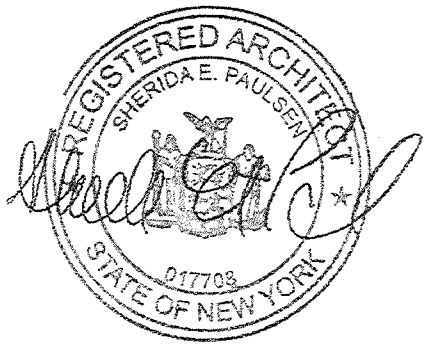



UNIT LOCATION

| UNIT NUMBER | 1B |
|---|---|
| CELLAR | 914 |
| FLOOR 1 | 1509 |
| (FLR 1) EXTERIOR ENTRYWAY | 26 |
| (ROOF) SKYLIGHTS | 122 |
| UNIT SQ FOOTAGE TOTAL | 2571 |
| NO. OF BEDROOMS | 2 |
| NO. OF BATHROOMS | 2 FULL<br>1 HALF |
| CEILING HEIGHTS: MAIN BATHROOMS, CLOSETS, ETC. | 9'-0"<br>8'-8" |

UNIT INFORMATION

IRVING PLACE INVESTOR LLC
825 3rd Ave. / 37th Floor
New York, NY 10022



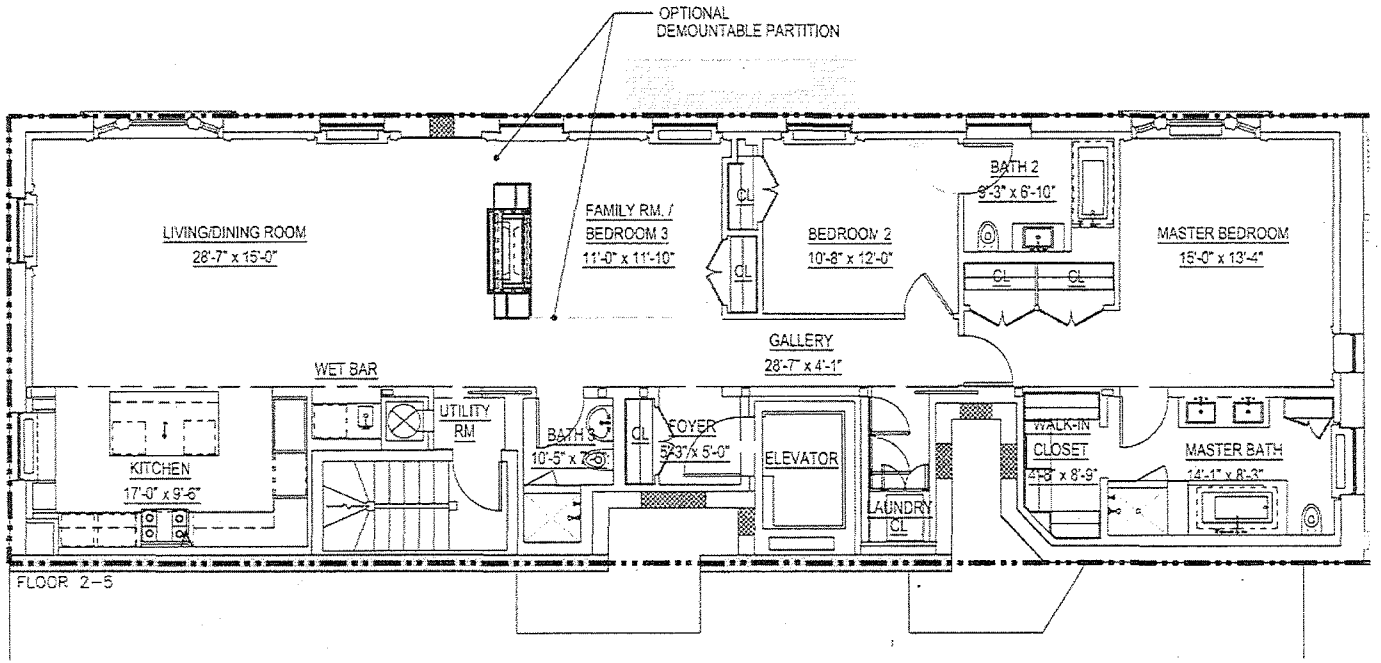

SEAL

All areas and dimensions set forth on the plans are approximations. The actual areas and dimensions may vary. Variations in ceiling height may occur due to structural, mehcanical, etc.

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78 IRVING PLACE, NEW YORK, NY 10003

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# 01 78 IRVING PLACE – TYPICAL UNITS 2-5



FLOOR 2-5

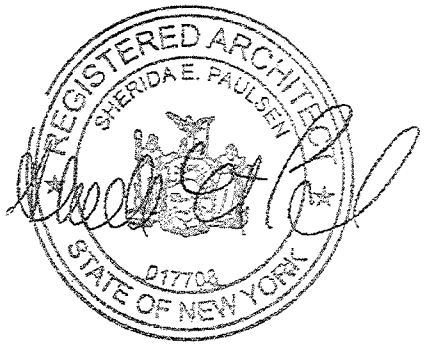
UNIT LOCATION

| | |
|---|---|
| UNIT NUMBER | 2-5 TYPICAL |
| UNIT SQ FOOTAGE TOTAL | 2210 |
| NO. OF BEDROOMS | 3 |
| NO. OF BATHROOMS | 3 |
| CEILING HEIGHTS: MAIN<br>BATHROOMS, CLOSETS, ETC. | 9'-0"<br>8'-8" |

UNIT INFORMATION

All areas and dimensions set forth on the plans are approximations. The actual areas and dimensions may vary. Variations in ceiling height may occur due to structural, mehcanical, etc.

IRVING PLACE INVESTOR LLC
825 3rd Ave. / 37th Floor
New York, NY 10022




SEAL

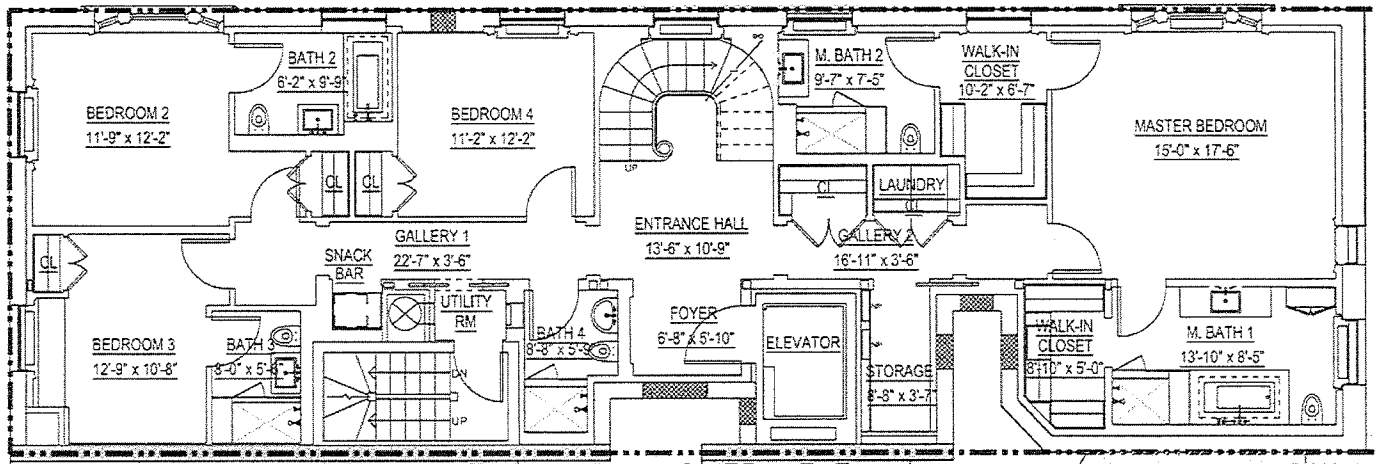
P + S K B
PKSB ARCHITECTS, PC
330 W42 STREET
NEW YORK NY 10036
212 594 2010

78 IRVING PLACE, NEW YORK, NY 10003

DATE: 03/23/15

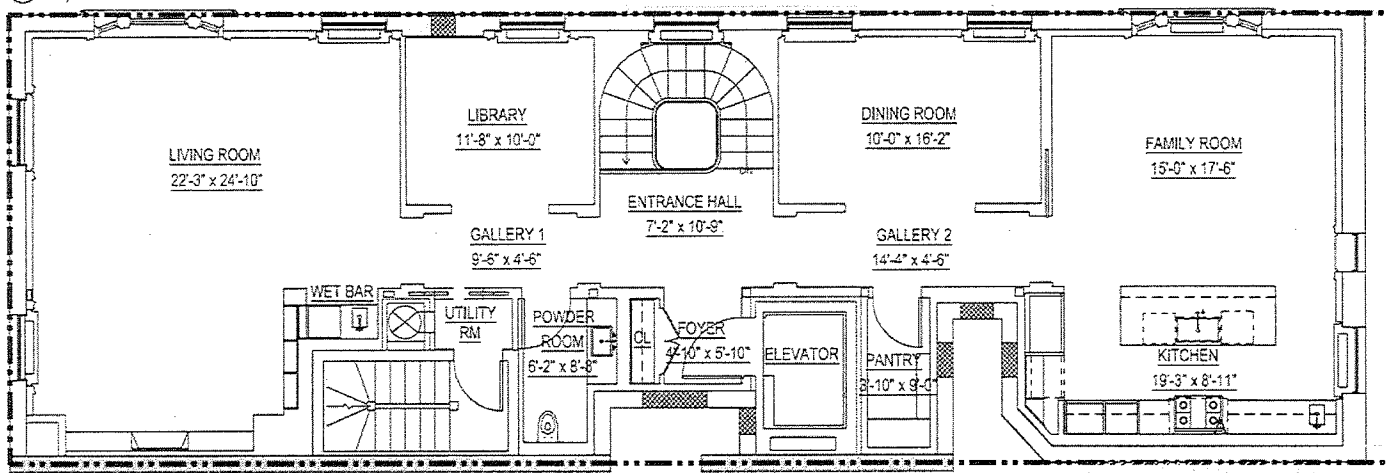
All areas and dimensions set forth on the plans are approximations. The actual areas and dimensions may vary. Variations in ceiling height may occur due to structural, mehcanical, etc.

IRVING PLACE INVESTOR LLC
825 3rd Ave. / 37th Floor
New York, NY 10022



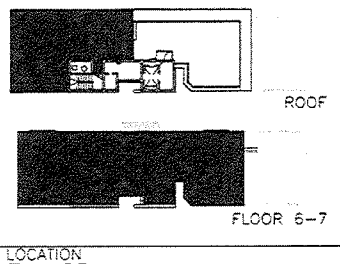

01 78 IRVING PLACE – UNIT 6 – PH. LOWER LEVEL

FLOOR 6




02 78 IRVING PLACE – UNIT 7 – PH. UPPER LEVEL

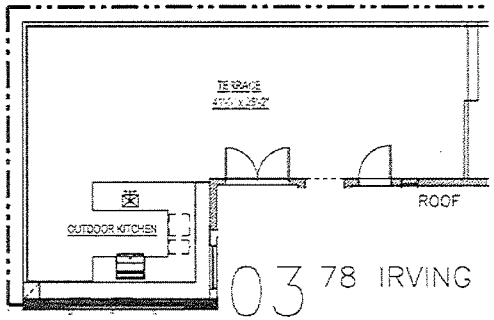
FLOOR 7




UNIT LOCATION

| UNIT NUMBER | 6/7 – P.H. |
|---|---|
| FLOOR 6 | 2210 |
| FLOOR 7 | 2210 |
| ROOF | 955 |
| UNIT SQ FOOTAGE TOTAL | 5375 |
| NO. OF BEDROOMS | 4 |
| NO. OF BATHROOMS | 5.5 |
| CEILING HEIGHTS: MAIN | 9'–0" |
| BATHROOMS, CLOSETS, ETC. | 8'–8" |

UNIT INFORMATION




03 78 IRVING PLACE – PH. ROOF

REGISTERED ARCHITECT
SHERIDA E. PAULSEN
017708
STATE OF NEW YORK

SEAL


PKSB ARCHITECTS, PC
330 W42 STREET
NEW YORK NY 10036
212 594 2010


78 IRVING PLACE, NEW YORK, NY 10003

DATE: 03/23/15

**EXHIBIT "7"**

---

**DECLARATION OF CONDOMINIUM**

---

DECLARATION
Establishing a Plan for Condominium Ownership
of the Premises located at
78 Irving Place
New York, New York 10003

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

Name:
78 Irving Place Condominium

Declarant:
Irving Place Investor LLC
825 Third Avenue, 37th Floor
New York, New York 10022

Date of Declaration:

---

The land affected by the within instrument lies in
Section 7, Volume I in Tax Block 874
formerly known as Tax Lot 60
now known as Lots _____
on the Block Map of Taxes and Assessments
in the Borough of Manhattan, City of New York

Attorneys for Declarant
Holland & Knight LLP
31 West 52nd Street
New York, New York 10019
(212) 513 - 3308
Attn: Stuart M. Saft, Esq.

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# DECLARATION
# OF
# 78 IRVING PLACE CONDOMINIUM

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

Irving Place Investor LLC, a Delaware limited liability company, having an office at 825 Third Avenue, 37th Floor, New York, New York 10065 ("Declarant"), does hereby declare as follows:

## ARTICLE 1
## DEFINITIONS

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

## ARTICLE 2
## SUBMISSION OF THE PROPERTY

2.1 Declarant hereby submits the Land and Building (each as hereinafter defined), all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") and pursuant thereto does hereby establish a condominium to be known as "78 Irving Place Condominium" (the "Condominium").

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

2.3 The Property includes that portion of the unused floor area development rights that are subsequently acquired or that may become available under the Zoning Resolution of the City of New York (the "Development Rights"), all of which, however, are hereby assigned and reserved to and shall inure to the benefit of the Declarant, which Development Rights may be utilized by the Declarant or any other party acquiring the same from the Declarant (the "Development Rights Purchaser") and merged into a zoning lot pursuant to the terms of a zoning lot development agreement or similar agreement or instrument (a "ZLDA"). The Declarant has the sole right to transfer or sell such Development Rights, provided, they will not be used to increase the volume of the Building nor will be transferred to an entity where they would be used to impact the light or air appurtenant to the Building or the economics of the Building. None of

the Unit Owners or the Condominium Board will have any interest in the rents, profits or revenues from the sale or use of any of the Development Rights.

## ARTICLE 3
## THE LAND

Included in the Property described in Article 2 is all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in the City, County and State of New York, and more particularly described in Exhibit A annexed hereto and made a part hereof. The Land is owned by Declarant in fee simple absolute. The Land has an area of approximately 2,880 square feet.

## ARTICLE 4
## THE PROPERTY

Included in the Property described in Article 2 is a seven (7) story building ("Building") consisting of seven (7) Units and (collectively, the "Units" and individually, a "Unit") and two (2) storage bins (collectively, the "Storage Bins" and individually, a "Storage Bin"). The owner of a Unit is herein called a "Unit Owner" and all the owners of the Units are herein collectively called the "Unit Owners".

## ARTICLE 5
## THE BUILDING

The Building consists of containing a total of seven (7) Units and two (2) Storage Bins. The Building is constructed of masonry bearing walls and concrete slabs with concrete beams. The exterior walls are constructed of masonry. The Building is seven (7) stories. The floors in the Building are named (from bottom to top): Cellar, Ground Floor, First Floor through Fifth Floor, Roof and Bulkhead Roof. The Storage Area occupies a portion of the Cellar. The Building has an entrance on Irving Place.

## ARTICLE 6
## THE UNITS

6.1 Exhibit B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; approximate square foot area; approximate Limited Common Element square foot area; location; number of bedrooms and bathrooms; and the percentage interest in the Common Elements appurtenant to such Unit. The location of each Unit is shown on the floor plans of the Buildings (the "Floor Plans") certified by PKSB Architects, PC, and intended to be approved by the Real Property Assessment Department of the City of New York and filed in the New York County office of the Register of the City of New York (the "City Register's Office") following the recording of this Declaration.

6.2 Each Unit includes, and each Unit Owner shall be responsible for, the doors in and to such Unit, except for the front entrance door, smoke detectors, for cleaning purposes, all windows to such Unit, all plumbing, gas and heating fixtures and equipment such as refrigerators, dishwashers, heating, ventilating and air conditioning ("HVAC") units (including

the fans inside the units), heating equipment, ranges and other appliances, as may be affixed, attached or appurtenant to such Unit and serving such Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors. Each Unit shall also include (i) all lighting and electrical fixtures and appliances within the Unit, and (ii) any special equipment, fixtures or Facilities (as hereinafter defined) affixed, attached or appurtenant to the Unit, to the extent located within a Unit from the panel and serving or benefiting only that Unit. Notwithstanding anything contained in this Article 6 to the contrary, each Unit Owner will have the right, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, wall to wall carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity and mechanical and electrical systems of such Unit or of the Building.

6.3 Each Unit will include all related Facilities exclusively serving the Units.

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

6.5 Each of the Units is subject to the encroachments and easements described in this Declaration to the extent and on the terms and conditions provided for herein.

## ARTICLE 7
## DIMENSIONS OF UNITS

7.1 The approximate indoor floor area of each Unit has been measured on each of one or more floors, from the exterior side of the exterior Building walls, the Building line or Property line, or from the midpoint of the interior Demising Walls separating the Unit from another Unit, the public corridors, public stairs, elevator or other mechanical equipment space or any other Common Element. Columns and mechanical pipes and chases (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Unit. Outdoor floor areas appurtenant to Units are not included in the Units' floor areas.

7.2 Measured vertically, each Unit consists of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the floor slab above.

7.3 The floor area occupied by any Common Elements bordering or within a Unit (such as the Building's facade or exterior walls, vents, chase walls or areas, conduits, ducts, shafts or pipes) have been included in the computation of the floor area of the Unit, but such

Common Elements are not part of the Unit. As a result, the square footage shown are taken from points behind the walls enclosing the Unit and exceed the Unit's usable floor area. Minor inaccuracies in a Unit's square footage will not excuse a Purchaser from completing the purchase of a Unit without recourse against the Declarant, or reduction in the price.

## ARTICLE 8
## COMMON ELEMENTS

8.1 Common Elements

8.1.1 The Common Elements of the Condominium (the "Common Elements") consist of the entire Property, including the Land and all parts of the Buildings and improvements thereon other than the Units. The Common Elements include, but are not limited to, those rooms, areas, corridors, spaces and other parts of the Buildings and all Facilities (defined below) therein for the common use of the Units and the Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property. The Limited Common Elements of the Condominium (the "Limited Common Elements") consist of those Common Elements that serve or benefit exclusively one or more but not all of the Units or the Unit Owners. The Common Elements are appurtenant to, serve and benefit each Unit to the extent of such Unit's percentage share of the Common Elements. The Common Elements are for the common use of all Unit Owners.

8.1.2 As used in this Declaration, the word "Facility" or "Facilities" includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: system, equipment, apparatus, convertor, radiator, heater, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket, mail box, carpeting, tile or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture tub or box.

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

8.3 The Common Elements consist of the following:

8.3.1 The Land (as more particularly described in Exhibit A attached to this Declaration), together with all easements, rights and privileges appurtenant thereto.

8.3.2 All of the following: all foundations, footings, columns, girders, floor slabs and ceilings, beams, and supports and interior load bearing walls, (except to the extent

included in Sections 8.4 or 8.5), those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or where applicable, those portions of the exterior walls beyond the interior face of the exterior walls or the concealed blockwork, brickwork or masonry or concealed structural members of those walls; those portions of the walls and partitions dividing the Units from the corridors, the elevator shafts, mechanical equipment spaces, fire escapes which are not part of a Unit (which shall only be used for fire egress purposes), fire staircases, fire escapes and stairs located beyond the unexposed face of the dry walls enclosing the Units, or, where applicable, the blockwork, brickwork, masonry or concrete work of the interior walls of the Building separating one Unit from another Unit, or from corridors, the elevator shafts, fire staircases, fire escape, stairs, vestibules or lobbies not within a Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkheads and roof areas which are not for the exclusive use of a particular Unit or Units, the use of which shall be at the sole discretion of the Board of Managers; skylights and/or glass enclosures, if any, other than those directly over Units; sprinkler systems, standpipe systems; service corridors, fire corridors, halls, stairs, and stairway areas located at all levels of the Building which are beyond the unexposed face of the dry walls or blockwork, brickwork, masonry or concrete work of the walls enclosing a Unit and are not specifically designated below as a Limited Common Element, storage and utility areas, if any, located at all levels of the Building and which are not part of a Unit or which are not specifically designated below as Limited Common Elements, and are located beyond the unexposed face of the drywalls or blockwork, brickwork, masonry or concrete work enclosing a Unit; all cellar areas which are not specifically designated below as a Limited Common Element and not part of a Unit; the sidewalks in front of the Building, including any tree, shrubbery, flower or other planting or horticulture tub or box located thereon, and any landmarked elements located thereon (i.e., brass grills and railings, building entry and canopy, areaways and their curbs, and stone curbs at the sidewalks); the service entrances to the Building, if any; the entrances to and exits from the Building, including any handicapped ramp adjacent thereto, together with any awnings or canopies, if any, which are not part of a particular Unit or which are not specifically designated as a Limited Common Element;

8.3.3 The boiler and gas room, mechanical storage or other rooms located at the cellar level of the Building, including, but not limited to, the elevator, and the elevator pit; the elevator switch room, plumbing room, telecommunication room, the electrical room, closets, a half-bath powder room, a service room and the gas meters, water meters, electric meters, pumps and other equipment in the cellar; any and all cellar or other areas of the Building and Facilities which are not designated as part of a Unit or a Limited Common Element;

8.3.4 The trash room and chute together with any refuse room or rooms and compactor machinery and related Facilities, if any, located at the cellar level of the Building; the trash chutes located on any floors of the Building, all of which shall be used in a manner to be determined by the Board of Managers in its sole discretion;

8.3.5 The elevator, elevator machinery, its shafts and pits; the elevator switch room, the elevator bulkhead and elevator machine room, if any, for the elevator, together with all Facilities related thereto, located on any floor or roof of the Building;

8.3.6 The elevator lobbies, together with any trash chute access room and/or trash room, mechanical rooms or equipment closets , if any, located on all floors of the Building and all Facilities related thereto;

8.3.7 The lobby to the Building together with the adjoining any storage areas and the mailboxes for all of the Units;

8.3.8 All installations and Facilities on the Property outside the Units for services such as gas power light, cable television, heat, telephone and water which service the Units and/or the General Common Elements;

8.3.9 The Storage Area located at the Cellar level which shall be licensed to certain Unit Owners in a manner to be determined by the Board of Managers. The use of the Storage Bins shall be subject to the By-Laws of the Condominium and any and all rules and regulations promulgated with regard thereto by the Board of Managers in their sole discretion;

8.3.10 All sewer pipes and drainage pipes;

8.3.11 Those portions of the main roofs located at any level of the Building and those portions of the land, if any, which have been designated for the installation of mechanical equipment, including, but not limited to, roof tanks, cooling towers, any ventilation or air-conditioning equipment or other related Facilities, if any, which service the Units and/or the General Common Elements;

8.3.12 The heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment, cooling towers and water tanks, if any, and related machinery or Facilities, wherever located in the Building, which service both the Units and/or the General Common Elements;

8.3.13 Any piping and/or ductwork which is necessary for the functioning of the heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment and cooling towers, if any, wherever located in the Building, which service both the Units and/or the General Common Elements;

8.3.14 Any and all windows of the Building which are not part of a particular Unit;

8.3.15 The right to use all street vaults, if any. To the extent there are any charges for said vault areas, such charges shall be paid by all of the Owners as a Common Expense;

8.3.16 The right to use area on the south sidewalk of East 19th Street projecting beyond the property line of the Property, as such area is defined in the Revocable Consent Agreement with the New York City Department of Transportation dated September 9, 2014 and recorded on October 29, 2014 in CRFN 2014000360301. Such charges for any payments due under said Agreement shall be paid by all of the Owners as a Common Expense;

8.3.17 Any common tanks and pumps, including, but not limited to, motors, fans, compressors, ducts, Siamese connections, and, in general, all apparatus and installations and Facilities existing for common use;

8.3.18 The roof and bulkhead roof;

8.3.19 All other Facilities of the Property (including but not limited to shafts, pipes, wires, ducts, vents, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Property; and

8.3.20 All other Facilities exclusively serving the Building, excluding the Units, and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of Property.

8.3.21 Notwithstanding anything to the contrary in this Article 8, if a Common Element benefits only certain Unit Owners, then the costs of alteration, addition, repair, replacement and restoration thereto shall be borne solely by those Unit Owners who benefit from the Common Element in the proportion that the Common Interest of each benefiting Unit Owner bears to the Common Interests of all benefiting Unit Owners. In addition, such Unit Owners shall be responsible for the normal operation, maintenance and repair of any such Common Element at their sole cost and expense.

8.4 The Limited Common Elements consist of the following:

8.4.1 The skylights, if any, existing or installed at some future date, that are directly above any Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owners of such Units;

8.4.2 Any fireplace, together with any flue, cap, chimney and/or ductwork attached thereto, whether gas-fired, wood-burning or ventless, existing or installed at some future date in any Unit shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such fireplace, including any flue, cap, chimney and/or duct work attached thereto, if any, shall be the responsibility of the individual Unit Owners of such Units;

8.4.3 The private roof terrace for the Penthouse Unit, together with any fencing delineating such area, which is accessed from the public staircase and the elevator, as delineated on the Floor Plans. Nonstructural, ordinary repairs and maintenance of the private roof terrace, together with any fencing which delineates such area, and any appliances or equipment servicing such area, shall be the responsibility of the individual Unit Owner(s) who have the exclusive use thereof; and

8.4.4 The exterior entryway with an iron gate located at the first floor adjacent to, and directly accessed from Unit 1B, which shall be for the exclusive use of the Unit Owner(s) of Unit 1B for the purposes of ingress and egress. Nonstructural, ordinary repairs and maintenance of the exterior step(s) and the iron gate shall be the responsibility of the individual Unit Owner(s) of Unit 1B.

8.4.5 Certain portions of the Common Elements are limited and further restricted in use to the owners of Units to which such Limited Common Elements are appurtenant, subject to the right of the Condominium Board to enter upon any such Limited Common Element to make structural repairs or structural replacements to said Limited Common Element or any Common Element contained therein, and subject to the Rules and Regulations of the Condominium.

8.4.6 Any portion of the Limited Common Elements which is not restricted in use may be used by any Unit Owner.

8.4.7 The Limited Common Elements include the roof terrace or yard appurtenant to a specified Unit, including any planter installed thereon and fences and rails, if any, enclosing said terrace or balcony, and the roof terraces, if any.

8.4.8 All normal and ordinary maintenance, repair and replacement of Limited Common Elements (i.e., cleaning surface areas, patching chipped concrete or pavers, repairing and/or replacing fencing or railing enclosures, etc.) shall be tended to and paid for by the Unit Owner(s) having the exclusive use thereof. Washing exteriors of windows will be borne by the Unit Owners as a Common Expense. The cost of repairing and/or replacing a divider separating two or more terrace areas shall be shared equally by the Unit Owners whose terraces are affected unless the need for repair or replacement was occasioned by the negligence of one of the Unit Owners or his or her guest(s) or agent(s), in which case the cost shall be borne exclusively by said Unit Owner. Structural or extraordinary repairs of the Limited Common Elements, including such items as complete replacement of concrete in rear yards, and retarring and resurfacing the roof under terraces, will be borne by the Unit Owners as a Common Expense.

8.4.9 Unit Owners shall be responsible for washing the interior side of any and all windows in their Unit, and replacing broken window glass in their Unit unless the glass was broken through the negligence of the Condominium Board or its agents, in which case the cost or replacement shall be borne by the Unit Owners as a Common Expense. Any Unit Owner having access to a terrace or balcony shall keep it free from ice, snow and water.

8.4.10 That portion of equipment, fixtures or Facilities serving or benefiting one Unit, to the extent located within another Unit or within a Common Element to which there is direct and exclusive access from the interior of a Unit. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, the Unit Owner who is so served or benefited by such Limited Common Element shall have the exclusive right to use such Limited Common Element and shall be responsible for its normal operation, maintenance and repair at such Unit Owner's sole cost and expense.

8.4.11 All other Facilities exclusively serving one or more but not all Units, excluding the Units and the General Common Elements, which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of one or more but not all of the Units.

## ARTICLE 9
## USE OF BUILDING AND UNITS

9.1 As more particularly set forth in the By-Laws a Unit may be used for any lawful purposes, subject, however, to (1) the terms and conditions of the then existing certificate of occupancy for such Unit, (2) applicable governmental laws and regulations, (3) the use of such Unit not adversely affecting the use and enjoyment of neighboring or adjacent Units, and (4) the restrictions as described in Section 6.14 of the By-Laws. Units may only be leased in accordance with the By-Laws and the Rules and Regulations.

9.2 Notwithstanding the foregoing or anything contained herein, in the By-Laws or any Rules and Regulations to the contrary, Declarant (and its designees) may, without permission of the Board or any other person use or grant permission for the use of any Unsold Unit for any lawful purpose, including, but not limited to, the use of any Unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to compliance with applicable laws. As used in the Condominium Documents, "Unsold Unit" refers to any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Declarant or any of its respective designees as the holder of one or more Unsold Unit(s); any Unit that is acquired, individually or collectively, by a principal of Declarant or a group of which Declarant or one or more of its principals is a member; or any Unit that is acquired, individually or collectively, by either the holder of a Permitted Mortgage given by Declarant or the designee of a holder of such a Permitted Mortgage.

9.3 Storage Bins may be used only for the storage of personal effects of Unit Owners, and in no event shall any food or other perishable item, or any flammable or explosive item which would pose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored in a Storage Bin. Except for Declarant, a license for a Storage Bin may not be owned unless a Unit Owner also owns a Unit.

## ARTICLE 10
## CHANGES IN THE CONDOMINIUM

Except to the extent prohibited by law, Declarant or its designee shall have the right, without the vote or consent of the Board, other Unit Owners or the Mortgage Representatives, if any, to: (a) make alterations, additions or improvements to any Unsold Units; (b) change the use (subject to Section 9.2 above) or layout of, or number of rooms in, any Unsold Units from time to time; (c) change the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Units, converting a Unit or any portion thereof to a Common Element or a Limited Common Element, altering the boundary walls between any Unsold Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Unit) which exclusively benefit an Unsold Unit into such Unit; (d) designate a Common Element as part of a newly created Unit or Limited Common Element, or designate all or part of a Unit as a newly created Common Element or Limited Common Element; and (e) if appropriate, reapportion among the Unsold Units affected by such change in size, use or number pursuant to the

preceding clauses (b) and (c) their percentage interests in the Common Elements; provided, however, that (i) the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the owners of such Units shall consent thereto; (ii) Declarant or its designee, as the case may be, shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold each Board and all other Unit Owners harmless from any liability arising therefrom. The provisions of this Article 10 may not be added to, amended, modified or deleted without the prior written consent of Declarant or its designee. By written permission of the Condominium Board, which permission, shall not be unreasonably withheld, any other Unit Owner may be given, with respect to his or her Unit, the same rights and be subject to the same limitations and conditions as are set forth in this Article 10 with respect to Unsold Units. Notwithstanding the other provisions of this Article 10, no reapportionment of the interests in the Common Elements appurtenant to any Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the percentage interests of the respective Units in the Common Elements, immediately after such reapportionment, will be based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. The certification referred to in the preceding sentence shall be delivered (i) at Declarant's election, by Declarant, the managing agent of the Condominium or any other person reasonably acceptable to the Condominium Board in the case of any Unsold Unit, and (ii) by either the managing agent of the Condominium or any other person reasonably acceptable to the Condominium Board in the case of any other Unit.

## ARTICLE 11
## PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York is hereby designated to receive service of process at One Commerce Place, 99 Washington Avenue, Albany, New York 12231 in any action which may be brought against the Condominium. For the period during which Sponsor is in control of the Board of Managers, Irving Place Investor LLC with an office at 825 Third Avenue, 37th Floor, New York, New York 10022, is hereby designated to receive notice of process in any action which may be brought against the Condominium. After Sponsor relinquishes control of the Board of Managers notice of process in any action which may be brought against the Condominium shall be served on the President of the Condominium at the office of the Condominium, at 78 Irving Place, New York, New York 10003.

## ARTICLE 12
## DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

12.1 Determination of Percentage of Interest in Common Elements. The percentage of interest in the Common Elements applicable to each Unit, as shown on Schedule C, was determined pursuant to Section 339-i(1)(iv) of the Condominium Act, and is based upon floor space, subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for

exclusive or shared use and the overall dimensions of a particular Unit. The aggregate Common Interest for all Units is 100%.

12.2 The percentage interest of each Unit in the Common Elements is apportioned in the same proportion that the Unit bears to the Common Interests of all Units.

## ARTICLE 13
## ENCROACHMENTS

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

## ARTICLE 14
## ACCESS TO COMMON ELEMENTS

Each Unit Owner shall have an easement in common with all other Unit Owners to use, maintain, repair, alter and replace all Common Elements located in any of the other Units or elsewhere on the Property which serve his or her Unit including an easement to connect to existing utilities including, but not limited to utilities for gas, electricity, steam and ventilation. Each Unit shall be subject to an easement in favor of all Unit Owners to use, maintain, repair, alter and replace all Common Elements located in such Unit or elsewhere on the Property which serve other Units. In addition, the Condominium Board, or their agents, to the extent the Board is permitted to act by the By-Laws for such purposes, shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Property. All easements and rights of access described in this Article 14 shall be exercised in such a manner as will not unreasonably interfere with use of the Units for their permitted purposes. Such entries shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building).

## ARTICLE 15
## EASEMENTS AND NAME OF CONDOMINIUM

15.1 Except as set forth in this Declaration, each Unit Owner shall have, in common with all other Unit Owners, an easement for the use of the Common Elements.

15.2 Each Unit Owner shall have, in common with all other Unit Owners, an easement for ingress and egress through the Condominium, to the extent necessitated by an emergency.

15.3 Each Unit Owner shall have, in common with all other Unit Owners, and each Unit shall be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements or Limited Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to maintain any encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Units, the Common Elements; or the Limited Common Elements; provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on not less than one days' notice, except that no notice will be necessary in the case of an emergency.

15.4 Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

15.5 Declarant or its designee and their successors and assigns shall, to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property (other than on the exterior walls of the Building surrounding Units not owned by the party erecting the sign) for the purposes of advertising the sale or lease of any Unsold Unit, and the operation of any business of a tenant or occupant of any Unit. No "For Sale", "For Rent", "For Lease" sign, or any other sign evidencing a similar purpose, or other window display or advertising shall be maintained or permitted in any Unit or that violate the Project Standards, except that these sign restrictions shall not apply with respect to Unsold Units.

15.6 Declarant or its designee and the Condominium Board with respect to the Property, shall have the right to grant such additional electric, gas, steam, ventilation or other easements for utilities or otherwise or relocate any easements in any portion of the Property, as the case may be, as Declarant or its designee or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or to complete the Building as described in the Plan or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the 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 any 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 use of the Units for their permitted purposes.

15.7 Declarant shall have, and the Units and Common Elements shall be subject to, an easement, (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace satellite dishes and similar equipment on the roof of the Building and the conduit and other Facilities relating thereto, other than those portions of the roof which constitute Common Elements or Limited Common Elements, and (b) to maintain any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the installation, operation, maintenance, repair, alteration, rebuilding, restoration or replacement thereof; provided that access to any Unit or Common Element in furtherance of such easement shall be exercised in a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

Such entry shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of an emergency.

15.8 The Board and any managing agents, managers, superintendents and other persons authorized by the Board, shall have a right of access to any Unit for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and threatening another Unit or any Common Element, and for any other purposes provided in the Plan, this Declaration or as may be required by law or governmental regulation, 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 tenants 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 Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. Declarant shall have a right of access to any Unit for the purpose of performing work listed on the executed inspection statement or for the purpose of performing or completing construction in the Building.

15.9 The Condominium shall be designated and known as "78 Irving Place Condominium". Declarant shall own and control all rights and interests, and shall be responsible for all obligations and liabilities, appurtenant to the name of the Condominium and/or the Building. For so long as Declarant owns any Units in the Building, only Declarant shall have the right to change or assign the name of the Condominium and/or the Building, and such right may be exercised by the Declarant at any time without the vote or consent of the Board or any Unit Owner.

15.10 Declarant and its contractors, employees and agents for so long as Declarant shall own any Unsold 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 nonstructural, interior or exterior, ordinary or extraordinary, in, to and upon Unsold Units.

15.11 The City of New York shall have an easement under or above the "Structure" as described and defined in the Revocable Consent.

15.12 All easements and rights of access described in this Article shall be exercised by the party or parties entitled to exercise such easements or rights of access (the "Exercising Party") in such manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Units or with the use of the Units for their permitted purposes, and each Unit Owner whose Unit is subject to the easements and rights of access described in this Article shall be reimbursed for reasonable actual out-of-pocket costs to repair damage (but not consequential damage) incurred by said Unit Owner (the "Impacted Owner") to repair the Impacted Owner's Unit and any additional security measures incurred by the Impacted Owner as a result of the exercise of the easement and right of access hereunder (the "Access Costs"). All entries made pursuant to the easements granted in this Article shall be permitted on reasonable notice, but in no less event than five (5) business days' notice to the Unit Owner, 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) in which event, the Exercising Party shall give such notice (which may be verbal) as is practicable given the nature of the emergency. The Exercising party shall reimburse the Impacted Owner within thirty (30) days of demand therefor, for the Impacted Owner's Access Costs, which demand shall be accompanied by reasonable evidence of such Access Costs. In the event the Exercising Party fails to pay the Access Costs within said thirty (30) day period, the Impacted Owner shall be entitled to interest on the Access Costs at the Default Rate, together with all rights at equity and at law. To the extent the Condominium Board is responsible for any costs and expenses, including, without limitation, under this Article, such costs shall be allocated to the Unit Owners as Common Expenses. Notwithstanding the foregoing, if the exercise of the easements and rights of access described in this Section is required in order to remove or cure a violation or to cure a default hereunder or under the Declaration caused by the Impacted Unit Owner or any rules and regulations adopted by the Condominium Board, or for the purpose of correcting any conditions originating in such Unit Owner's Unit and threatening another Unit or all or any part of the Common Elements, such Unit Owner shall be responsible for all costs and expenses in connection with such exercise and access and any work performed in connection therewith, all of which shall be Unit Owner Expenses and the Unit Owner shall not be entitled to reimbursement for Access Costs. Any dispute by and among any Unit Owners and/or the Condominium Board as to the nature, scope or interpretation of the costs contained in this Article shall be resolved by Arbitration.

## ARTICLE 16
## POWER OF ATTORNEY TO THE CONDOMINIUM BOARD

Each Unit Owner shall grant to the persons who shall from time to time constitute the Condominium Board an irrevocable power of attorney, coupled with an interest (in such form and content as the Condominium Board shall determine) following due authorization (if required) from the Unit Owners (a) to acquire or lease any Unit, together with its Appurtenant Interests (as defined in Article 17), whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Units so acquired, or to sublease any Unit so leased, without the necessity of further authorization by the Unit Owners, on such terms as the attorneys-in-fact may determine, (b) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate, (c) to execute, acknowledge and deliver any declaration or other instrument affecting the entire Property which the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the entire Property or any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the entire Property or the Common Elements which the Condominium Board deems necessary or appropriate, and (d) to execute amendments, in accordance with Article 19.

## ARTICLE 17
## ACQUISITION OF UNITS BY THE BOARD

17.1 If (a) any Unit Owner surrenders his or her Unit, together with (i) the undivided interest in the Common Elements and Limited Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in any other assets of the Condominium (such interests in (i), (ii) and (iii) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Condominium Act, (b) the Condominium Board, pursuant to Article 8 of the By-Laws, acquires or leases a Unit, together with the Appurtenant Interests, or (c) the Condominium Board purchases, at a foreclosure or other similar sale, a Unit, together with the Appurtenant Interests, then, in any such event, title to any such Unit, together with the 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 interests in the Common Elements. The lease or sublease covering 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 interest in the Common Elements.

17.2 The Condominium Board shall have the authority to purchase, on behalf of all Unit Owners, a Unit to be used as the residence of the superintendent of the Building and, in such event, title to all or any such portion of the Unit, together with its 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 interests in the Common Elements.

## ARTICLE 18
## COVENANTS RUNNING WITH THE LAND

18.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations which are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article 18, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and his or her 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 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 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.

18.2 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.

18.3 Subject to Section 18.2, 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 19
## AMENDMENTS OF DECLARATION

19.1 Except as specifically provided herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee or any Unsold Units, any provision of these By-Laws may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of these by-laws, provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners directly affected. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, Permitted Mortgagees, or any Unsold Units, any such amendment, modification, addition or deletion shall be executed by the Condominium Board, as attorney-in-fact for all Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Notwithstanding the foregoing and subject to the provisions contained herein or in the Declaration with respect to amendments affecting Declarant or its designee or any Unsold Units, no amendment, modification, addition or deletion pursuant to the provisions of clause (a) above shall be effective without the written

consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any. Notwithstanding anything to the contrary contained herein or in the Declaration, the Condominium Board may amend these By-Laws without the consent of any Unit Owner or Recognized Mortgagee, but upon at least ten (10) days written notice to the Unit Owner and Recognized Mortgagee, to correct or supplement any patent mistakes, inconsistencies or scrivener errors.

19.2 Subject to the foregoing provisions of this Section 19.1 and the rights of Declarant or its designee, under Articles 8, 9, and 10 of this Declaration, Articles 8 and 9 of this Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, 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.

19.3 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 adopted which would:

(a) unreasonably interfere with the sale, lease or other disposition of an Unsold Unit;

(i) abridge, modify, suspend, eliminate or otherwise affect any right, power, easement, privilege or benefit reserved to Declarant or its designee; or

(ii) impose any discriminatory charge or fee against Declarant or its designee, unless Declarant or such designee shall consent thereto, by joining in the execution of such Amendment;

(b) abridge, modify, suspend, eliminate or otherwise affect any right, power, easement, privilege or benefit reserved to the Declarant, unless the Declarant shall consent thereto by joining in the execution of such amendment; or

(c) change the permitted use of any such Unit or such Unit's Common Interest, unless the owner of such affected Unit shall consent thereto by joining in the execution of such amendment.

19.4 If the number of rooms in an Unsold Unit is changed, or the use, size and/or number of Unsold Units is changed (whether as a result of a subdivision or combination of Unsold Units or alteration of boundary walls between Unsold Units, or otherwise) and the Unit(s) Appurtenant Interest is reapportioned as a result thereof, all in accordance with Article 10 hereof, then Declarant or its designee causing such changes shall have the right to execute, or (upon its request) to require any other Unit Owner or the Condominium Board to execute, and record in the City Register's Office and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as Declarant or its designee causing such changes deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Unit or in the use, size and/or number of Unsold Units (whether as a result of

said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests of Units in the Common Elements resulting therefrom, all without the approval of the Condominium Board, the Unit Owners or the Mortgage Representatives, if any. In addition, if any Unit Owner other than Declarant or its designee causing such changes is given the right by the Condominium Board to make the changes described in this Section 19.4 with respect to such Unit Owner's Unit or Units, all in accordance with Article 10 hereof, then such Unit Owner shall have the right to require the Condominium Board 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 (in the reasonable judgment of the Condominium Board) to reflect the changes made by the Unit Owner, all without the approval of the Condominium Board, other Unit Owners or the Mortgage Representatives, if any. Nothing contained in this Section shall be construed to mean that the Common Interest appurtenant to any Unit not subject to any change may be reapportioned without the written consent of the Owner of such Unit.

## ARTICLE 20
## 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 withdrawal of the Property from the provisions of the Condominium Act is authorized by a vote of at least 80% in number and in Common Interest of all Unit Owners. No such vote shall be effective, however, (a) without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any, and (b) without the written consent of Declarant, until such time as Declarant and its designees have conveyed title to all Units, provided that in no event shall Declarant's consent be required more than five years after the date fee title to a Unit is first conveyed to a purchaser by Declarant or its designees pursuant to an offering plan. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of his or her share of such net proceeds all liens on his Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

## ARTICLE 21
## 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 22
## CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

## ARTICLE 23
## CERTAIN REFERENCES

23.1 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.

23.2 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.

23.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

## ARTICLE 24
## SEVERABILITY

Subject to the provisions of 18.2 and 18.3, if any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law.

## ARTICLE 25
## COVENANT OF FURTHER ASSURANCES

25.1 Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, a recognized mortgagee, an occupant of a Unit, a member or officer of the Condominium Board or otherwise, shall, upon prior reasonable written request at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction (the "Required Action").

25.2 A Unit Owner, or any other party which is subject to the terms of this Declaration must within ten (10) business days after its receipt of written request therefore, (a) take a Required Action or (b) object to taking a Required Action. In the event any Unit Owner or any other party does not take the Required Action or does not object to same within the aforementioned ten (10) business days then, the Condominium Board is hereby authorized as

attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party. Any objection by a Unit Owner as to whether or not a request pursuant to this Section 25.2 involves a "Required Action" shall be resolved by Arbitration. In the event the arbitrator determines that the action in question is a Required Action, then, the Condominium Board is hereby authorized as attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party.

25.3 Each Unit Owner shall have the affirmative duty to maintain its respective Unit and its appurtenant Limited Common Elements in such a manner so as to reasonably prevent and avoid inflicting a deleterious effect upon the other Units, the Limited Common Elements, the Common Elements or the Building. In the event any Unit Owner fails to make any payments required under the terms of this Declaration and the By-Laws or causes or permits any condition, or fails to take any action to prevent a condition, that has a deleterious effect on another Unit, any Limited Common Elements, the Common Elements or the Building (the "Defaulting Unit Owner"), the Condominium Board shall give written notice to the Defaulting Unit Owner including a request that the Defaulting Unit Owner and to any Recognized Mortgagee in accordance with Article 7 of the By-Laws, take specific steps to ameliorate such a condition ("Remedy Notice"). If the Defaulting Unit Owner fails to remedy the condition within seven (7) days of the receipt of the Remedy Notice, or, if the condition is such that it cannot be remedied within seven days, fails to commence appropriate remedies, the Condominium Board may, upon ten (10) business days (or such shorter time that the Condominium Board reasonably determines is necessary to prevent irreparable damage in the event of an emergency) additional notice to the Defaulting Unit Owner, enter into the Unit and effect a reasonable remedy, at the Unit Owner's sole cost and expense. In the event a Unit Owner reasonably believes another Unit Owner has caused, permitted, or failed to prevent a condition that has a deleterious effect on its Unit, the first Unit Owner may request that the Condominium Board send a Remedy Notice. If the Condominium Board fails or otherwise determines not to send the Remedy Notice, the Unit Owner shall have all rights to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such condition or breach and to seek reimbursement for any costs or expenses incurred in connection therewith. Any such costs or expenses or expenses expended by the Condominium Board or a Unit Owner as aforesaid shall be deemed Unit Owner Expenses as to which the Condominium Board will have the lien rights more particularly set forth in the By-Laws. Each Unit Owner and the Condominium Board shall indemnify, defend and hold harmless the other Unit Owners, Permitted Users and the Condominium Board (collectively, the "Indemnitees") from the gross negligence or willful misconduct of, or violations of the terms and conditions of the Declaration or the By-Laws by such Unit Owner or Condominium Board, however applicable, including, but not limited to, reasonable legal fees.

## ARTICLE 26
## SUCCESSORS AND ASSIGNS

Except as set forth herein or in the By-Laws to the contrary, the rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon

any successor or assign of Declarant or its designee, or, with the consent of Declarant or its designee, any transferee of some or all of the then Unsold Units then owned by Declarant or its designee, as the case may be.

## ARTICLE 27
## COVENANTS

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

## ARTICLE 28
## CONDOMINIUM GOVERNANCE

28.1 The affairs of the Condominium shall be governed and controlled by a Board of Managers, as described in the By-Laws. When in this Declaration or in the By-Laws an action is to be undertaken, or is authorized to be done by the Condominium, it shall mean the Condominium acting through its Board of Managers, unless the text clearly requires another interpretation (i.e., through a vote of the Unit Owners). When the Board of Managers is authorized or obligated to act, it shall be acting on behalf of all Unit Owners in the Condominium.

28.2 Notwithstanding anything to the contrary in the Condominium Documents, and to the extent permitted under applicable law, it is the intention of the Condominium Documents that while one party owns all the Units in the Condominium (either beneficially or in fee), or owns some of the Units in the Condominium (either beneficially or in fee) and controls the Owner of the remaining Unit(s) in the Condominium, such party shall operate the Property as if the Property were not subject to a condominium regime. During the period these circumstances apply, it is the intention of the Condominium Documents that such party shall be deemed to be the Board of Managers for purposes of operating the Condominium to the extent and whenever applicable law requires that there be a board of managers established to operate the Condominium, but that formal procedures for meetings and decision-making by and among Unit Owners and Board Members set forth in the By-Laws shall not be required. Notwithstanding the foregoing, each Unit is and shall remain a separate Unit for its own operational purposes, and each Unit Owner shall have all the economic and other rights and burdens of real property with respect to each Unit it owns. As such, a Unit Owner may and shall maintain separate accounting records, including, without limitation, separate profit and loss statements, for each Unit it owns.

## ARTICLE 29
## INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans, are each incorporated herein by this reference and made a part of this Declaration as if set forth at length in the text hereof.

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

**Irving Place Investor LLC**

By: _____
Name:
Title:

STATE OF NEW YORK )
)ss.:
COUNTY OF NEW YORK )

On the _____day of _____ in the year ____ before me, the undersigned personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

# EXHIBIT A
# PROPERTY DESCRIPTION

# EXHIBIT B

# EXHIBIT C
# DEFINITIONS

"Adversely affect", or "adverse effect", as used in the Condominium Documents, shall mean, with respect to any action or proposed change and with respect to any Unit Owner or Owners, that such action or change could, if realized, (i) increase the Common Charges payable by such Unit Owner or Owners, (ii) materially interfere with such Unit Owner's access to its Unit or Units, (iii) obstruct or degrade the view from the windows of such Unit Owner's Unit or (iv) otherwise materially diminish such Unit Owner's use and enjoyment of its Unit or Units.

"Arbitration" refers to the procedure described in Article 11 of the By-Laws.

"Building" refers to the structures and improvements including above and below grade segments, known as 78 Irving Place, New York, New York in which the Units of the Condominiums are located.

"By-Laws" refer to the By-Laws governing the operations of the Condominium, the form of which is set forth in Part II of the Plan.

"City Register's Office" refers to the New York County Office of the Register of The City of New York.

"Closing" refers to the time, place and procedure by which fee title to the Unit in question is conveyed to a Purchaser pursuant to a fully executed Purchase Agreement.

"Closing Date" refers to the date on which Closing occurs.

"Common Charges" refer to assessments payable to the Condominium Board for the purpose of meeting Common Expenses.

"Common Elements" refer to the Land and all parts of the Building, including its foundations, roofs and supports, other than the Units.

"Common Expenses" refer to costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements.

"Common Interest" refers to the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements appertaining to each Unit determined in accordance with the Declaration. The Common Interest is the basis of determining, among other things, a Unit Owner's (a) voting power, and (b) share of any distributions upon termination of the Condominium.

"Condominium" refers to 78 Irving Place Condominium.

"Condominium Act" refers to the New York Condominium Act, as amended from time to time and presently found in the New York Real Property Law, Article 9B.

"Condominium Board" refers to the board of managers of the Condominium.

"Condominium Documents" refers to the Declaration, the By-Laws and the Floor Plans.

"Declarant" refers to Irving Place Investor LLC, a New York limited liability company, and its successors and assigns.

"Declarant and/or its designee(s)", "Declarant or a designee of Declarant" or similar terms refers to Declarant and any designee of Declarant.

"Declaration" refers to this instrument, which creates the Condominium, as the same may be amended from time to time.

"Department of Law" refers to the New York State Department of Law.

"Facility" and "Facilities" have the meanings contained in Section 8.1.2 of the Declaration.

"First Closing", or words of similar import, refers to the date fee title to a Unit is first conveyed to a Purchaser pursuant to the Plan.

"Floor Plans" refer to the floor plans of the Building, as the same may be amended from time to time, which are approved by the Real Property Assessment Bureau of The City of New York and filed with the City Register's Office.

"Initial Control Period" refers to the period during which members of the Condominium Board designated by Declarant constitute a majority of the members of said Board.

"Land" refers to the land beneath the Building and the appurtenances thereto.

"Limited Common Element" is defined in Section 8.1.1 of the Declaration.

"Managing Agent" refers to the managing agent or manager of the Building at the time in question.

"Mortgage Representatives" is defined in Section 7.5 of the By-Laws.

"Offeree" refers to (a) Purchasers who have executed and delivered Purchase Agreements for Units and are not in default thereunder, (b) Unit Owners, and (c) any other person or entity who, pursuant to law, is an offeree of the Plan.

"Permitted Encumbrances" refer to those title encumbrances on a Unit subject to which a Purchaser agrees to take title, as more particularly itemized on Schedule A annexed to the form of Purchase Agreement set forth in Part II of the Plan.

"Permitted Mortgage" refers to a mortgage permitted to be placed upon a Unit or Units pursuant to the provisions of the By-Laws.

"Permitted Mortgagee" refers to the holder of any Permitted Mortgage and shall include, without limitation, such banks and financial institutions as constitute the holders of the construction loan mortgages given by Declarant to acquire and construct the Property.

"Plan" refers to the Offering Plan for the Condominium as the same may be amended from time to time.

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

"Property" refers to the Land, the Building and the appurtenances thereto.

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

"Purchaser" refers to person(s) or entity(ies) named as Purchaser(s) in a Purchase Agreement which has been duly executed by such person(s) or entity(ies) and accepted by Declarant.

"Revocable Consent" means that certain revocable consent agreement dated September 9, 2014 and recorded on October 29, 2014 in CRFN 2014000360301.

"Rules and Regulation" refer to the rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A.

"Residents" refer to the people residing in the Building regardless of whether they are Unit Owners, renters, or other occupants of the Units.

"Schedule A" refers to Schedule A, "Purchase Price and Related Information for the Projected First Year of Condominium Operation" set forth in Part I of the Plan.

"Schedule B" refers to Schedule B, "Projected Budget for the First Year of Condominium Operation" set forth in Part I of the Plan.

"Selling Agent" refers to Douglas Elliman LLC, or any successor selling agent at the time in question.

"Storage Area" refers to the areas in the Cellar containing the Storage Bins.

"Storage Bin" shall mean any Storage Bin located in the Building which is the subject of a Storage Bin License or is held by Declarant. Each Storage Bin shall include the structural framework and materials out of which the Storage Bin is constructed.

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

"Terrace(s)" refers to terraces and/or balconies appurtenant to certain Units and the roof terraces, if any, which are Limited Common Elements.

"Unavoidable Delays" refer to delays due to strike, lockout, or other labor or industrial disturbance (whether or not on the part of employees or contractors of Declarant), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, war, act of the public enemy, riot, sabotage, blockade, embargo, terrorist acts, shortage of or failure or inability to secure materials or labor by reason of priority or similar regulation or order of any government or regulatory body or lightning, earthquake, fire, storm, hurricane, flood, explosion, act of God or any cause similar to any of the causes hereinabove state; provided, however, that for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause similar to the causes stated above.

"Unit" or "Condominium Unit" refers to space designated as a Unit in the Declaration, consisting, generally, of either a specific residence, together with an appurtenant proportionate undivided interest in the Common Elements and, as the case may be, in the Common Elements or the Limited Common Elements. All of such Units are collectively referred to as "Units".

"Unit Owner" refers to any Unit Owner and all of such Unit Owners are collectively referred to as the "Unit Owners".

"Unsold Unit" refers to (a) any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Declarant or its designee, or a Unit that is acquired, individually or collectively, by a principal of Declarant or a group of which Declarant, or one or more of their principals, is a member or (b) any Unit for which there is a signed Purchase Agreement but for which Closing has not yet occurred.

# EXHIBIT D

# BY-LAWS
# OF

# 78 IRVING PLACE CONDOMINIUM
# 78 IRVING PLACE
# NEW YORK, NEW YORK 10065

# EXHIBIT E
# UNIT POWER OF ATTORNEY

# UNIT POWER OF ATTORNEY

**to**

**the Board of 78 Irving Place condominium**

**and**

**Irving Place Investor LLC**

**78 Irving Place condominium**

**78 Irving Place, New York, New York 10003**

UNIT _____

COUNTY: NEW YORK

BLOCK: 874

LOT:

## UNIT POWER OF ATTORNEY

**CAUTION TO THE PRINCIPAL**: Your Power of Attorney is an important document. As the "principal," you give the person whom you choose (your "agent") authority to spend your money and sell or dispose of your property during your lifetime without telling you. You do not lose your authority to act even though you have given your agent similar authority.

When your agent exercises this authority, he or she must act according to any instructions you have provided or, where there are no specific instructions, in your best interest. "Important Information for the Agent" at the end of this document describes your agent's responsibilities.

Your agent can act on your behalf only after signing the Power of Attorney before a notary public.

You can request information from your agent at any time. If you are revoking a prior Power of Attorney by executing this Power of Attorney, you should provide written notice of the revocation to your prior agent(s) and to the financial institutions where your accounts are located.

You can revoke or terminate your Power of Attorney at any time for any reason as long as you are of sound mind. If you are no longer of sound mind, a court can remove an agent for acting improperly.

Your agent cannot make health care decisions for you. You may execute a "Health Care Proxy" to do this.

The law governing Powers of Attorney is contained in the New York General Obligations Law, Article 5, Title 15. This law is available at a law library, or online through the New York State Senate or Assembly websites, www.senate.state.ny.us or www.assembly.state.ny.us.

If there is anything about this document that you do not understand, you should ask a lawyer of your own choosing to explain it to you.

## UNIT POWER OF ATTORNEY

Terms used in this Unit Power of Attorney which are used (a) in the declaration (the "**Declaration**") submitted by Irving Place Investor LLC ("**Declarant**") establishing a plan for Condominium ownership of the premises known as 78 Irving Place Condominium and by the street number 78 Irving Place, New York, New York 10003 under Article 9-B of the Real Property Law of the State of New York, dated _____ __, 200__, and recorded in the New York County Office of the Register of The City of New York on _____, 20__, in City File Register Number _____, or (b) in the By-Laws of the Condominium (the "**By-Laws**") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned (the "**Principal**"), the owner of the Unit (the "**Unit**") in 78 Irving Place Condominium which is (are) designated and described as Unit No. _____ in the Declaration and also designated as Tax Lot _____, in Block 874 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department 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:

A. The board of managers of the Condominium (hereinafter collectively referred to as the "**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 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, (1)(a) following due authorization by a Majority of Unit Owners, to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign, surrender or lease the same, (b) to acquire any Unit, together with its Appurtenant Interests, from any Unit Owner who elects to surrender the same pursuant to the By-Laws, and (c) following due authorization by a Majority of Unit Owners, to acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, all on such terms and at such price or rental, as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and, after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present; (2) upon determination by the Board, to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Units, including retaining counsel and taking any other actions which the Board deems necessary or appropriate, and (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium, which the Board, deems necessary or appropriate to comply with any ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Building, (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting

the Building which the Board deems necessary or appropriate or (c) following due authorization by any affected Unit Owner(s), to the extent required in the Declaration and By-laws, any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium, any of the Common Elements, in each case that the Board deems necessary or appropriate.

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

This Unit Power of Attorney shall be irrevocable; and

B. The **Declarant**, true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, in the name of its designee (corporate or otherwise) but subject in all respects to the By-laws and the Declaration then in effect, to execute an amendment to the Declaration, By-Laws and the Rules and Regulations of the Condominium or any permits, applications or documents required to undertake, perform or complete work to the Unsold Units or Common Elements by Declarant or obtain an amended certificate of occupancy therefor, or any of said documents when such amendment (i) shall be required to reflect any changes in Unsold Units, Non-Units and/or the reapportionment of the Common Interests of the aforesaid Units resulting therefrom made by Declarant in accordance with the Declaration or (ii) shall be required by an (x) Institutional Lender designated by Declarant to make a mortgage loan secured by a mortgage on any Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Declarant to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (a) or (b) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material or physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money 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.

This Unit Power of Attorney shall be irrevocable.

Each Agent may act SEPARATELY.

This Power of Attorney does not revoke any prior powers of attorney executed by the Principal.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ___ day of _____, 201__.

PRINCIPAL signs here: =>_____

=>_____

STATE OF NEW YORK )
) ss.:
COUNTY OF NEW YORK )

On the _____ day in _____the year 201__ before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

**IMPORTANT INFORMATION FOR THE AGENT:**

When you accept the authority granted under this Power of Attorney, a special legal relationship is created between you and the principal. This relationship imposes on you legal responsibilities that continue until you resign or the Power of Attorney is terminated or revoked.

You must:

(1) act according to any instructions from the principal, or, where there are no instructions, in the principal's best interest;

(2) avoid conflicts that would impair your ability to act in the principal's best interest;

(3) keep the principal's property separate and distinct from any assets you own or control, unless otherwise permitted by law;

(4) keep a record or all receipts, payments, and transactions conducted for the principal; and

(5) disclose your identity as an agent whenever you act for the principal by writing or printing the principal's name and signing your own name as "agent" in either of the following manner: (Principal's Name) by (Your Signature) as Agent, or (Your Signature) as Agent for (Principal's Name).

You may not use the principal's assets to benefit yourself or give major gifts to yourself or anyone else unless the principal has specifically granted you that authority in this Power of Attorney or in a Statutory Major Gifts Rider attached to this Power of Attorney. If you have that authority, you must act according to any instructions of the principal or, where there are no such instructions, in the principal's best interest. You may resign by giving written notice to the principal and to any co-agent, successor agent, monitor if one has been named in this document, or the principal's guardian if one has been appointed. If there is anything about this document or your responsibilities that you do not understand, you should seek legal advice.

Liability of agent:

The meaning of the authority given to you is defined in New York's General Obligations Law, Article 5, Title 15. If it is found that you have violated the law or acted outside the authority granted to you in the Power of Attorney, you may be liable under the law for your violation.

AGENT'S SIGNATURE AND ACKNOWLEDGMENT OF APPOINTMENT: It is not required that the principal and the agent(s) sign at the same time, nor that multiple agents sign at the same time.

I/we, _____, have read the foregoing Power of Attorney. I am/we are the person(s) identified therein as agent(s) for the principal named therein.

I/we acknowledge my/our legal responsibilities.

AGENT(s) sign(s) here:==>

**The Condominium Board of 78 Irving Place Condominium**

By: _____
Name:
Title:

STATE OF NEW YORK )
) ss.:
COUNTY OF NEW YORK )

On the _____ day in _____the year 201__ before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

I/we acknowledge my/our legal responsibilities.

AGENT(s) sign(s) here:==>

**Irving Place Investor LLC**

By: _____
Name:
Title: Authorized Representative

STATE OF NEW YORK )
) ss.:
COUNTY OF NEW YORK )

On the _____ day in _____the year 201__ before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

**SIGNATURES OF WITNESSES**:

By signing as a witness, I acknowledge that the Agent signed the Power of Attorney in my presence and the presence of the other witness, or that the Agent acknowledged to me that the Agent's signature was affixed by him or her or at his or her direction. I also acknowledge that the principal has stated that this Power of Attorney reflects his or her wishes and that he or she has signed it voluntarily. I am not named herein as a permissible recipient of major gifts.

| | |
|---|---|
| Signature of witness 1 | Signature of witness 2 |
| Date | Date |
| Print name | Print name |
| Address | Address |
| City, State, Zip code | City, State, Zip code |

**EXHIBIT "8"**

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# CONDOMINIUM BY-LAWS

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# BY-LAWS

# OF

# 78 IRVING PLACE CONDOMINIUM

## ARTICLE 1

## GENERAL

**1.1 Purpose**. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs the 78 Irving Place Condominium (the "Condominium"). The Condominium covers the property (the "Property") consisting of approximately 2,880 square feet of land (the "Land") which comprises Block 874 of Lots _____ on the Tax Map of the Borough of Manhattan, City, County and State of New York, the building and other improvements now or hereafter to be constructed thereon or therein, as the case may be (hereinafter collectively called the "Building"), including, without limitation, the Units and the Common Elements, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the recording of a Declaration (which, as the same may be amended from time to time, is herein called the "Declaration") in the New York County Office of the Register of The City of New York ("City Register's Office"), together with these By-Laws. All terms used herein including, but not limited to, "Declarant or its designee" and "Declarant or a designee of Declarant," which are not separately defined herein, shall have the meanings given to those terms in the Declaration.

**1.2 Applicability of By-Laws**. These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and other occupants of Units and employees and guests of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations (as hereinafter defined). The acceptance of a deed or conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of these By-Laws, the Rules and Regulations and the Declaration are accepted, ratified, and will be complied with.

**1.3 Principal Office of Condominium**. The principal office of the Condominium shall be located within the Property or at such other place within the Borough of Manhattan reasonably convenient thereto, as may be designated from time to time by the Condominium Board (as hereinafter defined).

## ARTICLE 2
## BOARD OF MANAGERS

### 2.1 Number, Term and Qualification.

2.1.1 As more particularly set forth in Section 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Condominium Board"). From and after the first annual meetings of Unit Owners as provided in Section 3.1, the Condominium Board shall consist of three (3) persons elected by the Unit Owners, subject to Declarant's rights under Subsection 2.1.3 hereof. The Condominium Board is herein sometimes referred to collectively as the "Board".

2.1.2 Each member of the Condominium Board except for the first Board as provided in 2.4 and except as otherwise provided herein, shall be elected at the annual meetings of Unit Owners and shall serve until the next annual meeting thereof and until successors have been elected and qualified. There shall be no limit on the number of successive terms a Board member may serve.

2.1.3 Except for Board members elected or designated by Declarant or its designee, all members of the Condominium Board shall be either Unit Owners or officers, directors, shareholders, partners, principals, employees or beneficiaries of corporations, partnerships, fiduciaries or any other entities which own Units, Permitted Mortgagees, or family members of any of the foregoing. Other than Board members elected or designated by Declarant or its designee, no Board member shall continue to serve after he ceases to be qualified as set forth above. As used herein the term "Permitted Mortgagee" means the holder of any mortgage ("Permitted Mortgage") of a Unit or Units which is permitted to be placed thereon pursuant to these By-Laws.

2.1.4 In no event shall any Unit Owner (or its proxy) or another interested party be eligible for election to the Board, and any such Unit Owner (or its proxy) or other party may be removed as a Board member by a majority vote of the other Board members, if such Unit is then in arrears, beyond any applicable grace period, in the payment of Common Charges or any other amounts required by the Board to be paid. In addition, no member of the Board (or his or her proxy) may continue to participate as a member thereof after the Board has perfected a lien against his or her Unit, for so long as such lien remains unsatisfied.

### 2.2 Powers and Duties.

2.2.1 The Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (except such powers and duties which by law, the Declaration or these By-Laws may not be delegated to the Board by the Unit Owners). All other determinations with respect to the administration of the affairs of the Condominium shall be made by the Condominium Board.

2.2.2 Subject to the provisions of Subsection 2.2.1 and without limiting the generality thereof:

2.2.2.1 The Condominium Board shall be entitled to make determinations with respect to the following matters:

2.2.2.1.a Operation, care, upkeep, maintenance, repair and replacement of the Common Elements, including contracts for utilities, services and supplies;

2.2.2.1.b The amount of Common Charges (as hereinafter defined).

2.2.2.1.c Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.

2.2.2.1.d Adoption of, and amendments and additions to, the Rules and Regulations for the use of the Common Elements.

2.2.2.2.e Making additions and improvements to, or alterations of, the Common Elements.

2.2.2.1.f Making repairs and restorations of the Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.1.g Enforcing obligations of Unit Owners.

2.2.2.1.h Levying fines against Unit Owners for violations of the Rules and Regulations (any such fines shall constitute Common Charges payable by the Unit Owner against which they are levied).

2.2.2.1.i Opening and maintaining bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor.

2.2.2.1.j Adjusting and settling insurance claims (and executing and delivering releases in connection therewith).

2.2.2.1.k Borrowing money on behalf of the Condominium, when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, the Common Elements; provided, however, that (i) the consent of at least 51% in Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of $250,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous years), and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit. If any sum borrowed by the Condominium Board pursuant to the authority contained in this subparagraph 2.2.2.1(k) is not repaid by said Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit.

2.2.2.1.l Organizing corporations to act as designees of the Condominium Board with respect to such matters as the Board may determine.

2.2.2.1.m Execution, acknowledgment and delivery of (i) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Buildings, or (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Condominium Board deems necessary or appropriate.

2.2.2.1.n Preparing, executing and recording, on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration and/or these By-Laws whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the Declaration and/or these By-Laws.

2.2.2.1.o Obtaining and reviewing insurance for the Property, including the Units, pursuant to the provisions of Section 6.2.

2.2.2.1.p Purchasing, leasing and otherwise acquiring in the name of the Board or its designee, on behalf of all Unit Owners, the Unit or portions thereof offered for sale or lease or surrendered by their owners to the Board.

2.2.2.1.q Purchasing the Units or portions thereof at foreclosure or other similar sales, in the name of the Board or its designee, on behalf of all Unit Owners.

2.2.2.1.r Purchasing or leasing, in the name of the Board, space for the storage of personal property of Unit Owners, and in connection therewith, licensing such space to Unit Owners and the promulgation of conditions, rules and regulations for the operation and supervision thereof. Notwithstanding the foregoing, Declarant will have the right to cause the Board to license any Storage Bins that are not already licensed to a Unit Owner or acquired by the Board and Declarant shall retain the purchase price for the Storage Bins for which the Board grants such licenses.

2.2.2.1.s Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) the Units or portions thereof acquired by, and subleasing the Units or portions thereof leased by, the Board or its designee, on behalf of all Owners, pursuant to Article 8.

2.2.2.1.t Operation, maintenance and supervision of all Common Elements and the Limited Common Elements.

2.2.2.1.u Execution, acknowledgment and delivery of any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Units for the benefit and on behalf of (i) all Unit Owners, or (ii) for individual Unit Owners, provided that each such Unit Owner

indemnifies the Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

2.2.2.1.v Imposition of move in fees and charges, and transfer fees in connection with the sale or lease of a Unit, provided that no such fees or charges or any other conditions of transfer or lease may be imposed upon the Declarant.

2.2.2.1.w Executing, acknowledging and delivering: (a) any declaration (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.

2.2.2.1.x Commencement of summary eviction proceedings in the name of or on behalf of the Condominium Board and/or a Unit Owner or the 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 Rules and Regulations of the Condominium, annexed hereto as Schedule A, as said 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 reasonable attorney's fees, shall be borne by the Unit Owner.

2.2.2.1.y Licensing or leasing Common Elements that are not being used by the Unit Owners.

2.2.2.1.z Establishing rules and regulations for the use of the amenities and Storage Bins including, but not limited to, the establishment of a schedule of fees for the use of amenity spaces or common spaces of the Building for private functions, and providing that responsibility (financial or otherwise) for any such function shall be that of the Unit Owner or resident hosting such function.

2.2.2.1.aa Carrying out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

2.2.2.1.ab Leasing or purchasing an apartment for use as the residence of a superintendent, either in the Building or elsewhere (in compliance with applicable law and regulation) and amending, modifying, extending, renewing, and otherwise dealing in any way with respect to any such lease.

2.2.3 Any act with respect to a matter determinable by the Board and deemed necessary or desirable by the Board in connection therewith shall be done or performed by the Board or shall be done on its behalf and at its direction by the agents, employees or designees of the Board. However, other than to enforce the Declaration and By-Laws, the Condominium Board shall not commence any litigation without first obtaining the consent of the owners of two thirds of the Units and Common Interests.

2.2.4 Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant or its designee shall continue to own at least one Unsold Unit but in no event later than five years from the First Closing of a sale made under an Offering Plan, the Condominium Board may not, without Declarant's prior written approval: (i) make any addition, alteration or improvement to the Common Elements or to the Limited Common Elements or to any Unit; (ii) increase or decrease the number, or change the kind of employees initially hired for the Condominium; (iii) enter into any service or maintenance contract for work not covered in the initial projected budget for the Condominium or otherwise provide services in excess of those contemplated by such projected budget, except as is required to reflect normal annual increases in operating services; (iv) borrow money on behalf of the Condominium; (v) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; or (vi) exercise a right of first refusal to lease or purchase a Unit; provided that Declarant's written consent is not necessary to perform any function or take any action described in items (i) through (vi) above if and only if the performance of such function or the carrying out of such an action is necessary and no other alternative is available to enable the Condominium Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

**2.3 Managing Agents and Managers**. With respect to matters the determinations concerning which the Board is entitled to make, the Board may employ a managing agent and/or a manager at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Board may delegate to such managing agent or manager other powers granted to the Board by these By-Laws, except the powers set forth in subparagraphs 2.2.2.1(b), (e), (g), (h), (1), (m), (n) and (o).

**2.4 First Board**. The Condominium Board shall initially consist of the two (2) persons designated by Declarant, who shall be deemed to have been "elected" as members of the Board for the purposes of these By-Laws. Within thirty (30) days after the earlier of five (5) years after the first closing of a Unit or the sale by Declarant of all of the Units, the Condominium Board will call for the first annual meetings of Unit Owners for the purpose of electing a new Board in accordance with the provisions of Section 3.1, and subject to Declarant's rights as set forth in Section 3.12. The terms of each such member of the Board shall expire annually. Notwithstanding the foregoing, for as long as Declarant has the voting power to elect all members of the Board, the Board shall have three (3) members.

**2.5 Resignation and Removal**. A Board member may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Subject to the provisions of subsection 3.9.3, any Board member may be removed, with or without cause, by a majority vote of Unit Owners present in person or by proxy at a regular or special meeting of Unit Owners at which a quorum is present. The Board member whose removal has been proposed shall be given an opportunity to be heard at the meeting. Notwithstanding the above, Board members designated by Declarant or its designee may only be removed with cause and replaced as described in 2.6. In addition, any member of the Board who is designated as such by Declarant or its designee, may be removed by such designating party at any time, with or without cause, and the party making such removal shall have the right to designate the replacement for such

member. A Board member, who fails to attend three consecutive meetings of the Board or five meetings in any twelve month period or who ceases to be a Unit Owner or who is in arrears in paying Common Charges and assessments shall be deemed to have resigned from the Board.

**2.6 Vacancies**. Subject to the provisions of 3.9.3, any vacancy on the Board for whatever reason shall be filled by the members of the Board then in office, at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and any person so elected shall be a member of the Board until the next annual meeting of the Unit Owners, when a successor shall be elected for the remainder of the term of the member creating such vacancy. Notwithstanding anything to the contrary contained in these By-Laws, in the case of a vacancy on the Board, created by the resignation, removal or any other cause which results in the Board member designated by Declarant or its designee, ceasing to be a member of any the Board, Declarant or its designee, as the case may be, shall have the sole right to designate a replacement for such member.

**2.7 Organizational Meetings of the Board**. The organizational meetings of the Condominium Board following each annual meeting of the Unit Owners shall be held immediately following each such annual meeting.

**2.8 Regular Meetings of the Board**. Regular meetings of the Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by a majority of the members thereof, provided that at least four such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each member thereof, by personal delivery, mail, e-mail or telegram, at least five business days prior to the day named for such meeting. Board members may attend meeting by conference telephone call.

**2.9 Special Meetings of the Board**. Special meetings of the Board may be called by the President or Vice President of the Board by giving five business days' prior notice to each member of the Board by personal delivery, mail, e-mail or telegram, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting. Special meetings of the Board shall be called in like manner and on like notice on the written request of at least two members of the Board. Board members may attend meeting by conference telephone call.

**2.10 Waiver of Notice**. Any Board member may at any time waive notice of the Board meeting in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver of notice by him of the time and place thereof. If all the members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

**2.11 Determinations by the Board; Quorums.**

2.11.1 Except as otherwise set forth in subparagraph 2.11.3, all determinations by the Board shall be made at a meeting of the Board at which a quorum thereof is present. At a Board meeting, a majority of the members thereof shall constitute a quorum, and the votes of a majority of the members present shall constitute the decision of the Board.

2.11.2 If at the Board meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.11.3 Members of the Board may participate in a meeting thereof by means of a telephone conference or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of the Board may be taken without a meeting if all members of the Board consent in writing to the adoption of a Resolution authorizing such action and the writing or writings are filed with the minutes of the Board.

**2.12 Compensation**. No member of the Board shall receive any compensation for acting as such.

**2.13 Liability of the Board and Unit Owners.**

2.13.1 To the extent permitted by applicable law, no member of the Board shall have any personal liability with respect to any contract, act or omission of the Board or of any managing agent or manager in connection with the affairs or operation of the Condominium or General or any Limited Common Element (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by the Board or by any managing agent or manager thereof shall state that it is made by the Board, managing agent or manager only as agent for all Unit Owners, that the Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and shall also state the applicable limitations of liability of Unit Owners provided for in the next sentence. The liability of any Unit Owner with respect to any contract, act or omission with respect to the Condominium or any Common Element shall be limited to such proportionate share of the total liability as the interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, and, unless expressly stated to the contrary in such contract (as determined by the Board in its sole and absolute discretion), to the extent permitted by applicable law, shall be limited to such Unit Owner's interest in his or her Unit and his or her appurtenant Common Interest so that such Unit Owner shall have no personal liability for such contract, act or omission. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges. Any such contract or agreement may also provide that it covers the assets, if any, of the Board on whose behalf the contract or agreement is made. Board members shall have no liability to Unit Owners except that a Board member shall be liable for his or her own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Board member against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Board may contract or effect any transaction with the Board member, any Unit Owner, Declarant, Declarant's designee or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

2.13.2 Neither the Board nor any member thereof shall be liable for either (i) any failure or interruption of any utility or other service to be obtained by, or on behalf of, the 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 Board or any member thereof or (ii) any injury, loss or damage to any individual or property, occurring in or about either a Unit or any Common or Limited Common Element.

**2.14 Fidelity Bonds**. The Board shall obtain or ensure maintenance of fidelity bonds, in amounts deemed appropriate by it, for all of its members, officers and employees and for the managing agent or manager, if any, employed by it and the premiums on such bonds shall constitute Common Expenses.

**2.15 Committees**. The Board may, subject to such limitations and exceptions as the Board may prescribe, appoint an Executive Committee and such other committees as the Board may deem appropriate, each to consist of as many members as the Board shall deem appropriate for the purpose of making such reports and studies as the Board deems appropriate. For so long as Declarant is entitled to designate members to the Board, any committee appointed by any the Board shall have as at least one of its members a member appointed by Declarant.

**2.16 Principal Offices of the Board**. The principal offices of the Board shall each be located within the Property or at such other place in the Borough of Manhattan reasonably convenient thereto as may be designated from time to time by the Board.

**2.17 Status of the Board**. In addition to the status conferred upon the Board under or pursuant to the provisions of the Condominium Act, the Board shall, to the extent permitted by applicable law, be deemed to constitute a separate unincorporated association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation of the Board pursuant to the provisions of Section 2.18, the provisions of this Section 2.17 shall no longer be applicable to the Board.

**2.18 Incorporation of the Board**. To the extent and in the manner provided in the Condominium Act, the Board may by action of the Board as provided in this Article 2, be incorporated under the applicable statutes of the State of New York. In the event that the Board so incorporates, it shall have, to the extent permitted by applicable law, the status conferred upon it under such statutes in addition to the status conferred upon the Board under or pursuant to the provisions of the Condominium Act. The certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the provisions of the Declaration and these By-Laws and the provisions of the Declaration and these By-Laws shall control in the event of any inconsistency or conflict between the provisions hereof and the provisions of such certificate of incorporation and by-laws.

**2.19 The Board as Agent of the Unit Owners**. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Board shall act in good faith as, and shall be, the agent of the Unit Owners the Board represents, subject to and in accordance with the provisions of the Declaration and these By-Laws.

**2.20 Prohibited Transactions**. Each member of the Board shall perform his or her duties, and shall exercise his or her powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by applicable law, no contract or other transaction between the Board and either: (i) any of its members; or (ii) any corporation, partnership, fiduciary, firm, limited liability company, association or other entity in which any of the members of the Board are officers, directors, shareholders, employees, partners, fiduciaries, beneficiaries, members or principals, or are otherwise interested, pecuniary or otherwise, shall be deemed either void or voidable because either: (a) any such member of the Board was present at the meeting or meetings of the 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: (1) the fact thereof is disclosed to, or known by, the Board or a majority of the members thereof and noted in the minutes thereof, and the Board shall authorize, approve or ratify such contract or transaction in good faith by a vote of a majority of the entire Board, less the number of such members involved in such contract or transaction; or (2) the fact thereof is disclosed to, or known by, a Majority of Unit Owners and a Majority of Unit Owners, present at a duly constituted meeting, shall in good faith authorize, approve or ratify such contract or transaction less the number of such Unit Owners who are also such members involved in such contract or transaction; and (3) the contract or transaction is commercially reasonable to the Board at the time the same is authorized, approved, ratified, executed or otherwise consummated. Any such members of the Board may be counted in determining the presence of a quorum of any meeting of the Board or of the Unit Owners which authorizes, approves or ratifies any such contract or transaction, but no such member shall be entitled to vote thereat in order to authorize, approve or ratify such contract or transaction.

## ARTICLE 3
## UNIT OWNERS

**3.1 Annual Meetings**. The first annual meeting of Unit Owners shall be called on or no more than thirty (30) days after the earlier of five (5) years from the first closing or the sale of all of the Units. Such meeting shall be held not less than 10 days nor more than 40 days after such date. At such meeting, Unit Owners shall elect (in accordance with the provisions of Section 2.1 and as otherwise provided in these By-Laws) three (3) Board members. Thereafter, annual meetings of Unit Owners shall be held within approximately thirty (30) days of each anniversary of the first annual meeting. At such meetings, the members of the Condominium Board shall be elected and there shall also be transacted such other business as may properly come before such meetings.

**3.2 Place of Meetings**. Meetings of all or any Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the Borough of Manhattan, as may be designated by the Board.

**3.3 Special Meetings**. The President of the Board shall call a special meeting of Unit Owners, if so directed by resolution of the Board or upon a petition signed and presented to the Secretary by not less than 25% in Common Interest of Unit Owners.

**3.4 Notice of Meetings and Actions Taken**. Notice of each annual or special meeting shall be given by the Secretary to all Unit Owners of record entitled to vote thereat.

Each such notice shall state the purposes of the meeting and the time and place where it is to be held and no business shall be transacted thereat except as stated in the notice. All notices hereunder shall be given by personal delivery, mail or telegram, at least ten (10) but no more than thirty (30) business days prior to the day named for the meeting and shall be given or sent to the Unit Owners entitled to receive same at their address at the Property or at such other address at the Property or elsewhere as any Unit Owner has designated by notice in writing to the Secretary at least ten (10) days prior to the giving of notice of the applicable meeting. However, if the business to be conducted at any meeting of the Unit Owners shall include consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be given to all Unit Owners as provided above at least thirty (30) days prior to the day fixed for such meeting, and such notice shall be accompanied by a copy of the text of such proposed amendment.

**3.5 Adjournment of Meetings**. If any joint or separate meeting of Unit Owners cannot be held because a quorum is not present, a Majority of Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

**3.6 Order of Business**. The order of business at all joint or separate meetings of Unit Owners shall be as follows:

(a) Call to order;

(b) Roll call;

(c) Proof of notice of meeting;

(d) Reading of minutes of preceding meeting;

(e) Reports of officers;

(f) Reports of members of the Board;

(g) Reports of committees;

(h) Election of inspectors of election (when so required);

(i) Election of members of the Board (when so required);

(j) Unfinished business;

(k) New business; and

(l) Adjournment.

**3.7 Title to Units**. Title to Units may be taken by any individual, corporation, partnership, association, trust or other entity, or any two or more of such owners as joint tenants,

tenants in common or tenants by the entirety, as may be appropriate, but not as owners in severalty.

**3.8 Voting.**

3.8.1 Each Unit Owner or a person designated by such Unit Owner to act as proxy on his or her behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit as set forth herein and in the Declaration at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary of the Board and shall be revocable at any time by written notice to the Secretary by the Unit Owner so designating; provided, however, that no designation to act as a proxy shall be effective for a period in excess of six months except a designation of a Permitted Mortgagee to act as the proxy of its mortgagor. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Neither the Board nor its designee shall be entitled to vote the interest appurtenant to any Unit owned by the Board and the Common Interest of such Unit shall be excluded from the total Common Interests when computing the interest of Unit Owners for voting purposes. Unit Owners who have a common charge lien recorded against their Unit and owe more than two months' common charges shall not be permitted to attend or vote at meetings of unit owners or be a candidate for, or serve on the Board

3.8.2 Except as otherwise set forth herein or in the Declaration, at all meetings of Unit Owners, each Unit Owner (or his or her proxy) entitled to vote thereat (including Declarant with respect to Units owned by Declarant or its designee) shall be entitled to cast one vote for each of his or her percentage interests in the Common Elements.

3.8.3 When ownership is in the names of two or more persons in the absence of written directions from the unit owners to the contrary, at any meeting of Unit Owners, anyone or more of such Unit Owners may cast, in person or by proxy, the vote to which such ownership is entitled. In the event an attempt is made to cast conflicting votes, in person or by proxy, by the persons in whose names the Unit is owned that Unit's one vote shall be split among the persons who own the Unit and are present in person or by proxy at such meeting.

3.8.4 Inspectors of Election. In advance of or at any meeting of Unit Owners, the Board of Managers may appoint any person, other than nominees for election to the Board of Managers or existing Board Members, as Inspectors of Election to act as such at the meeting or any adjournment. Any such appointments may be altered at the meeting. If Inspectors of Election are not so appointed, the President may, or on the request of not fewer than 10 percent of the votes represented at the meeting, shall make such appointment at the meeting. In case any person appointed as an Inspector fails to appear or fails or refuses to act, the vacancy may be filled by appointment by the Board of Managers in advance of the meeting or at the meeting by the President. Unless otherwise prescribed, the duties of such Inspectors shall include: verifying the number of common interests, the Units represented at the meeting, the existence of a quorum, and the authenticity, validity and number of proxies, receiving votes, ballots, hearing and determining all challenges and questions in any way arising in connection with the rights to vote; counting and tabulation of all votes or consents; determining the result; and such acts as may be proper to conduct the election or vote with fairness to all Unit Owners.

**3.9 Election of Board Members; Rights of Declarant.**

3.9.1 All elections of Board members shall be determined by plurality vote.

3.9.2 When voting for members of the Board, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting and the percentage of Common Interests owned by such Unit Owner, and in addition, the name of the proxy if such ballot is cast by a proxy. Each Unit Owner shall be entitled to cast the number of votes determined in accordance with subparagraph 3.8.2 for each member to be elected by the Unit Owners. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

3.9.3 Notwithstanding any other provision of this Section 3.9 or any other provision of these By-Laws to the contrary, commencing with the first annual meeting of Unit Owners, Declarant shall have the right to vote all of the Common Interests attributable to Unsold Units owned by it until Declarant has closed title to all of the Unsold Units owned by it (excluding Unsold Units purchased by Declarant or its designee). Declarant shall not hold a majority of seats on the Condominium Board after the earlier to occur of five (5) years from the date of the First Closing or (ii) that date upon which the Declarant and its designees have sold all of the Units (the "Initial Control Period"). Any vacancy created by removal of a Board member designated by Declarant, or by any other cause which results in a Board member designated by Declarant ceasing to be a member of the Board, shall be filled by a person designated by Declarant. After the Initial Control Period, a majority of the Condominium Board must be Unit Owners who are unrelated to the Declarant or its principals.

**3.10 Majority of Unit Owners**. Except as may otherwise be provided by law, as used in these By-Laws, the term "Majority of Unit Owners" means those Unit Owners having more than 50% of the total authorized votes of all Unit Owners, determined in accordance with the provisions of 3.8, who are present in person or by proxy and voting at any meeting at which a quorum is present.

**3.11 Quorum**. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners owning more than 50% of the Units shall constitute a quorum at all joint meetings of Unit Owners.

**3.12 Majority Vote**. Except where otherwise provided by law, the Declaration or these By-Laws, at all joint meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes. In addition, at elections of members to the Board held after the expiration of the Initial Control Period but while Declarant still owns at least one Unit, Declarant and/or its designee shall have the right to elect or designate not more than one (1) member of the Board, who may be a person related to or affiliated with Declarant, such designee or other Unsold Unit Owner; and such designee and all other Unit Owners shall have the right to elect the remaining members of the Board.

**3.13 Meetings**. Any action required or permitted to be taken at any meeting of the Condominium Board or any committee thereof may be taken without a meeting if all members of the Condominium Board or the committee, as the case may be, consent in writing to the adoption

of a resolution authorizing the action and if the resolution and the written consents thereto are filed with the minutes of the proceedings of the Condominium Board or the committee.

**3.14 Confidentiality**. Information disclosed to Board Members should be kept in confidence and not disclosed under any circumstance until a decision is made by the Board to make the information public. Once determined, decisions of the Board are to be presented in their final form, and any discussions leading up to such decisions are confidential. Board members should never disclose how other Board members voted.

**3.15 Conflicts of Interest.**

(a) No member of the Board shall receive any economic benefit of any nature, including any remuneration, gift or other consideration, from any person, firm, or entity dealing with the Condominium, as a result of, or in any way associated with, transactions involving the Condominium, unless such economic benefit shall have been specifically disclosed to, and approved by, a two-thirds vote of the disinterested Board Members prior to receipt thereof.

(b) Real estate brokers or salespersons, who are members of the Board, shall refrain from engaging in selling Units in the Building or participating in such sales, either directly or indirectly, as listing broker, co-broker or otherwise as an economic participant in such sales. Attorneys, who are members of the Board, shall refrain from representing Unit Owners of the Condominium in matters arising between the Condominium and such Unit Owners. A Board Member who is a principal or owner of, or has a financial interest in, any company supplying goods or services to the Condominium shall refrain from doing business with the Condominium.

(c) No member of the Board shall vote on any matter, or participate in the discussion of any matter, in which the member has a financial interest, other than a general interest as a Unit Owner or proprietary Unit Owner of the Condominium. "Financial interest" includes, without limitation, any of the following interests:

(i) Interests as an owner, agent or principal of, either directly or indirectly, or otherwise possessing a financial interest of any nature in or with, any company or other entity, in any way involved in the subject of such vote; or

(ii) Interests as a party involved in any manner in the transaction being voted upon, including, without limitation, as a broker in any way involved in the sale of a Unit; or

(iii) Interests as attorney for, or other legal representative of, any Unit Owner or any party being the subject of such vote or discussion.

(d) The violation of any of the foregoing provisions shall be grounds for removal of such Board Member for cause by a vote of two thirds of the Board or majority vote of the Unit Owners.

The Condominium Board may, by majority vote, require that a Board Member be recused from participating in any discussion or voting on any matter, when the Board determines

that there is a substantial financial conflict between the interests of the Board Member and the interests of the Condominium or that such a conflict of interest reasonably appears to exist.

**3.16 New Business**. Any new business to be taken up at the annual meeting shall be stated in writing and filed with the secretary of the Condominium at least five days before the date of the annual meeting, and all business so stated, proposed, and filed shall be considered at the annual meeting; but no other proposal shall be acted upon at the annual meeting. Any Unit Owner may make any other proposal at the annual meeting and the same may be discussed and considered, but unless stated in writing and filed with the secretary at least five days before the meeting, such proposal shall be laid over for action at an adjourned, special, or annual meeting of the Unit Owners taking place 30 days or more thereafter. This provision shall not prevent the consideration and approval or disapproval at the annual meeting of reports of officers, Board Members, and committees; but in connection with such reports, no new business shall be acted upon at such annual meeting unless stated and filed as herein provided.

## ARTICLE 4
## OFFICERS

**4.1 Designation**. The principal officers of the Condominium shall be a President, Vice President, Secretary and Treasurer thereof, all of whom shall be elected by the Condominium Board. The Condominium Board may appoint an Assistant Treasurer, Assistant Secretary and such other officers as in its judgment may be desirable. None of the officers of the Condominium need be Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Condominium Board after the first annual meeting of Unit Owners. Thereafter, the President and Vice President must be members of the Condominium Board. Any one may hold multiple offices.

**4.2 Election of Officers**. The officers shall be elected annually by the Board at the organizational meetings thereof, except that the initial officers shall be elected by the initial Condominium Board and shall hold office at the pleasure of the Board and until their successors are elected.

**4.3 Resignation and Removal of Officers**. Any officer may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

**4.4 President**. The President of the Condominium shall be the chief executive officer of the Condominium and shall preside at all joint meetings of Unit Owners and at all meetings of the Condominium Board. The President shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from among Unit Owners from time to time as he or she may in his or her discretion decide are appropriate to assist in the conduct of the affairs of the entire Condominium.

**4.5 Vice President**. The Vice President shall take the place of the President under whom he serves and perform his or her duties whenever the President shall be absent or unable to act. If both the President and the Vice President of the Condominium are unable to act, the Board shall appoint some member of the Board to act in the place of the President and Vice President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board or by the President.

**4.6 Secretary**. The Secretary of the Condominium shall keep the minutes of all joint meetings of Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Board shall direct and shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

**4.7 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 Board (or in the name of the managing agent appointed by the Board) in such depositories as may from time to time be designated by the Board and shall in general perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

**4.8 Execution of Documents**. Unless otherwise delegated by the Board, all agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any officer thereof or by such other person or persons as may be designated by the Board. However, any expenditure in excess of $2,500 by the Condominium Board must be countersigned by two members of the Board. If for any reason whatsoever one member refuses to countersign such an expenditure which has been authorized, the Condominium Board shall designate and authorize another Board member to countersign the expenditure.

**4.9 Compensation of Officers**. Except as otherwise provided by the Board, no officer shall receive any compensation for acting as such.

## ARTICLE 5
## NOTICES

**5.1 Notices**. All notices required or desired to be given hereunder to the Board shall be personally delivered or sent by registered or certified mail to the office of the Board or to such other address as the Board may designate from time to time, by notice in writing to all Unit Owners, and if there is a managing agent of the Board, a duplicate shall be sent in like manner to such managing agent. All notices to any Unit Owner shall, except as otherwise provided herein, be personally delivered or sent by registered or certified mail to the Property address of such Unit Owner or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Condominium Board. All notices to Permitted Mortgagees shall be personally delivered or sent by mail to their respective addresses, as designated by them from time to time, in writing to the Condominium Board. All notices shall be deemed to have been

given when personally delivered or mailed in a postage prepaid sealed wrapper, except notices of change of address which shall be deemed to have been given when received.

**5.2 Waiver of Service of Notice**. Whenever notice is required to be given by law, the Declaration or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

## ARTICLE 6
## OPERATION OF THE PROPERTY

### 6.1 Determination of Common Expenses and Fixing of Common Charges.

6.1.1 Except as otherwise provided herein, all costs and expenses attributable to the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements ("Common Expenses") shall be determined by the Condominium Board as set forth below. Common Expenses shall include all such other items provided for in the Declaration or these By-Laws to be Common Expenses. Common Expenses shall also include such amounts as the Condominium Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Common Elements. The Condominium Board shall from time to time and at least annually prepare a budget to meet Common Expenses and shall allocate and assess to the Unit Owners, pro rata in accordance with the aggregate respective Common Interests of the Unit Owners (except as otherwise provided in the Declaration or these By-Laws or to the extent a different method of allocation is described in Schedule B, Projected Budget for First Year of Condominium Operation), charges as set forth in the Plan ("Common Charges") to meet Common Expenses. Such budgets shall include such amounts for reserves as the Condominium Board deems appropriate. In addition to basing charges on Common Interests, the Condominium Board may also make allocations and assessments of Common Expenses in accordance with sub metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of law.

6.1.2 From time to time the Condominium Board may increase or decrease the amount of Common Charges payable for a fiscal year or any portion thereof to meet a revised estimate or determination of Common Expenses for such fiscal year or any portion thereof. During the Condominium's initial two fiscal years but not thereafter, the Condominium Board's authority shall include the right to base the amount of Common Charges on actual costs and expenditures and/or to make retroactive adjustments to the amount of Common Charges payable by Unit Owners for any period to reflect actual operating costs for such period. The Condominium Board shall advise all Unit Owners promptly in writing of the amount of Common Charges payable by each of them and shall furnish copies of each annual budget to all Unit Owners and Permitted Mortgagees thereof. In the event that the annual receipts levied against Unit Owners during the first year of Condominium operation commencing on the date of First Closing exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis by an amount in excess of $100,000, the receipts from Unit Owners over and above such amount shall be rebated to the Unit Owners by the Condominium Board in proportion to each Unit's percentage of Common Interest. Rebates, if

any, attributable to Units purchased from Declarant during the first year of condominium operation will be distributed by the Condominium Board to Declarant and the Unit Owner(s) in proportion to the amount of time the Declarant and each Unit Owner owned such Unit.

6.1.3 Common Expenses shall include real estate taxes on the Property until the Units are separately assessed.

6.1.4 Notwithstanding anything to the contrary herein, no part of the net earnings of the Condominium may inure (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any Unit Owner or individual.

6.1.5 Notwithstanding anything to the contrary contained in these By-Laws, so long as Sponsor or its designee shall continue to own at least one Unsold Unit but in no event later than five (5) years from the First Closing, the Board may not, without Sponsor's prior written approval assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund.

**6.2 Insurance.**

6.2.1 The Condominium Board shall be required to obtain and maintain to the extent obtainable the following insurance: (a) fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements and increased cost of construction endorsements, insuring the entire Building (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, the Board and all Unit Owners and their Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings), said policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject however, to the loss payment provisions hereinafter set forth; (b) business income insurance in an amount equal to Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance, if required by Law; (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 the Board and all officers, directors, managing agents and employees of the Condominium; (i) directors and officers liability insurance; and (j) such other insurance as the Condominium Board may determine. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a Common Expense and shall be borne by the Unit Owners in such proportions between them, with due consideration to their respective risks, liabilities and replacement values, as are equitable (as determined by the respective insurance carriers thereof or their agents, brokers or other such parties designated by the Condominium Board).

6.2.2 All such policies shall provide that adjustment of loss shall be made exclusively by the Condominium Board if the loss affects only the Common Elements. Insurance

proceeds with respect to any loss shall be payable to the Board, except that the proceeds of all policies of physical damage insurance, if in excess of $1,000,000, shall be payable to a New York City bank or trust company designated by the Condominium Board as Insurance Trustee (as hereinafter defined) pursuant to the provisions of Section 12.5.

6.2.3 All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten days' prior written notice to all of the insureds, including the Board and Permitted Mortgagees. 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 at least thirty (30) days prior to expiration of the then current policies.

6.2.4 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 Board may from time to time determine, covering (i) the Board, the managing agent or agents thereof, each Board member, and each officer and employee of the Condominium, (ii) the Unit Owners, all officers, directors and employees thereof, and its managing agent or agents, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit or within the Limited Common Elements, if any, exclusive to his or her Unit. The Condominium Board shall review such limits at least once each year. The insurance required in accordance with this Subsection 6.2.4 shall also cover cross-liability claims of one insured against another.

6.2.5 Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Board determines. The premiums for all insurance referred to above shall be a Common Expense and shall be borne by the Unit Owners in such proportions between them, with due consideration to their respective risks, liabilities and replacement values, as are equitable (as determined by the respective insurance carriers thereof or their agents, brokers or such other parties designated by the Board).

6.2.6 The Condominium Board is not required to obtain or maintain any insurance with respect to any personal property contained in a Unit. A Unit Owner shall, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any part thereof, with minimum coverage of at least $1,000,000 per occurrence plus at least $3,000,000 umbrella liability coverage, or as otherwise established by the Condominium Board from time to time and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the apartment or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage). The limits of liability set forth in (a) and (b) above may be increased by the Condominium Board from time to time. The insurance required above shall be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies of

recognized standing, admitted to do business in the State of New York. Upon ten (10) days' written notice from the Condominium Board or the Managing Agent, the Unit Owner shall deliver to the Condominium Board a duplicate original of the aforesaid policies, certificates evidencing such insurance or such other confirmation satisfactory to the Condominium Board. The Condominium Board and the Managing Agent shall not be responsible for ensuring that Unit Owners are insured and shall have no liability for the failure of a Unit Owner to have insurance. To the extent either party is insured for loss or damage to property, each party will look to their own insurance policies for recovery.

6.2.7 If the use of any Unit causes an increase in the premium for the insurance which the Board is required to obtain and maintain, as set forth herein or otherwise, then the owner of such Unit shall be obligated to pay to the Board a sum equal to the amount of such increase attributable to such use.

6.2.8 Until payment of the debt under the mortgage securing Declarant's Loan (the "Mortgage") is made in full or until such Mortgage is assigned by Lender to Declarant's designee, whichever occurs first, the Board must comply with the obligations of the Mortgage (which provisions set forth the Board's obligations with respect to the maintenance of insurance during such period).

6.2.9 The Building is also subject to a Revocable Consent Agreement with the New York City Department of Transportation dated September 9, 2014 and recorded on October 29, 2014 in CRFN 2014000360301. During the entire term of the Revocable Consent Agreement, the Condominium Board shall maintain commercial general liability insurance protecting the insureds from claims for property damage and/or bodily injury, including death, that may arise from the Building or any operations under the Revocable Consent, or as otherwise provided in the Revocable Consent. This insurance shall be in the amount of at least two million dollars ($2,000,000.00) per occurrence and two million dollars ($2,000,000.00) aggregate. Coverage shall be at least as broad as that provided by the most recently issued Insurance Services Office ("ISO") Form CG 0001.

### 6.3 Repair or Reconstruction after Fire or Other Casualty.

6.3.1 In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty (unless three-fourths or more of the Building is destroyed or substantially damaged and 75% or more in Common Interest of all Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Condominium Board with respect to any damage to or destruction of the Common Elements, will 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) and the Board or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. If said damage or destruction, however, affects only the Common Elements, then any deficit or surplus in insurance proceeds shall be borne as a general Common Expense or profit, respectively, as provided in subsection 6.1.1 or shared by all Unit Owners in proportion to their Common Interests. Any surplus payable to any Unit Owner pursuant to this subsection 6.3.1 shall be lessened by such amounts as may be

required to reduce unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order or priority of such liens.

6.3.2 If three-fourths or more of the Building is destroyed or substantially damaged (a "Significant Casualty") and 75% or more in Common Interest of the Unit Owners agree not to repair and restore the Building, (a) the Board shall secure and fence in the Property boundary, and shall raze the Building, if necessary, and put the Building and Property into compliance with Law, and otherwise make the Property and Building safe (all of the activities described in this clause (a) being defined as the "Safety Work") and (b) the Property shall be withdrawn from the provisions of the Condominium Act and shall be subject to an action for partition at the election of any Unit Owner or lienor as if owned in common, in which event the Net Proceeds of Sale, together with any net insurance proceeds, shall be distributed into a trust fund for the benefit of the Unit Owners (including any Resultant Unit Owner) and deemed allocated amongst the Unit Owners in proportion to their respective Common Interest (the "Casualty Distributions") and delivered to the Board, which in turn shall deposit the Casualty Distributions in a separate trust fund for the benefit of the Unit Owners, which fund shall thereafter be distributed in accordance with the Unit Owner's Allocable Percentage (hereinafter defined). Notwithstanding anything to the contrary set forth herein, 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 proceeds all liens on such Unit Owner's Unit, in the order of priority of such liens. In the event the Building is repaired and restored as aforesaid, each Unit Owner (including any Resultant Unit Owner) hereby acknowledges and agrees that insurance proceeds will be first applied to such repair and restoration.

6.3.3 "Allocable Percentage" refers to each Unit Owner's allocable share of certain proceeds, expressed as a numerical percentage. The Allocable Percentage shall be based upon the ratio of the estimated values of each Unit (rather than Common Interest) as determined by an appraiser. The appraisal shall be conducted in accordance with the Appraisal Procedures except that the cost of the appraiser(s) shall be borne by the Unit Owners.

6.3.4 Notwithstanding anything to the contrary set forth in Section 6.4.1: (i) if the first Recognized Mortgagee of a Unit Owner (and all subsequent Unit Owners, including a Resultant Unit Owner), at the time of a vote in connection with restoration after the occurrence of a Significant Casualty, does not require the payment of proceeds to the first Recognized Mortgagee, then that Unit Owner shall vote in favor of restoration, and hereby gives an irrevocable proxy and power of attorney coupled with an interest to the to the other Unit Owner voting in favor of restoration to vote in favor of restoration (the "Restoration Proxy"); and (ii) in the event that (x) such first Recognized Mortgagee does require payment of proceeds and the Unit Owner votes not to restore, such that restoration is not required or (y) a Unit is not restored, a Unit Owner electing to restore shall have the right to purchase the non-electing Unit Owner's Unit for a price equal to the relative market value of the Unit at the time in question. Each Unit Owner will grant or will be deemed to have granted to the Condominium Board and other Unit Owners a Restoration Proxy upon acceptance of a deed to a Unit. The grant of such Restoration Proxy will run with the land (i.e. fee title to the respective Unit owned by each Unit Owner) and any subsequent conveyance of a Unit will not be deemed to terminate or revoke the Restoration Proxy.

6.3.5 Unless the Unit Owners elect not to repair or restore the Building in accordance with Section 6.3.2, as soon as reasonably practical after any fire or other casualty (but in no event more than sixty (60) days after such fire or other casualty), a Certifying Professional shall be retained by the Condominium Board. The Condominium Board shall direct the Certifying Professional to prepare a reasonably detailed statement setting forth (i) a description of the damaged Common Elements and structural supports, and (ii) an estimate of the total costs of such repair or restoration of said Common Elements, which notice shall include a complete schedule of costs and a reasonably detailed breakdown thereof by area and type of damage and necessary repair and restoration. To the extent that the Condominium Board and the Unit Owners are required to restore in accordance with the provisions herein, each Unit Owner shall be solely responsible for the costs of restoration to such Unit Owner's Unit. If the cost and expense of any repair and restoration to the Common Elements pursuant to the provisions herein shall exceed the amount of insurance proceeds, the excess cost and expense (or the entire amount of such cost and expense, if there are no insurance proceeds) shall be borne by each of the Unit Owners in proportion to their respective Allocable Percentage. Notwithstanding the foregoing, (1) to the extent the additional costs result from the acts or omissions of a Unit Owner, such Unit Owner shall be solely responsible for payment of the additional costs, and (2) if a Unit Owner fails to carry any insurance required under Section 6.2 (or otherwise cause its tenants or owners to maintain such coverage, as applicable), such Unit Owner shall be responsible for the payment of any restoration costs that would have been paid from the proceeds of such insurance. The Unit Owners shall share, subject to the terms of the immediately preceding sentence, any cost overruns resulting from "Unavoidable Delays" (that are not caused solely as a result of one or more Unit Owner's actions or inactions, in which case such Unit Owner(s) would bear the costs entirely and that do not affect more than one Unit) based upon the Unit Owners' Allocable Percentage. Each Unit Owner shall share in paying any insurance deductible with respect to the Common Elements only in accordance with the Unit Owner's Allocable Percentage and shall be fully responsible for any deductible with respect to insurance covering damage to the Unit itself.

6.3.6 The Depositary shall hold all insurance proceeds and shall be the disbursement agent therefor, except if the damage due to fire or other casualty is confined solely to one (1) Unit, without affecting any Common Elements or the other Unit or Units.

6.3.7 Upon completion of the repair and restoration in accordance with the provisions of these By-Laws and full payment therefor and for all costs in connection therewith, any excess insurance proceeds shall be distributed into a trust fund for the benefit of the Unit Owners (including any Resultant Unit Owner) and deemed allocated amongst the Unit Owners in proportion to their respective Allocable Percentage (the "Casualty Excess Distributions") and delivered to the Condominium Board, which in turn shall deposit the Casualty Excess Distributions in a separate trust fund for the benefit of the Unit Owners, which fund shall thereafter be distributed in accordance with the Unit Owner's Allocable Percentage, subject to the rights of any applicable Recognized Mortgagee to receive such proceeds. In the event of a deficiency, in connection with the repair and restoration work as herein provided, if one of the Unit Owners failed to contribute to the deficiency, the amount of such deficiency, together with interest thereon at the Default Rate (hereinafter defined), shall be paid to the other Unit Owner to the extent advanced by such other Unit Owner (pro rata based on the amounts advanced by each such Unit Owner for such deficiency).

6.3.8 Except as set forth in Sections 6.3 through Section 6.4 above, the Condominium Board shall have the right to determine whether to restore the Building, regardless of whether or not any insurance proceeds are available.

6.3.9 For purposes herein, architects' and engineers' fees, attorneys' fees (other than those arising from a dispute of the parties hereunder, including, without limitation, any dispute that is submitted to Arbitration), consultants' fees, the fees of the Certifying Professional, title insurance premiums and other similar costs and expenses (including costs incurred by the Condominium Board) relating to repair or restoration shall be included in the costs and expenses of any such repair or restoration.

6.3.10 If, as a result of a casualty, the total square footage of the Retail Unit or the Residential Unit, as applicable, changes, the Unit Owners shall promptly (x) adjust, as of the date of completion of the repairs and restoration required in connection with such casualty, the Unit Owners' Common Interests in the Condominium in a manner consistent with the allocation thereof in existence immediately following such casualty, and (y) prepare and record in the City Register's Office an amendment to the Declaration and/or these By-Laws, as appropriate, confirming such reallocation. If the Unit Owners do not agree on any of the matters referred to in the foregoing clauses (x) and (y) within forty five (45) days following completion of the repairs and restoration, they shall submit such issue to Arbitration to the extent permitted by Law.

**6.4 Payment of Common Charges.**

6.4.1 The Unit Owners shall be obligated to pay to the Condominium Board the Common Charges assessed to them by the Condominium Board pursuant to the provisions of Section 6.1 at such time or times as the Condominium Board determines. Unless otherwise determined by the Board, Common Charges shall be payable monthly, in advance, on the first day of each month.

6.4.2 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a sale or other conveyance by him or her (made in accordance with these By-Laws) of such Unit together with its appurtenant Common Interests. Any Unit Owner may, subject to the terms and conditions of these By-Laws and provided that (a) such Unit is free and clear of liens and encumbrances other than Permitted Mortgages and the statutory lien for unpaid Common Charges, and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then existing with respect to such Unit, convey for no consideration such Unit together with its appurtenant Common Interests, to the Board or its designees, corporate or otherwise, and in such event (except as hereinafter set forth), be exempt from Common Charges, as the case may be, thereafter accruing. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by him or her of such Unit, and, to the extent permitted by law, a purchaser of a Unit at a foreclosure sale of a Permitted Mortgage shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. In the event of a foreclosure sale of a Unit by a Permitted Mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common

Charges which accrued prior to such sale. Except to the extent prohibited by law, the Condominium Board, on behalf of all Unit Owners, shall have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit. All liens provided for in 6.4.2, to the extent permitted by applicable law, shall be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the Unit.

6.4.3 Notwithstanding 6.4.2, neither the seller nor the purchaser of a Unit 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 a written statement from the Condominium Board.

6.4.4 In the event that prior to the Units being separately assessed for real estate tax purposes, the Board pays real estate taxes on behalf of a Unit Owner, the amount of such real estate taxes shall be deemed to be Common Charges, and the Board shall have a lien (as provided in Section 6.4.2) for any such accrued and unpaid amounts.

6.4.5 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 any foreign government (i.e. diplomatic or sovereign immunity) shall deposit with the Board an amount equal to the Common Charges for such Unit for a period of two (2) years as security for the faithful observance by such Unit Owner of the terms, provisions and conditions of these By-Laws.

6.4.6 For the purposes of this subsection 6.3.4, "non-occupying owner" shall mean a Unit Owner who or which does not occupy its Unit.

(a) If a non-occupying owner rents any Unit to a rental tenant and then fails to make payments due for Common Charges or any other amounts payable by such Unit Owner to the Board, including, without limitation, assessments and/or late fees (all of the foregoing, collectively, "Payments") for such Unit within 60 days of the expiration of any grace period after the same are due, upon notice in accordance with subdivision (b) of this subsection, all rental payments from the tenant shall be directly payable to the Board.

(b) If the Payments for any Unit have not been paid in full, within 60 days after the expiration of any grace period of the earliest due date, the Board shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all Payments are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the Board at the address listed on the notice. Where a majority of the Board has been elected by and from among the Unit Owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the Board. At such time as Payments 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 Board's claim to rental payments pursuant to this subsection shall be entitled to present facts supporting such Unit Owner's position at the next scheduled meeting of the Board, which must be held within 30 days of the ate that such Board receives notice that such owner seeks to dispute such claim.

(c) Nothing in this subsection shall limit any rights of any Unit Owner or the Board existing under any other law or agreement.

6.4.7 Payment by a rental tenant to the Board made in connection with this subsection shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner against such tenant for such rent.

**6.5 Collection of Common Charges**. The Board shall take prompt action to collect any Common Charges due to the Board which remain unpaid for more than thirty days after the due date for payment thereof.

**6.6 Default in Payment of Common Charges**. In the event any Unit Owner fails to make payment of Common Charges when due, such Unit Owner shall be obligated to pay (a) a "late charge" equal to the greater of $150.00 or one percent (1%) of such amounts which remain unpaid for more than ten (10) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid), and (b) interest at the rate of 1.5% per month (but in no event in excess of the maximum rate permitted by law) on such unpaid amounts computed from the due date, thereof, together with all expenses, including, without limitation, attorneys' fees paid or incurred by the Board or by any managing agent in any proceeding brought to collect such unpaid Common Charges or in any action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by law. All such "late charges", interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner. Notwithstanding the foregoing, the Board may establish its own alternate fees for late payments, whether such fees are more or less than the charges set forth herein.

**6.7 Foreclosure of Liens for Unpaid Common Charges**. In any action brought by the Board to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Condominium Board, acting on behalf of all Unit Owners, shall have the power to purchase any such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey or otherwise deal with such Unit or portion thereof (but not to vote the votes appurtenant to such Unit or portion thereof). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit.

**6.8 Statement of Common Charges**. The Board shall promptly provide any Unit Owner who so requests, with a written statement of all unpaid Common Charges due to it from Unit Owners.

**6.9 Maintenance and Repairs.**

6.9.1 The Unit Owners shall take possession of their Units and their appurtenances and fixtures in "as is" condition. Except as otherwise provided in the Declaration or these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, (a) in or to any Unit (excluding Common Elements included therein except as otherwise provided in these By-Laws and the entrance doors thereto) shall be made by the owner of such Unit at such Unit Owner's sole cost and expense, or (b) in or to the Common Elements shall be made by the Condominium Board and the cost and expense thereof shall be charged to the Unit Owners as a Common Expense.

6.9.2 Notwithstanding the provisions of 6.9.1:

6.9.2.1 In the event that any painting, decorating, maintenance, repairs or replacements to the Property, any Unit, or any part thereof is necessitated by the negligence, misuse or neglect of (a) any Unit Owner, or anyone visiting, residing or working in the Unit, the entire cost thereof shall be borne by such Unit Owner, (b) the Condominium Board, the entire cost thereof shall be charged to the Unit Owners as a Common Expense, except in all such cases to the extent such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof.

6.9.2.2 In the event of damage to the Unit by fire, casualty or a leak from outside of the Unit, unless the Unit Owner caused the casualty, the Board shall repair the Unit, but the Unit Owner shall be responsible for its furniture, fixtures, personal property, wall and floor covering and other decorations. In the event the casualty was caused by the negligence or misconduct of the Unit Owner or anyone residing, visiting or working in the Unit, the Unit Owner shall be responsible for repairing the damage caused by the casualty.

6.9.2.3 The interior and exterior glass surfaces of all windows located in any Unit shall not be colored or painted and the windows may not be modified, altered or replaced without the consent of the Board. Terraces are Limited Common Elements. All normal maintenance, repairs and replacements of any Terrace shall be made by the Unit Owner having access to such Terrace at his or her own cost and expense, but any structural or extraordinary repairs or replacements to such Terrace (excluding any leaks which are not caused by the negligence of the Unit Owner having access to the same) shall be made by the Condominium Board and the cost and expense thereof shall be charged to all Unit Owners as a Common Expense. No plantings, structures or installations may be placed on Terraces without the prior written approval of the Condominium Board. The Condominium Board may require a Unit Owner to remove plantings and other installations placed on Terraces by said Unit Owners if the Condominium Board determines, in its reasonable discretion, that such plantings and other installations adversely affect the integrity of the surface beneath the Terrace. The Condominium Board may establish such other rules and regulations it deems necessary to protect the Common Elements and the Units and to insure the integrity of the Building and the health and safety of the occupants.

6.9.2.4 The exterior surface of all windows in the Condominium if so determined by the Condominium Board, shall be washed and cleaned by the Board and the cost and expense thereof shall be a Common Expense. Otherwise, the exterior of all windows in the Condominium shall be washed or cleaned at the cost and expense of the Unit Owner. The

interior glass surfaces of all windows located in any Unit and the exterior glass surfaces of all windows located in the Unit shall be washed and cleaned by the Unit Owner or occupant thereof at his sole cost and expense.

6.9.2.5 The exterior of all front doors of Units shall not be painted or decorated other than in accordance with the standard for the Condominium.

6.9.3 Each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any Terrace, roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, repairs and replacements necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good, clean and neat appearance, in conformity with the dignity and character of the Building, by (a) the Board with respect to such parts of the Building required to be maintained by it, and (b) each Unit Owner with respect to the windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his Unit.

6.9.4 In the event the Unit Owner or the Unit Owner's predecessor in interest replaced the windows or doors or modified the plumbing, gas or electrical lines ("utility lines") servicing the Unit or made any other repairs or replacements affecting the Unit or the Building (collectively "Renovations") and such windows, doors or utility lines require repair, the Unit Owner shall be responsible for the cost of making such repairs including repairs to the utility lines running from the Unit to the riser in the event the Renovations or the item that was repaired or replaced require repair or replacement in the future or in the event any renovation adversely affect the Building.

### 6.10 Violations of Maintenance Obligations.

6.10.1 In the event that any Unit Owner, within a reasonable time after receipt of written notice from the Condominium Board, fails to perform any of its obligations with respect to the painting, decorating, maintenance, repair or replacement of its Unit as provided in this Article 6 or of any Limited Common Element for which such Unit Owner is responsible under the Declaration or these By-Laws, the Condominium Board may, but shall not be obligated to, perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Unit Owner, within thirty (30) days after receiving notice of such default from 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 by the Condominium Board, together with interest thereon at the rate of 2% per month from the date on which the Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by law), shall be immediately payable by such Unit Owner to the Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

### 6.11 Structural Alterations, Additions, Improvements and Repairs of Units.

6.11.1 Alterations of any Unit shall not encroach or impinge on public areas of the Building. Any alterations of a common hallway by a Unit Owner shall only be made with the consent of the Board and each Unit Owner having a Unit adjacent to that hallway. Any consent to proposed alterations shall be subject to such terms and conditions as the Condominium Board shall impose, as set forth herein.

6.11.2 The Board shall not consent to any alteration until the Unit Owner cures any defaults under the Declaration, By-Laws or Rules and Regulations and pays such sums, to be fixed by the Condominium Board, to cover reasonable legal, architectural, engineering and other expenses of the Board and its managing agent in connection with such proposed alterations. 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.

6.11.3 Except as otherwise provided in the Declaration, no Unit Owner shall make any structural alteration, addition, improvement or repair in or to his or her Unit without the prior written approval of the Condominium Board. The Board shall have the obligation to answer any written request by Unit Owners for approval of a proposed structural alteration, addition, improvement or repair in or to such Unit Owner's Unit within 30 days after such request is received, and the failure to do so within the stipulated time shall constitute the Board's consent to the proposed alteration, addition, improvement or repair. Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Unit, the Board may exercise the right to reasonably approve the Unit Owner's contractors and suppliers, and may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done, and a per diem penalty for delays in completion of work beyond the time specified in the alteration agreement and the delivery of a security deposit (in an amount determined by the Board) to ensure compliance with the terms of the alteration agreement.. The Board may impose fees upon a Unit Owner to reimburse the Condominium for its costs incurred in reviewing or supervising the aforesaid work. Notwithstanding anything to the contrary contained in this subsection 6.11.1, neither Declarant or its designee nor a Permitted Mortgagee (or its designee) of Declarant or its assignee shall be required to obtain the approval of the Board for any structural alteration, addition, improvement or repair in or to Unsold Units or enter into any alteration agreement with respect thereto.

6.11.4 All structural alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof. A Unit Owner making or causing to be made any structural alteration, addition, improvement or repair shall agree, and shall be deemed to have agreed, to hold the Board and all other Unit Owners harmless from any costs or liability arising therefrom.

6.11.5 Any application to any department of The City of New York or to any other governmental authority having jurisdiction thereof for a permit to make a structural alteration, addition, improvement or repair in or to any Unit so approved by the Board shall, if

required by law or such department or authority, be executed by the Board or, provided that the Board shall incur any liability, cost or expense in connection with such application or to any contractor, subcontractor, materialman, architect or engineer on account of such alteration, addition, improvement or repair or to any person having any claim for injury to person or damage to property arising therefrom. Notwithstanding anything to the contrary set forth above, Declarant is hereby authorized on behalf of the Board to execute such applications, permits or other documents as may be required to undertake, perform and complete such work to the Unsold Units and Common Elements as Declarant is entitled to perform in accordance with the terms of the Declaration and these By-Laws and to obtain such certificates of completion as may then be required by Law (collectively the "Required Documentation") and, the Board, if requested by Declarant, shall execute the Required Documentation.

6.11.6 In the event that any alterations, additions, improvements or repairs made by any Unit Owner materially delay, prevent or adversely affect, or create a significant risk of materially delaying, preventing or adversely affecting, whether directly or indirectly, the issuance or reissuance of a temporary or permanent certificate of occupancy for other Units or the Building, then upon the written request of Declarant or the Condominium Board, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously restoring the Unit within fifteen (15) days of receipt of the written request, then the Declarant or the Board, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in these By-Laws.

6.11.7 Until such time as the initial construction of the building is complete, including the completion of "punch list" work, neither the Board nor the Unit Owner shall use or suffer to be used in any part of the Buildings any labor forces incompatible with the labor forces which are completing the construction of the Building on behalf of Declarant. In addition, the prosecution of the work necessary to complete initial construction of the Building, including the completion of "punch list" work by or on behalf of Declarant, shall take precedence over the prosecution of any other work at the Buildings.

**6.12 Alterations, Additions, Improvements or Repairs to Common Elements.** Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions, improvements or repairs in or to any Common Element or Limited Common Element shall be made by the Board or Unit Owner(s) required to maintain such Common Element or Limited Common Element and the cost and expense thereof shall be charged to the Unit Owners as a Common Expense. Whenever in the judgment of the Condominium Board, the cost of any alteration, addition, or improvement would exceed $100,000 in the aggregate in any calendar year (except if such alteration, addition, or improvement is provided for in a duly approved budget), then such proposed alteration, addition, or improvement shall not be made unless first approved by a Majority of Unit Owners, who shall be required to bear the cost and expense thereof as aforesaid with respect to alterations, additions, or improvements made by the Board. Except as otherwise provided in the Declaration or these By-Laws, all such alterations, additions, or improvements costing in the aggregate $100,000 or less in any calendar year may be made as aforesaid without the approval of the Unit Owners. Required repairs to the Common Elements including replacement of existing elements of the Buildings shall be made by the Board in its own discretion regardless of the cost.

### 6.13 Alterations of Certain Common Elements.

6.13.1 In the event that pursuant to any of the provisions of these By-Laws, any consent by the Board or Unit Owner is required as a condition precedent to any alteration, addition or improvement to any Common Element (sometimes collectively referred to in this Section 6.13 as an "Alteration"), proposed to be made by Declarant or its designee, Unit Owners or the Board (sometimes collectively referred to herein as the "Proponent"), such consent shall not be unreasonably withheld or delayed by the Board or Unit Owner (referred to in this Section 6.13 as the "Opposing Party") whose consent is so required. The Proponent shall give to the Opposing Party notice setting forth in reasonable detail the material aspects of such proposed Alteration. If the Opposing Party does not give notice of any objection to the Proponent within 30 days after the Proponent gives its notice, then the Opposing Party shall be deemed to have consented to the making of the proposed Alteration. If the Opposing Party does give notice of objection (which notice of objection shall set forth in reasonable detail the specific objections of the Opposing Party) within such 30-day period and the Proponent considers such objection unreasonable, then the Proponent may submit to Arbitration the question of whether or not the Opposing Party unreasonably withheld its consent. If in such Arbitration it is determined that the Opposing Party unreasonably withheld its consent, the Proponent, as its sole remedy, may make the proposed Alteration. In no event shall any arbitrator in such Arbitration determine that the Opposing Party reasonably withheld its consent to such proposal if (a) the Proponent makes or causes to be made reasonable provisions providing (i) for the costs and expenses of the Alteration to be paid by it, and (ii) that all costs and expenses for maintaining and repairing such Alteration after its completion will not be charged to Unit Owners represented by the Opposing Party as Common Expenses (b) the proposed Alteration would not materially interfere with the use and enjoyment of the owners, tenants and occupants of those Units represented by the Opposing Party; and (c) the proposed Alteration would not materially weaken the structure of the Building.

6.13.2 Nothing contained in subsection 6.13.1 shall in any way be deemed to limit (a) the Proponent's right to modify any proposal made by it thereunder in such a manner as such Proponent believes will meet the objections of the Opposing Party or of any arbitrator, or (b) any party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration, to make any Alteration to a Common Element without the Opposing Party's approval.

### 6.14 Restrictions on Use of Units.

6.14.1 In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, each Unit shall be used as described below.

6.14.1.1 A Unit may be used only as a residence and, subject to compliance with the By-Laws, for a lawful home occupation. Each such Unit may only be occupied by: (i) any individual who is a Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Unit Owner or permitted lessee; (iii) any partner or employee of any partnership which is a Unit Owner or permitted lessee; (iv) any member or employee of any limited liability company which is a Unit Owner or permitted lessee; (v) the fiduciary or beneficiary or employee of any fiduciary which is a Unit Owner or

permitted lessee; (vi) any principal or employee of any other entity (including, but not limited to, embassies and consulates of foreign governments) which is a Unit Owner or permitted lessee; provided that in each instance in clauses (ii) through (vi) above; (A) the designated officer, director, shareholder, partner, member, fiduciary, principal or employee is designated as the primary occupant of the Unit and is not being designated to use the Unit on a transient basis or as other than the primary occupant; and (B) such use is not, in fact or in effect, part of or in furtherance of a program, plan, entity, agreement or other arrangement providing for short-term, fractional or shared use and/or ownership of such Unit; and (vii) family members, domestic partners, domestic employees and/or non-paying guests of any foregoing.

6.14.1.2 A Unit may be used for any purpose permitted by law, provided such use (1) does not violate the then existing certificate of occupancy for such Unit, (2) does not adversely affect the use and enjoyment of neighboring or adjacent Units, and (3) complies with all applicable governmental regulations.

6.14.1.3 No portion of a Unit (other than the entire Unit) may be sold, conveyed, leased or subleased, and no transient occupant (other than a guest permitted under this Subsection 6.14.1) may be accommodated therein. . In addition, each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, such Unit Owner's undivided interest in (a) the Common Elements and the Limited Common Elements, (b) any Unit or Units acquired by the Board on behalf of all Unit Owners, or any proceeds of the sale or lease thereof and (c) any other assets of the Building and the Condominium.

6.14.1.4 Each Unit Owner shall notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Unit Owner, or the Board at such Unit Owner's expense, shall install at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without full knowledge of the Managing Agent. Please see the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Condominium Board" for further details.

6.14.1.5 Unit Owners and their guests shall not permit cigarette, cigar or pipe smoke from escaping from the Unit and entering any other Unit or the Common Elements. Unit Owners shall not smoke in their Units if they are unable to prevent the smoke from entering another Unit. No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product (hereinafter referred to collectively as "Smoking Apparatus") in any of the Common Elements at any time. No person may smoke or otherwise bum any Smoking Apparatus in any Unit or Limited Common Element in a manner which causes smoke to be a nuisance or annoyance to any other resident of the Condominium. In addition, no person may smoke or otherwise burn any Smoke Apparatus within twenty-five (25) feet of any outside entrance to the Condominium or within twenty-five (25) feet of any outdoor air intake or operable window opening onto Common Elements or Units.

6.14.1.6 No more than two (2) domestic animals may be kept in a Unit without the consent of the Board or the Managing Agent. No pet shall weigh more than 40

pounds or be of a breed or type generally considered dangerous to humans. Each Unit Owner who keeps any type of pet in his or her Unit will be required to: (a) indemnify and hold harmless the Condominium, the 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 reasonable Rules and Regulations of the Board adopted with respect thereto; and (c) clean up after their pet.

6.14.2 Notwithstanding the provisions of subsection 6.14.1, Declarant or its designee may, without the permission of the Condominium Board, (a) grant permission for the use of any Unsold Unit as a professional office or for any purpose, provided such use is permitted by law, does not violate any deed restrictions, does not violate the then existing certificate of occupancy for such Unit and the user of such Unit complies with all applicable governmental regulations; (b) use any Unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to the provisions of the Declaration and these By-Laws and in compliance with applicable governmental laws and regulations; and (c) lease Unsold Units to any party(ies).

6.14.3 The Condominium Board may, in its sole discretion, consent to the use of a Unit as a professional or business office or for any purpose provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering the Building. Any such consent shall be in writing and shall be personal to such Unit Owner. Any lessee of, or successor in title to, such Unit Owner shall be required to obtain the prior written consent of the Condominium Board before using such Unit for any purpose other than that set forth in paragraph 6.14.1.

**6.15 Use of Common Elements.**

6.15.1 Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.15.2 No furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators or any other parts of the Common Elements or Limited Common Elements other than in (a) Limited Common Elements for the exclusive use of a particular Unit Owner or (b) in the areas designated as storage areas or storage bins, without the prior consent of the Condominium Board as to the Common Elements. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them.

6.15.3 Unit Owners shall require their tradesmen to utilize exclusively the elevator and entrance designated by the Condominium Board for transporting packages, merchandise or other objects.

6.15.4 The owner of any two or more Units, which Units are serviced or benefited by any Common Element adjacent or appurtenant to such Units (for example, that portion at the end of any residential hallway which is directly adjacent to any such Units located on opposite sides of such hallway) shall, to the extent permitted by law and with the consent of the Condominium Board (which consent shall not be unreasonably withheld or delayed), have the exclusive right of use of such Common Element as if it were a part of such Units (including

the right, in the above example of a portion of a hallway, to enclose such portion) and no amendment to the Declaration nor reallocation of Common Interests shall be made, provided such owner agrees, at its sole cost and expense, to (a) be responsible for the operation, maintenance and repair of such Common Element for so long as such owner exercises such exclusive right of use, and (b) restore such Common Element to its original condition, reasonable wear and tear excepted, after such owner ceases to exercise such exclusive right of use. The owner of any such Units which are Unsold Units shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board. Notwithstanding the above, if an owner transfers or conveys his or her Unit to a successor owner, the transferor need not comply with (b) above provided that the transferee agrees to abide by (a) and (b) above.

**6.16 Other Provisions as to Use.**

6.16.1 No nuisance shall be allowed in the Condominium nor shall any use or practice be allowed in the Condominium which is a source of annoyance to the residents or occupants of the Property or which interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive or unlawful use shall be made of the Condominium or any portion thereof. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property shall be complied with at the full expense of the respective Unit Owners or the Board, whoever shall have the obligation to maintain or repair such part of the Property.

6.16.2 The Board may, in its discretion, grant permission for the use of a Unit for a use other than its original intended use, provided such use is permitted by law or court order, does not violate the then existing Certificate of Occupancy for such Unit, these By-Laws or the Declaration, and the Unit Owner thereof complies with all Legal Requirements. Such permission by the Board shall be in writing and shall be personal to the Unit Owner. Any successor in title to such Unit shall be required to obtain the prior written approval of the Board before using such Unit for any purpose other than those expressly set forth above.

6.16.3 Each Unit Owner shall promptly comply with all legal requirements applicable to its Unit. No Unit Owner shall use or permit the use of hazardous materials on, about, under, or in its Unit or the Property. Each Unit Owner agrees to indemnify and hold harmless the Board and each other Unit Owner from and against any and all claims or demands, including any action or proceeding brought thereon, and all costs, losses, expenses and liabilities of any kind relating thereto, including, but not limited to, costs of investigation, remedial response, and reasonable attorneys' fees and cost of suit, arising out of or resulting from any Hazardous Material used or permitted to be used by such Unit Owner on, about, under or in his or her Unit or the Property. As used herein, the term "Hazardous Materials" means petroleum products, asbestos, polychlorinated biphenyls, radioactive materials and all other dangerous, toxic or hazardous pollutants, contaminants, chemicals, materials or substances listed or identified in, or regulated by, any Environmental Law; and "Environmental Laws" means all federal, state and local laws, rules, regulations, ordinances, requirements and orders whether now existing or hereafter enacted, promulgated or issued, regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material and/or the protection of human health and the environment.

**6.17 Right of Access.**

6.17.1 A Unit Owner shall grant a right of access to his or her Unit to the Declarant for the completion of the Building including but not limited to any punch list work in such Unit Owner's Unit, and to the Board, the managing agents, managers, superintendent and/or any other person authorized by any of the foregoing. A Unit Owner shall grant a right of access to his or her Unit, and the Board shall grant rights of access to the Common Elements and the Limited Common Elements to Declarant and its contractors, subcontractors, agents and employees, for the completion of punch list work, provided that access thereto shall be exercised upon reasonable notice during reasonable hours in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In an emergency, in the event the Condominium incurs any expense as a result of a Unit Owner's failure to provide access to the Unit or if access is otherwise impeded or the Unit Owner has failed to leave a full set of the Unit's keys with the Condominium's personnel at the Building, the Unit Owner shall reimburse the Condominium for the Condominium's costs in obtaining access including without limitation the cost of a locksmith.

**6.18 Rules and Regulations**. Annexed hereto as Schedule A and made a part hereof are rules and regulations (the "Rules and Regulations") concerning the use of the Common Elements and Limited Common Elements. The Condominium Board may from time to time, modify, amend or add to the Rules and Regulations except that a Majority of Unit Owners may overrule the Board with respect to any such modification, amendment or addition. The Condominium Board shall also have the authority to promulgate special rules and regulations concerning the use of Storage Bins for the personal property of the Unit Owners. Copies of any newly adopted Rules and Regulations, or any modifications, amendments or additions thereto, shall be furnished by the Board responsible therefor to each affected Unit Owner not less than 30 days prior to the effective date thereof.

**6.19 Real Estate Taxes, Water Charges and Sewer Rents.**

6.19.1 Water and sewer services shall be supplied to and for all of the Units and the Limited Common Elements through one or more building systems by the City of New York. Except to the extent Unit Owners are billed directly by the City of New York, the Condominium Board shall pay all such charges, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered, and the same will be charged to the Unit Owners as a Common Expense.

6.19.2 Until the Units are separately assessed and billed for real estate tax purposes, the Board will pay all real estate taxes with respect to the Property to the Department of Finance of the City of New York (or directly to Declarant if Declarant has paid such taxes) and allocate the cost thereof among the individual Units, in proportion to the Units' Common Interest. Each Unit Owner will then reimburse the Board for his or her allocated share. Such reimbursement shall be payable as if it were a Common Charge. Such taxes will be paid in a timely manner so that no lien will be placed on the Condominium or any Unit. If Declarant fails to pay real estate taxes attributable to any Unsold Unit in a timely manner and as a result of such failure a lien is placed on the Condominium and/or any other Unit, Declarant will immediately cause such lien to be removed at its sole cost and expense. A Unit Owner will not be responsible

for the payment of, and will not be subject to any lien arising from, the nonpayment of real estate taxes assessed against any other Units.

6.19.3 In the event of a proposed sale of any Unit, the Board (so long as the Board is still collecting and paying such real estate taxes and/or water charges and sewer rents), upon the written request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to such purchaser's title company, a letter agreeing to promptly pay all such taxes, charges and rents affecting such Owner's Unit to the date of the closing of title to such Unit.

6.19.4 The Board shall commence, pursue, compromise and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to any or all of the Units on behalf of and as agent for the respective Unit Owners thereof, but only with respect to such Units as to which the respective Unit Owners thereof have, in writing requested and authorized the Board to do so, and indemnified the Board from and against all claims, costs and expenses (including, without limitation, attorneys' fees) resulting from such proceedings. All Unit Owners making such request to the Board will share the costs in connection therewith in proportion to the benefits derived therefrom by such Unit Owners. In the event any Unit Owner individually seeks to have the assessed valuation of its Unit reduced by bringing a separate certiorari proceeding, the Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing, such reduction, provided that such Unit Owner indemnifies, defends and holds the Board harmless from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) resulting from such proceedings.

**6.20 Heat**. Heat for the Building shall be supplied by boilers using oil and the charges therefor shall be paid by the Condominium Board. The costs incurred by the Condominium Board shall be allocated to the Unit Owners as a Common Charge. Until such time as the Units are submetered, the cost of steam shall be allocated as set forth in "Schedule B-Projected Budget for First Year of Condominium Operation" in Part I of the Plan.

**6.21 Gas**. Gas for the Condominium will be supplied from the Con Edison gas distribution system and charges therefor shall be paid by the Condominium Board. The cost of gas consumed in the Condominium will be borne by the Unit Owners as a Common Charge.

**6.22 Electricity.**

6.22.1 Electricity for each Unit shall be supplied through a separate electric meter for each Unit (or portion thereof). However, the Condominium Board, at its sole discretion, shall have the right to require that electricity be supplied to the Condominium, through one or more electrical meters and that the cost thereof be borne by each Unit Owner based upon sub-metering or any other reasonable basis, as determined by the Board. Each Unit Owner shall be required to pay the bills for electricity consumed or used in his Unit (or portion thereof) directly to the utility company, except that in the event that the Condominium Board has elected to sub-meter electricity to each Unit, then in such event each such Unit Owner shall be required to pay bills for electricity consumed or used in his or her Unit either to the Board or to the utility company as directed by the Board.

6.22.2 In the event the Property is submetered, no Unit Owners will be charged an amount (including any charge for billing costs) which exceeds the rate contemporaneously paid by customers who are served directly by the utility company and who are in the service classification that would be applicable if the Unit Owners were served directly by the utility company.

6.22.3 A Unit Owner who has a complaint about his or her submetered electricity bill shall first attempt to resolve any dispute regarding electrical service or charges with the Managing Agent. If a satisfactory resolution is not obtained then a Unit Owner shall bring said complaint in writing before the Condominium Board and shall send a copy of the complaint to the Managing Agent. If the Condominium Board is unable to provide a satisfactory resolution to the Unit Owner within 30 days after the Condominium Board receives the complaint, then the complainant will be provided written notice of the grievance procedure rules summarized below and the complaint shall be submitted to arbitration proceedings which shall be conducted in accordance with the rules of the American Arbitration Association. The cost of such arbitration shall be paid by the Condominium Board. The American Arbitration Association shall be asked to appoint the arbitrator.

6.22.4 The arbitrator shall be obliged to provide a full and fair hearing within 15 days of the filing of the compliant with the arbitrator, unless the Unit Owner requests a longer period to prepare his case. At the hearing both sides may be represented by counsel or other designated persons, produce witnesses, submit documentary evidence and cross-examine adverse witnesses. The arbitrator shall be obligated to issue a written decision specifying the grounds for its decision and evidence relied upon therein, within 10 days of the hearing. The decision of the arbitrator shall be binding on all parties to the proceeding, and shall not be appealable. Records on all such complaints and decisions shall be maintained by the Condominium Board for at least 3 years from the date the complaint is first brought.

6.22.5 Notwithstanding the fact that a Unit Owner has filed a complaint about an electricity bill or that an arbitration is pending or proceeding, the complaining Unit Owner must continue to pay his or her electricity bill to the Condominium Board or its agent. Failure to make any payment when due may subject the Unit Owner to penalties and/or interest charges, as the same may be established, from time to time by the Condominium Board. Any refund due a complaining Unit Owner will be paid or credited to such Unit Owner by the Condominium Board or its agent promptly upon receipt by the Condominium Board or its agent of such payment or credit from the utility company.

6.22.6 Rates and charges to be paid by Unit Owners shall be based on the actual cost of the energy consumed. The Condominium Board or its agent may charge the Unit Owner the actual cost of providing an electricity billing statement charged by the Managing Agent or a submetering company.

6.22.7 Nothing contained herein shall preclude the Condominium Board, on behalf of Unit Owners, from filing a complaint concerning electricity provided to the Property with the Public Service Commission.

**6.23 Utilities Serving the Common Elements.** Except as otherwise provided in this Article 6, the cost and expense of water, sewer facilities, electricity and gas serving or benefiting any Common Element shall be considered part of the expense of maintaining such Common Element, and shall be borne by the Unit Owners as a Common Expense.

**6.24 Abatement and Enjoinment of Violations by Unit Owners.**

6.24.1 The violation of any of the Rules and Regulations or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Condominium Board the right, in addition to such other rights set forth in these By-Laws, (i) to enter any Unit, Common Element or Limited Common Element in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and the Board shall not thereby be deemed guilty or liable in any manner of trespass, or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach; and/or (iii) to levy such fines and penalties as the Board may deem appropriate, and the Board shall have the same remedies for non-payment of such fines and penalties as for non-payment of Common Charges.

6.24.2 The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Declarant or its designee shall give to Declarant and its designee the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

**6.25 Reimbursement of Condominium Expenses.** A Unit Owner shall reimburse the Condominium for all expenses incurred by the Condominium (including but not limited to legal fees, disbursements and the cost of collection) as a result of the Unit Owner's failure to comply with the Declaration, these By-Laws or the Rules and Regulations.

## ARTICLE 7
## MORTGAGES

**7.1 Notice to the Board.** A Unit Owner who mortgages his or her Unit, or the holder of any mortgage encumbering such Unit, shall notify the Condominium Board of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Board. Such Unit Owner shall, prior to making such mortgage, satisfy all unpaid liens against his or her Unit other than Permitted Mortgages. Any mortgage by a Unit Owner shall be substantially in the form of the New York Board of Title Underwriters form of mortgage or other standard forms of mortgage, except for such changes or additions as may be required to permit a lender to make the loan (provided that this shall not apply to the mortgages of Declarant, its designees or affiliates). A Unit Owner who satisfies a mortgage covering his or her Unit shall so notify the Board and shall file a conformed copy of the satisfaction of mortgage with the Board. The Board shall maintain such information in a book entitled "Mortgages of Units."

**7.2 Notice of Default and Unpaid Common Charges**. Whenever so requested in writing by a Permitted Mortgagee, the Condominium Board shall promptly report to such Permitted Mortgagee any default in the payment of Common Charges or any other default by the Unit Owner of such Unit under the provisions of the Declaration or these By-Laws or the Rules and Regulations which may to the Board's knowledge then exist. The Board, when giving notice to a Unit Owner of any such default, shall, if requested, also send a copy of such notice to any Permitted Mortgagee thereof.

**7.3 Performance by Permitted Mortgagees**. The Board shall accept, by any Permitted Mortgagee of a Unit Owner, payment of any sum or performance of any act required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations, with the same force and effect as though paid or performed by such Unit Owner.

**7.4 Examination of Books**. Each Unit Owner and Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but not more than twice a year.

**7.5 Representatives of Mortgagees.**

7.5.1 In the manner more particularly set forth in subsection 7.5.2, the holders of Institutional Mortgages (as hereinafter defined) may, at their election, designate one or more (but not more than three) representatives ("Mortgage Representatives") who shall be empowered to act on behalf of all holders of Institutional Mortgages, with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Mortgage Representatives are so designated and notice thereof is given to the Board, as appropriate, the act of any such Representative (or a majority of such Representatives if more than one is so designated) shall be deemed binding upon the holders of all Institutional Mortgages. As used herein, the term and "Institutional Mortgage" means an Institutional Mortgage (defined below) covering a Unit or Units. As used herein the terms "Permitted Mortgage" and "Institutional Mortgage" means any first mortgage covering a Unit or Units, the initial holder of which is (i) Declarant or its designee, (ii) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust or mortgage trust generally in the business of making real estate condominium loans, or (iii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

7.5.2 Any designation of a Mortgage Representative made by the holders of Institutional Mortgages, constituting a majority in principal amount of all Institutional Mortgages, shall be binding upon the holders of all Institutional Mortgages. Any such designation of any Mortgage Representative shall remain effective until (a) any subsequent designation thereof is made pursuant to the provisions hereof, and (b) notice of such subsequent designation is given to the Board. Unless otherwise required by law, all Permitted Mortgagees other than holders of an Institutional Mortgage, shall have no right to participate in the selection of Mortgage Representatives, but such Permitted Mortgagees shall be subject to all determinations made by such Mortgage Representatives, pursuant to the Declaration or these By-Laws.

**7.6 Consent of Mortgagees.** Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Board, officer or Unit Owner; provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against his mortgagor.

**7.7 Rights of Permitted Mortgagees and Rights of Guarantors of a Mortgage.**

7.7.1 Each Permitted Mortgagee and the guarantor of the mortgage on any Unit (a "Mortgagee") in the Condominium shall be given written notice within ten (10) days of:

Any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing the Mortgagee's mortgage;

Any 60-day delinquency in the payment of assessments or common charges owed by the owner of any Unit on which the Mortgagee holds the mortgage;

A lapse, cancellation, or material modification of any insurance policy maintained by the Condominium or the Board unless said policy is simultaneously replaced; and

Any proposed action that requires the consent of the holders of a specified percentage of mortgages.

7.7.2 A Permitted Mortgagee who obtains title to a condominium unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Units unpaid regularly budgeted Common Charges accrued before the acquisition of title to the Unit by the Permitted Mortgagee. If the Condominium Board's or Residential Board's lien priority includes costs of collecting the unpaid Common Charges, the lender will be liable for any fees or costs related to the collection of the unpaid Common Charges.

7.7.3 No provision in these By-Laws shall give a Unit Owner or any other party priority over the rights of the first mortgagee of the Unit pursuant to its mortgage in the case of payment to the Unit Owner of insurance proceeds or condemnation awards for losses to or taking a Unit and/or Common Elements.

7.7.4 Any amendment to these By-Laws of a material nature to Permitted Mortgagees shall be agreed to by mortgagees that represent at least 51% of the common interests that are subject to mortgages.

7.7.5 Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs or for other reasons must be agreed to by mortgagees that represent at least 51% of the common interests that are subject to mortgages.

7.7.6 Implied approval shall be assumed when a Mortgagee fails to submit a response to any written proposal for an amendment within 60 days after the Mortgagee receives

proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a return receipt requested.

7.7.7 The right of first refusal contained in Article 8 hereof will not adversely affect the rights of a mortgagee or its assignee to: a) foreclose or take title to a Unit pursuant to the remedies in the mortgage; b) accept a deed or assignment in lieu of foreclosure in the event of a default by a mortgagor; or c) sell or lease a Unit acquired by the mortgagee or its assignee.

## ARTICLE 8
## SELLING, LEASING AND MORTGAGING OF UNITS

**8.1 Selling and Leasing**. No Unit Owner, other than Declarant or its designee may sell or lease his or her Unit except by complying with the following provisions:

8.1.1 Any Unit Owner who receives a bona fide offer to (a) purchase his or her Unit together with its appurtenant Common Interest, or (b) lease his or her Unit (such offer to purchase or lease a Unit, as the case may be, is called an "Outside Offer", the party making any such Outside Offer is called an "Outside Offeror" and the Unit Owner to whom the Outside Offer is made is called an "Offeree Unit Owner"), which he or she intends to accept, shall give notice by certified or registered mail, return receipt requested, to the Condominium Board of the receipt of such Outside Offer. Said notice shall include the name and address of the Outside Offeror, the terms of the proposed transaction (including, but not limited to, the intended closing date in the event of a purchase or intended occupancy date in the event of a lease) and such other information as the Board may reasonably require. The giving of such notice to the Condominium Board, on behalf of all the Unit Owners represented by the Board, shall constitute an offer by such Unit Owner to sell his or her Unit together with its appurtenant Common Interest or to lease his or her Unit to the Board, or its designee, corporate or otherwise, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a representation and warranty by the Unit Owner who has received such Outside Offer to the Board acting on behalf of all Unit Owners that such Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect thereto as the Board may reasonably request. Not later than twenty (20) days after receipt of such notice together with such information as may have been requested, the Board may elect, by sending written notice to such Offeree Unit Owner before the expiration of said twenty (20) day period, by hand delivery or by certified or registered mail, return receipt requested, to purchase such Unit together with its appurtenant Common Interest or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all Unit Owners represented by the Board, upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Unit Owner. Notwithstanding anything contained herein to the contrary, the Board shall not be obligated to exercise the option herein contained and the sale or lease shall not proceed in the event the Board determines that the intended use of the Unit by the purchaser, lessee or anyone anticipated to be residing with them is not in compliance with the Declaration, By-Laws or Rules and Regulations or the purchaser's or lessee's credit report indicates a failure by the purchaser or lessee to pay their bills on a timely basis or the purchaser, or the lessee or anyone residing with them has been

convicted of a violent crime or child molestation, or the purchaser has diplomatic immunity (as further described in Section 8.1.9 herein).

8.1.2 In the event the Condominium Board shall timely elect to purchase a Unit together with its appurtenant Common Interest or to lease such Unit or to cause the same to be purchased or leased by its designee, corporate or otherwise, then (a) with respect to a purchase, title shall close at the office of the attorneys for the Board, in accordance with the terms of the Outside Offer, within forty five (45) days after the giving of notice by the Board of its election to accept such offer and (b) with respect to a lease, the lease, upon the terms set forth in the Outside Offer, shall be executed and deemed effective on the date the Board elects to accept such offer. Notwithstanding the foregoing, in the event that the closing date with respect to a purchase or the commencement date of the term of the lease, as the case may be, set forth in the Outside Offer, shall be later than 45 days after the giving of notice by the Board of its election to accept the aforesaid offer, the Board shall be required to perform or cause to be performed all of the terms of the Outside Offer (except as otherwise expressly set forth in this Article 8) including, but not limited to, payment of a downpayment or advance rentals and security deposits, as the case may be, and such closing of title or the commencement of the term of the lease shall be the date set forth in the notice to the Board referred to in subsection 8.1.1 as the intended closing date or commencement date, as the case may be. If pursuant to such Outside Offer, the Outside Offeror was to assume or take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Board may purchase the Unit and assume or take title to the Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Unit together with its appurtenant Common Interest is to be sold, shall convey the same to the Condominium Board, or to its designee, corporate or otherwise, on behalf of all Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all tax and/or documentary stamps affixed at the expense of such Offeree Unit Owner, who shall also pay all other taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interest, if any, and Common Charges shall be apportioned between the Offeree Unit Owner and the Board, or its designee, corporate or otherwise, as of the closing date. In the event such Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Board, or to its designee, corporate or otherwise, a lease between the Offeree Unit Owner, as landlord, and the Board, or its designee, corporate or otherwise, as tenant, covering such Unit, for the rental and term contained in such Outside Offer.

8.1.3 In the event the Board or its designee shall fail to accept such offer within 20 days after receipt of notice, as aforesaid, the Offeree Unit Owner shall have an additional 60 days to accept the Outside Offer by executing and delivering a contract or lease, as the case may be. In the event the Offeree Unit Owner shall not, within such 60-day period, accept in writing the Outside Offer, or if the Offeree Unit Owner shall accept the Outside Offer within such 60-day period but such sale or lease, as the case may be, shall not be consummated within an additional 60 days following the expiration of such 60-day period, then, should such Offeree Unit Owner thereafter elect to sell such Unit together with its appurtenant Common Interest or to lease such Unit, as the case may be, the Offeree Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1. Notwithstanding the foregoing, the Condominium Board, in its discretion, may waive the Offeree Unit Owner's obligation to comply with either or both of the 60 day periods described herein or may extend either or both such periods, provided that such waiver or extension shall only be effective if in writing.

8.1.4 Any deed to an Outside Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, these By-Laws and the Rules and Regulations, as the same may be amended from time to time.

8.1.5 Any lease executed in connection with the acceptance of any Outside Offer to lease a Unit shall be consistent with these By-Laws and shall provide that the lease may not be materially modified, amended or extended without the prior consent in writing of the Condominium Board, that the term of the lease shall not be shorter than one (1) year, that the tenant shall not assign his interest in such lease or sublet the demised premises or any part thereof without the prior consent in writing of the Board and that the Board, if permitted by applicable law, shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of (i) a default by the tenant in the performance of its obligations under such lease, or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

8.1.6 Except as hereinbefore set forth, the form of any such lease executed by the Condominium Board or an Outside Offeror shall be a printed, reasonably applicable form of residential lease which is generally approved by the Board which governs the Unit to be leased and is accepted in New York City, such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, and shall contain such modifications as shall be approved in writing by the Board. Any lease executed by the Condominium Board as tenant shall provide that the Board may enter into a sublease of the premises without the consent of the landlord.

8.1.7 The foregoing restrictions of this Section 8.1 shall not apply to Unsold Units (including the lease of a Unit to Declarant or its designee). Declarant or its designee shall have the right to freely sell their respective Units, or to freely lease all or any part of the Unsold Units, as the case may be, without having to first offer the same for sale or lease to the Board.

8.1.8 On the closing of the transfer or sale of each Unit, the purchaser or transferee shall make a non-refundable contribution to the Condominium Working Capital Fund equal to two month's Common Charges.

8.1.9 The Board has the right to reject sales and leases to purchasers and tenants who themselves (or residents of their Units) have diplomatic immunity, without being required to exercise the right of first refusal. Approved Purchasers or lessees who have diplomatic immunity will be required to expressly waive any and all immunity from suit by the Sponsor and the Board. In addition, 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) will be required at the time of closing of title to such Purchaser's Unit, to deposit with the Board an amount equal to two years' estimated Common Charges.

8.1.10 In order to facilitate the Sponsor's sale of the Units, prior to a Purchaser's closing of a Unit and for one (1) year after a Purchaser's closing on its Unit, a Purchaser will not be permitted, without the prior written consent of Sponsor, to sell his or her Unit(s) or list the

Unit for resale with any broker or otherwise, or advertise, promote or publicize the availability of his or her Unit for sale or lease.

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

**8.2 Consent of Unit Owners to Purchase or Lease of Units by Condominium Board**. The Condominium Board shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a Majority of Unit Owners, unless the Board is assigning its rights to a third party including another Unit Owner or a member of the Board and the Condominium will not incur any expense as a result, in which event Unit Owner consent shall not be required. However, the Condominium Board shall have the right to release or waive such option without the prior approval of a Majority of Unit Owners.

**8.3 No Severance of Ownership**. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the Common Interest appurtenant to any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interest is appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests of all Units. Nothing in this Section 8.3 shall permit the lease of any Unit without the simultaneous lease of its appurtenant Common Interest.

**8.4 Release by Condominium Board of Right of First Refusal**. The right of first refusal contained in 8.1 may be released or waived by the Condominium Board only in the manner provided in 8.5. In the event the Condominium Board shall release or waive its right of first refusal as to any Unit, such Unit together with its appurtenant Common Interest may be sold, conveyed or leased, free and clear of the provisions of subsection 8.1.1 and 8.1.2, provided that such sale, conveyance or lease occurs within any applicable time periods required pursuant to 8.1.3.

**8.5 Certificate of Termination of Right of First Refusal**. A certificate executed by an officer of the Condominium stating that the provisions of subsection 8.1.1 have been met by a Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the Condominium Board, and that as a result thereof the rights of the Board thereunder have terminated (provided that any sale, conveyance or lease occurs within any applicable time periods required pursuant to subsection 8.1.3), shall be conclusive upon the Board and the Unit Owners in favor of all persons who rely on such certificate in good faith. The Condominium Board shall furnish such certificate upon request to any Unit Owner with respect to whom the provisions of subsection 8.1.1 have, in fact, terminated.

**8.6 Financing of Purchase of Units by Condominium Board**. The purchase of any Unit by the Condominium Board or its designee, on behalf of all Unit Owners, may be made

from the funds deposited in the capital and/or expense accounts of the Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Condominium Board may levy an assessment against each Unit Owner in proportion to his or her respective Common Interest, as a Common Charge, and/or the Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its (their) appurtenant Common Interest(s).

**8.7 Exceptions**. The provisions of Section 8.1 shall not apply with respect to any lease, sale or conveyance of any Unit together with its appurtenant Common Interest by (a) the Unit Owner thereof to his or her spouse, adult children or grandchildren, parents, grandparents, adult siblings or to any one or more of them or to any affiliate of the Unit Owner thereof, (b) Declarant, its designee or the owner of an Unsold Unit, (c) the Condominium Board, (d) any proper officer conducting the sale of a 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 (e) a Permitted Mortgagee or his nominee, who has acquired title to any Unit at any foreclosure sale of his Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding Unit Owner shall be bound by, and his Unit subject to, the provisions of this Article 8. The term "affiliate" shall be deemed to be an individual or entity which owns more than 50% of the legal and beneficial interest of such Unit Owner, or an entity with respect to which such Unit Owner owns more than 50% of the legal and beneficial interest.

**8.8 Gifts and Devises, etc.** Any Unit Owner shall be free to convey or transfer his or her Unit by gift, or may devise his or her Unit by will or have his or her Unit pass by intestacy, without being subject to the restrictions of Section 8.1; provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit subject to, the provisions of this Article 8.

**8.9 Unauthorized Sales or Leases of Units**. Any purported sale or lease of a Unit consummated in violation of Section 8.1 or 8.3 shall be voidable at the election of the Condominium Board and if the Board shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board to institute legal proceedings to eject the purported purchaser (in case of an unauthorized sale) or to evict the purported tenant (in case of an unauthorized leasing), in the name of the said Unit Owner as the owner or landlord, as the case may be. Said Unit Owner shall reimburse the Board for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

**8.10 Charges Imposed on Sale or Lease of Units**. The Condominium Board shall be entitled to fix by resolution and collect, before any sale or lease of a Unit is consummated, a reasonable charge to cover its expenses, and any fees due the Managing Agent or any attorney retained by the Board, in connection with the sale or lease. If such charge is adopted, it shall be added to, and constitute a portion of, Common Charges payable by the selling or leasing Unit Owner. The aforementioned charge shall not apply to the lease of a Unit to or from Declarant or its designee, to the sale or lease of Unsold Units by Declarant or its designee, or to the sale or lease of Unsold Units by a Permitted Mortgagee of Declarant that acquires title to Unsold Units. Upon the acquisition of a Unit, Purchasers of Units (that are not Unsold Units) shall also pay to the Condominium Board two months common charges as a non-refundable contribution to working capital.

**8.11 Power of Attorney**. At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and make arrangements for recording in the New York City register's office, the Unit Power of Attorney required by Article 16 of the Declaration, in the form set forth as Exhibit E to the Declaration.

**8.12 Notices Concerning Unit Occupancy**. Within five (5) days following acquisition of a Unit or the commencement of a lease relating thereto, the new Unit Owner or lessor, as the case may be, shall notify the Managing Agent of the Unit involved, the name of the purchaser or lessee and the names of the individuals, as permitted by the By-Laws, who will be using or occupying the Unit. The individuals so designated may be changed by the purchaser or lessor, from time to time, by further notice to the Managing Agent.

**8.13 Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common**. In the event that any Unit shall be acquired by the Condominium Board, or its respective designees, corporate or otherwise, on behalf of all Unit Owners, as tenants-in-common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit as herein provided.

**8.14 Payment of Assessments**. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate or lease his Unit unless and until he shall have paid in full to the Board all unpaid Common Charges theretofore assessed by the Board against such Unit and until such Unit Owner shall have satisfied all unpaid liens against his Unit other than Permitted Mortgages.

**8.15 Mortgage of Units**. Subject to Article 7 and Section 8.14, each Unit Owner shall have the right to mortgage his Unit without restriction, provided that, with respect to any mortgage covering a Unit, the Unit Owner making such mortgage shall notify in writing the Condominium Board of the making of such mortgage.

**8.16 Transfer of Units to Trusts and Other Entities**. No Unit shall be transferred to a trust or any other entity unless the Condominium Board receives, prior to or at the closing in a form determined by the Board (a) a written designation of the state and federal courts in New York City as a jurisdiction for any dispute between the owner and the Condominium, (b) a written designation by the purchaser of an agent for service of process in New York City, (c) a guaranty of the Common Charges and assessments signed by an individual on behalf of the entity purchasing the unit and (d) an occupancy agreement identifying who will be residing in the Unit.

**8.17 Limits on Resale**. In order to facilitate the Declarant's sale of the Units, prior to a Purchaser's Closing of a Unit and for one (1) year after a Purchaser's Closing on its Unit, a Purchaser will not be permitted, without the prior written consent of Declarant, to sell his or her Unit(s) or list the Unit for resale with any broker or otherwise, or advertise, promote or publicize the availability of his or her Unit for sale or lease.

## ARTICLE 9
## CONDEMNATION

In the event of the taking in condemnation or by eminent domain of all or any part of the Common Elements or Limited Common Elements, the Board, subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the Common Elements or Limited Common Elements so taken which, pursuant to the provisions of these By-Laws, are required to be maintained by the Board. The award made for any such taking shall be payable to the Board responsible for the repair and restoration thereof, as aforesaid; provided, however, that if any such award exceeds $1,000,000, such award shall be payable to the Insurance Trustee and shall be disbursed to the contractors engaged in such repair and restoration, if any, in appropriate progress payments. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed the cost of any repairs and restorations, the deficit or surplus, as the case may be, will be (a) borne and shared by all Unit and Owners with respect to any taking of the Common Elements pro rata, as follows: first, to the Unit Owners in accordance with their respective Common Interests; thereafter, the Board shall allocate such deficit or surplus, as the case may be, pro rata, to the Unit Owners, in accordance with their respective Common Interests; (b) borne and shared by all Unit Owners with respect to any taking of the Common Elements pro rata in accordance with their Common Interests; and (c) borne and shared by all Unit Owners having exclusive access to the Limited Common Elements pro rata in accordance with their respective interest in such Limited Common Interests. Notwithstanding any provisions contained herein to the contrary, in the event that 75% or more in Common Interest of all Unit Owners do not duly and promptly resolve to proceed with such repair or restoration of their respective Common Elements, then such repairs or restorations of the Common Elements shall not be made and the net proceeds of any such award with respect thereto shall be divided among the Unit Owners pro rata in the same manner as is set forth in (a), (b) and (c) above, after first paying out of the share of each Unit Owner the amount of any unpaid liens on such Units other than mortgages which are not Permitted Mortgages. As used in this Article 9 the words "promptly resolve" shall mean not more than 60 days from the date of such taking.

## ARTICLE 10
## RECORDS AND AUDITS

**10.1 Records.** The Board or the managing agent for the Board, if any, shall keep detailed records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Unit Owners and financial records and books of account with respect to the activities of the Board, including a listing of all receipts and expenditures. In addition, the Condominium Board shall keep a separate account for each Unit, which, among other things, shall contain the amount of each assessment of Common Charges made by the Condominium Board against each such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

**10.2 Audits.** Within four months after the end of each fiscal year, an annual report of receipts and expenditures prepared and certified by an independent certified public accountant shall be submitted by the Condominium Board to all Unit Owners and, if so requested, to any Permitted Mortgagee, as the case may be. The cost of such report submitted by the Board as a Common Expense.

**10.3 Availability of Documents.** Copies of the Declaration, these by-laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

## ARTICLE 11
## ARBITRATION

**11.1 General Procedure.** Disputes between Unit Owners and any arbitration provided for in these By-Laws shall be conducted before one arbitrator in New York City by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. In the event that the American Arbitration Association is not then in existence and has no successor, any arbitration hereunder shall be conducted in New York City before one arbitrator appointed, on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of New York. The decision of the arbitrator so chosen shall be given within 10 days after his appointment. Any arbitrator appointed or selected in connection with any arbitration hereunder shall be a member of a law firm whose principal office is in the Borough of Manhattan and which has at least five members.

**11.2 Costs and Expenses.** The fees, costs and expenses of the arbitrator will be borne by the losing party in the arbitration or, if the position of neither party to the dispute will be substantially upheld by the arbitrator, such fees, costs and expenses will be borne equally by the disputants. Each disputant will also bear the fees and expenses of his counsel and expert witnesses. 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, will constitute Common Expenses.

**11.3 Agreement by Parties.** The parties to any dispute required or permitted to be submitted to arbitration hereunder may, by mutual agreement between them, vary any of the provisions of 11.1 with respect to the arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Court Determination of Disputes."

## ARTICLE 12
## MISCELLANEOUS

**12.1 Waiver.** No provision contained in these By-Laws or the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

**12.2 Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws nor the intent of any provision hereof.

**12.3 Certain References.**

12.3.1 A reference in these By-Laws to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

12.3.2 The terms "herein," "hereof" or "hereunder" or similar terms used in these By-Laws refer to these entire By-Laws and not to the particular provision in which the terms are used, unless the context otherwise requires.

12.3.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

12.3.4 Unless otherwise expressly stated herein to the contrary all references herein to dollar amounts shall be adjusted from time to time, after the date this Declaration is entered into, to reflect any increase in the cost of living, as reflected by an increase in the CPI Increase Factor. The term "CPI Increase Factor" as used herein shall mean an increase proportionate to any increase in the cost of living from and after the First Closing, as reflected by the change in the Consumer Price Index (CPI-U; All Items; 1982-84 = 100 standard reference base period) for New York, New York (or the smallest measured area including New York, New York), as published by the Bureau of Labor Statistics, United States Department of Labor or, if the same ceases to be published, a commonly used substitute therefore reasonably selected by the Board.

**12.4 Severability.** Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law. In the event any provision of these By-Laws or the Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

**12.5 Insurance Trustee.** The Insurance Trustee shall be a bank or trust company in The City of New York, designated by the Condominium Board and having a capital surplus and undivided profits of $500,000,000 or more. In the event the Insurance Trustee resigns or the Condominium Board wishes to replace it, the Condominium Board shall promptly appoint a new Insurance Trustee. The Condominium Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense. The Insurance Trustee shall hold all such proceeds in accordance with Section 254(4) of the Real Property Law of the State of New York. If required by Declarant's construction or permanent lender, such lender shall be the Insurance Trustee until its release of all Units from the lien of its mortgage.

**12.6 Successors and Assigns.** Except as set forth herein or in the Declaration to the contrary, the rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or its designee or, with the consent of Declarant or its designee, any transferee of some or all of the Unsold Units then owned by Declarant or its designee, as the case may be. Subject to the foregoing, Declarant, and/or its designee, as the case may be, shall have the right, at any time in their sole discretion, to

assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

**12.7 Covenant of Further Assurances.**

12.7.1 Any party which is subject to the terms of these By-Laws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board, or otherwise, shall, upon prior reasonable written request at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of these By-Laws or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

12.7.2 If any Unit Owner, the Board or other party which is subject to the terms of these By-Laws fails, within ten days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, the Board or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, or (ii) to deliver a written notice to the party requesting such execution, acknowledgment or delivery, and to the Board, stating the reasons why such Unit Owner, the Board or other party refuses to execute, acknowledge or deliver such instrument or take such action, then the Board or other party is hereby authorized, as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner, the Board or other party and such document or action shall be binding on such Unit Owner, Board or other party.

12.7.3 If any Unit Owner, the Board or other party which is subject to the terms of these By-Laws fails, within ten days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, the Board or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Declarant or its designee, or (ii) to deliver a written notice to Declarant or its designee, as applicable, and to the Board representing such Unit Owners stating the reasons why such Unit Owner, the Board or other party refuses to execute, acknowledge or deliver such instrument or take such action, then Declarant or its designee is hereby authorized, as attorney-in-fact for such Unit Owner, the Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner, the Board or other party and such document or action shall be binding on such Unit Owner, the Board or other party, as the case may be.

**12.8 Indemnity.** In the event Unit Owner requests that the Board's employees perform services for the Unit Owner, which are not the Board's obligation to perform, including but not limited to repairs and alterations to the Unit Owner's Unit, the Unit Owner shall indemnify the Board and save the Board harmless from any liability, loss, damage and expense arising from injury to any person (including the employee) or property when occurring while the employee is performing such work.

**12.9 Calculation of Time Periods.** In the event any time for performance of any obligation under the Condominium Documents expires or the expiration or termination of any time period provided in the Condominium Documents for any consent, response or notice occurs, on a day other than a business day, the time for performance shall be extended to the next succeeding day which is a business day.

## ARTICLE 13
## AMENDMENT TO BY-LAWS

**13.1 Amendments by Unit Owners.** Except as specifically provided herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee or any Unsold Units, any provision of these By-Laws may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of these by-laws, provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners directly affected. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, Permitted Mortgagees, or any Unsold Units, any such amendment, modification, addition or deletion shall be executed by the Condominium Board, as attorney-in-fact for all Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Notwithstanding the foregoing and subject to the provisions contained herein or in the Declaration with respect to amendments affecting Declarant or its designee or any Unsold Units, no amendment, modification, addition or deletion pursuant to the provisions of clause (a) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any.

**13.2 Scrivener Errors.** Notwithstanding anything to the contrary contained herein or in the Declaration, the Condominium Board may amend these By-Laws without the consent of any Unit Owner or Recognized Mortgagee, but upon at least ten (10) days written notice to the Unit Owner and Recognized Mortgagee, to correct or supplement any patent mistakes, inconsistencies or scrivener errors.

## ARTICLE 14
## CERTAIN DAMAGES

**14.1 Self Help.** If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, including, without limitation, any breach of his obligation to paint, decorate, maintain, repair, or replace his or her Unit or its appurtenant Limited Common Elements, if any, pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within 5 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 five 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 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.

**14.2 Abatement and Enjoinment.**

(A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his 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 By-Laws with respect to any rights, easements, privileges, or licenses granted to Declarant shall give to Declarant 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.

**14.3 Remedies Cumulative.** The remedies specifically granted to the Condominium Board or to Declarant in this Article 14 or elsewhere in the By-Laws 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 Declarant 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.

**14.4 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 14.1 or paragraph (A) of Section 14.2 hereof or (ii) Declarant 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 14.2 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 Declarant, as the case may be, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two percent

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 14.3 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

**14.5 Liability for Litigation Costs.** If any Unit Owner, tenant, purchaser or an applicant to purchase or lease a Unit, institutes any action or proceeding against the Condominium, its officers, Board Members, agents or employees, relating to the By-Laws, the Rules and Regulations or the affairs of the Condominium and if there is an adverse determination by the court against the Unit Owner, tenant, purchaser or applicant or the action or proceeding is dismissed, then on a determination by the court that such action or proceeding was not brought in good faith, (a) such Unit Owner, tenant, purchaser or applicant shall reimburse the Condominium for the attorneys' fees and disbursements incurred by the Condominium in such action or proceeding or in the enforcement of this provision, and (b) the Condominium shall have the right to collect the same as an assessment against the Unit Owner or rent against the subtenant. By applying to purchase or lease a Unit, an applicant to purchase or lease a Unit agrees to be bound by this provision. The effective date of this provision is the date that it is approved by two thirds of the Unit Owners and all actions and proceedings brought or new causes of action alleged in then existing actions or proceedings subsequent to such date shall be expressly subject to this provision.

## SCHEDULE A
## RULES AND REGULATIONS

(1) The sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of the Condominium shall not be obstructed or used for any other purpose than ingress to and egress from the Condominium Units.

(2) No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the passages, public halls, vestibules, corridors, stairways or fire tower landings of the Condominium, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows or roofs or placed upon the window sills of the Condominium.

(3) Neither occupants nor their guests shall play in the entrances, passages, public hails, elevators, vestibules, corridors, stairways or fire towers of the Condominium.

(4) No public hall or public elevator vestibule of the Condominium shall be decorated or furnished by any Condominium Unit Owner in any manner.

(5) Each Unit Owner shall keep his or her Unit and any Limited Common Elements appurtenant thereto (including the surface of any Terrace appurtenant to a Unit) in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance. Any determination as to what constitutes a good state of preservation and cleanliness for any Unit Owner's Terrace shall be within the sole but reasonable discretion of the Condominium Board.

(6) No window guards or window decorations shall be used in or about any Unit, unless otherwise required by law, except such as shall have been approved in writing by the Condominium Board or the managing agent of the Condominium, which approval shall not be unreasonably withheld or delayed. The portions of all curtains, drapes, blinds or other window treatments visible from the exterior of the Building must be white to give the Building a uniform exterior appearance.

(7) No radio, television aerial, satellite or similar device shall be attached to or hung from the exterior of the Condominium or on the Roof and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any door or window or other part of the Condominium except such as are permitted pursuant to the Declaration or the By-Laws or shall have been approved in writing by the Condominium Board or the managing agent of the Condominium, nor shall anything be projected from any door or window of the Condominium without similar approval.

(8) No awning, ventilator or air conditioning device shall be installed in any Unit without the prior written approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

(9) All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or

recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit Owner's Unit.

(10) No bicycles, scooters or similar vehicles shall be allowed in any of the elevators other than the elevators designated by the Condominium Board or the managing agent of the Condominium for that purpose, and no baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the passages, public halls, vestibules, corridors or other public areas of the Condominium.

(11) No Unit Owner shall make or permit any disturbing noises or activity in the Condominium, or do or permit anything to be done therein, which will interfere with the rights, comfort or convenience of other Unit Owners or the tenants or occupants of the Condominium. No Unit Owner shall play or suffer to be played any musical instrument, or practice or suffer to be practiced vocal music, or operate or permit to be operated a phonograph or radio or television set or other loud speaker in such Unit Owner's Unit between 11:00 P.M. and the following 9:00 A.M., if the same shall disturb or annoy other occupants of the Building, unless the same shall have the prior written consent of the Condominium Board. No construction or repair work or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 9:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency or unless such work is performed by Declarant.

(12) No more than (2) pets shall be permitted, kept or harbored in a Unit without the same in each instance having been expressly permitted in writing by the Condominium Board or the managing agent of the Condominium and such consent, if given, shall be revocable by the Condominium Board or such managing agent in their sole discretion, at any time. Dogs may not be walked on the Property and all Unit Owners must clean-up after their pets. In no event shall any bird, reptile, or animal be permitted in any public elevator in the Condominium, other than the elevators designated by the Condominium Board or the managing agent of the Condominium for that purpose, or in any of the public portions of the Condominium, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Condominium or on the sidewalk or street adjacent to the Building. Each Unit Owner who keeps any type of pet in his Unit shall be required to indemnify and hold harmless the Condominium, all Unit Owners and the managing agent from all claims and expenses resulting from acts of such pet.

(13) Messengers and tradespeople visiting in the Condominium shall use the elevators designated by the Condominium Board or the managing agent of the Condominium for that purpose, for ingress and egress, and shall not use any of the other elevators for any purpose, except that nurses, caregivers, babysitters and cleaning personnel in the employ of Unit Owners or their guests or tenants may use any of the other elevators when accompanying said Unit Owners, guests or tenants. However, a guest or visitor of a Unit Owner may use any of the elevators freely, if authorized by such Unit Owner.

(14) All service and delivery persons will be required to use the service entrance. All packages, whenever feasible, will be required to be delivered by outside personnel to the package

room in the lobby where such packages will be held for pick-up by Unit Owners. Deliveries, if made, will be made from the package room to individual Units only by building personnel. Such deliveries will be made only at such times as a Unit is occupied by the resident thereof or an authorized person and said resident or authorized person is willing to accept delivery. If the Unit is not so occupied or delivery is declined, the package will be held in the package room until the resident or authorized person returns or requests delivery. In the case of packages containing perishable food items, service or delivery persons who are registered with building personnel will be permitted to make deliveries directly to individual Units after such service or delivery persons have received approval for such delivery from the Unit Owner.

(15) Trunks and heavy baggage shall be taken in or out of the Condominium by the elevators designated by the Condominium Board or the managing agent of the Condominium for that purpose, and through a designated entrance only.

(16) No refuse from the Units shall be sent to the below grade levels of the Building except at such times and in such manner as the Condominium Board or the managing agent of the Condominium may direct.

(17) Water-closets and other water apparatus in the Condominium and in any common area shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the Owner of such Unit.

(18) No occupant of the Condominium shall send any employee of the Condominium or of the managing agent thereof out of the Building on any private business.

(19) The agents of the Condominium Board or the managing agent, and any contractor or worker authorized by the Condominium Board or the managing agent of the Condominium, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior written notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a manner so as not to unreasonably interfere with the use of such Condominium Unit for its permitted purposes.

(20) Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

(21) The Condominium Board or the managing agent of the Condominium may retain a passkey to each Unit that has locks. If any lock is altered or a new lock is installed, the Condominium Board or the managing agent of the Condominium shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws and has not furnished a key to the Board or such managing agent, then the Condominium Board or such managing agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the

Board or an officer of the managing agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if during such entry reasonable care under the circumstances is given to such Unit Owner's property).

(22) No vehicle belonging to a Unit Owner or to a member of the family or guest, tenant or employee of a Unit Owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from the Building by another vehicle.

(23) Complaints regarding the services of the Condominium shall be made in writing to the Condominium Board or to the managing agent of the Condominium.

(24) Any consent or approval given under these Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Condominium Board, at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board, be conditional in nature.

(25) Unit Owners will faithfully observe the following procedures with respect to the use of the compactor; (a) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush into tight bundles all loose papers before placing the same in the hopper door; (e) deposit all bundles of waste into the hopper; and (f) refrain from depositing waste of an explosive nature therein.

(26) Except as permitted under the Declaration and By-Laws, Unit Owners, their families, guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.

(27) Unit Owners, their guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Units.

(28) No Unit Owner or any of his agents, servants, employees, licensees, tenants, sublessees or visitors shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

(29) If any key or keys are entrusted by a Unit Owner or by any member of his family or by his agent, servant, employee, tenant, sublessee, licensee or visitor to an employee of the Condominium Board or the managing agent of the Condominium, whether for such Unit Owner's Unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Condominium Board nor the managing agent of the Condominium shall (except as provided in paragraph 21 above) be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

(30) Nothing shall be done or kept in any Unit or in the Common Elements or Limited Common Elements which will increase the rate of insurance of the Building or contents thereof

without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements or Limited Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any law. No waste shall be committed in the Common Elements or Limited Common Elements.

(31) The Board shall have the right from time to time to relocate any portion of the Common Elements devoted to storage or service purposes.

(32) No group tour or exhibition of any Unit or its contents shall be conducted, nor shall any auction sale be held in any Unit, without the prior consent of the Condominium Board or the managing agent of the Condominium.

(33) In the event that any Unit is used for home occupation purposes which are permitted by law and the by-laws, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

(34) Unless expressly authorized by the Condominium Board in each case, at least 80% of the floor area of each Unit (excepting only kitchens, pantries, bathrooms and closets) must be covered with rugs, carpeting or equally effective noise-reducing material.

(35) There will be no barbecuing in the Units, in their Limited Common Elements (including Terraces), or the Common Elements, except for those areas (if any) specifically designated for barbecuing by the Condominium Board.

(36) The Condominium Board reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Condominium when, in the reasonable judgment of the Condominium Board, the Condominium Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Condominium, or the preservation of good order therein, or the operation or maintenance of the Condominium, or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Condominium. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Unit Owner or other occupant.

(37) No article, including, but not limited to, bicycles and similar vehicles, shall be stored or allowed to stand on Terraces other than furniture of the kind usually maintained in outdoor areas. All personal property, furnishings, equipment and furniture left on the Terraces or the Roof of the Building shall be anchored. No plantings, structures or installations may be placed on the Terraces without the prior written approval of the Condominium Board.

(38) No children may be left unattended in any common area of the Building, including but not limited to the hallways and lobby.

**EXHIBIT "9"**

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# CERTIFICATION OF SPONSOR AND PRINCIPALS

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**CERTIFICATION OF NEW SPONSOR**
**PURSUANT TO SEC. 20.4(b)**
**OF THE REGULATIONS ISSUED PURSUANT**
**TO GENERAL BUSINESS LAW, ARTICLE 23-A,**
**AS AMENDED**

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

Attn: Real Estate Finance Bureau

Re: 78 Irving Place Condominium
78 Irving Place
New York, New York 10003

The undersigned certify as follows:

We are the Sponsor and the principals of Sponsor of the condominium Offering Plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, 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; and

(vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

**SPONSOR:**

Irving Place Investor LLC

By: _____
Brian Shatz, Authorized Signatory

Sworn to before me this
30th day of January, 2015

Notary Public
JOAN SANTIAGO
NOTARY PUBLIC
STATE OF NEW YORK
#01SA6099098
MY COMMISSION EXP. 9-22-2015

**PRINCIPALS OF SPONSOR:**

_____
Brian Shatz

Sworn to before me this
30th day of January, 2015

Notary Public
JOAN SANTIAGO
NOTARY PUBLIC
STATE OF NEW YORK
#01SA6099098
MY COMMISSION EXP. 9-22-2015

_____
Josh Zegen

Sworn to before me this
2nd day of February, 2015

Notary Public
JOAN SANTIAGO
NOTARY PUBLIC
STATE OF NEW YORK
#01SA6099098
MY COMMISSION EXP. 9-22-2015

**EXHIBIT "10"**

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**CERTIFICATION OF SPONSOR'S ARCHITECT**

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P K
+
S B

CERTIFICATION OF ENGINEER OR ARCHITECT

April 13, 2015

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

Re: **78 Irving Place Condominium**
**78 Irving Place, New York, New York**

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction and/or renovation of the property (the "Report"). We examined the approved building plans that were prepared by PKSB Architects, MG Engineering, and Robert Silman Associates dated February 14, 2014, specifications prepared by Robert Schwartz & Associates dated December 9,2014, Post-Approval Amendments dated November 19,2014, and prepared the Report dated April 13, 2015, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are a registered architect in the State in which the property is located.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

We have read the entire Report and 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 and/or renovation, provided that construction and/or renovation is in accordance with the plans and specifications that we examined;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the Property as it will exist upon completion of construction and/or renovation, provided that construction and/or renovation is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

SHERIDA E. PAULSEN, FAIA
WILLIAM B. FELLOWS, AIA
TIMOTHY WITZIG, AIA

PKSB ARCHITECTS
330 W42 STREET
NEW YORK NY 10036
212 594 2010
WWW.PKSB.COM

P K
S + B

(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 residential condominiums 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.

PKSB ARCHITECTS

By: _____
Name: Sherida Paulsen
Title: Principal

Sworn to before me this
13th day of April, 2015

_____
Notary Public

NANCY CUSACK
Notary Public, State of New York
No. 01CU6044996
Qualified in New York County
Commission Expires July 17, 2018

SHERIDA E. PAULSEN, FAIA
WILLIAM B. FELLOWS, AIA
TIMOTHY WITZIG, AIA

PKSB ARCHITECTS
330 W42 STREET
NEW YORK NY 10036
212 594 2010
WWW.PKSB.COM

**EXHIBIT "11"**

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**CERTIFICATION OF SPONSOR'S BUDGET EXPERT**

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FirstService
RESIDENTIAL

CERTIFICATION OF SPONSOR'S EXPERT
ON ADEQUACY OF CONDOMINIUM BUDGET PURSUANT TO
SECTION 20.4(d) OF THE REGULATIONS ISSUED
PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

February 4, 2015

New York State Department of Law
120 Broadway
New York, New York 10271
Attn: Real Estate Finance Bureau

Re: 78 Irving Place Condominium
78 Irving Place, New York, New York 10003

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.

The sponsor of the condominium offering plan for the above captioned property retained us to prepare Schedule B to the offering plan containing projections of income and expenses for the projected first year condominium operation, respectively ("First Year of Operation").

We understand 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 Schedule B.

We have reviewed the Schedule B and investigated the facts set forth in the Schedule B and the facts underlying them with due diligence in order to form a basis for this certification. We also have relied on our experience in managing mixed use and residential buildings in Manhattan.

We certify that the projections in the Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses of the Condominium for the projected First Year of Operation.

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

We certify that the Schedule:

(i) set forth in detail the projection of income and expenses for the projected First Year of Operation;

(ii) afford potential investors, purchasers, and participants an adequate basis upon which to found their judgment concerning the projected First Year of Operation;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(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 and expenses for the projected First Year of 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
4 day of February 2015

_____
Notary Public

CHRISTOPHER L. LUCIANO
Notary Public, State of New York
No. 01LU6280584
Qualified in Dutchess County
Commission Expires May 6, 2017

FirstService
RESIDENTIAL

**EXHIBIT "12"**

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**FORM W-9**

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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.

**Note.** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

***Example.*** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

## Backup Withholding

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

## What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

# Specific Instructions

## Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

**Note. ITIN applicant:** Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

## Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

## Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

**Limited Liability Company (LLC).** If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

## Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

**Exempt payee code.**

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2—The United States or any of its agencies or instrumentalities

3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

4—A foreign government or any of its political subdivisions, agencies, or instrumentalities

5—A corporation

6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession

7—A futures commission merchant registered with the Commodity Futures Trading Commission

8—A real estate investment trust

9—An entity registered at all times during the tax year under the Investment Company Act of 1940

10—A common trust fund operated by a bank under section 584(a)

11—A financial institution

12—A middleman known in the investment community as a nominee or custodian

13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

| IF the payment is for . . . | THEN the payment is exempt for . . . |
|---|---|
| Interest and dividend payments | All exempt payees except for 7 |
| Broker transactions | Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012. |
| Barter exchange transactions and patronage dividends | Exempt payees 1 through 4 |
| Payments over $600 required to be reported and direct sales over $5,000[1] | Generally, exempt payees 1 through 5[2] |
| Payments made in settlement of payment card or third party network transactions | Exempt payees 1 through 4 |

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

**Note.** You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

## Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

## Line 6

Enter your city, state, and ZIP code.

# Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at *www.ssa.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** *A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.*

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

## What Name and Number To Give the Requester

| For this type of account: | Give name and SSN of: |
|---|---|
| 1. Individual | The individual |
| 2. Two or more individuals (joint account) | The actual owner of the account or, if combined funds, the first individual on the account[1] |
| 3. Custodian account of a minor (Uniform Gift to Minors Act) | The minor[2] |
| 4. a. The usual revocable savings trust (grantor is also trustee) | The grantor-trustee[1] |
| b. So-called trust account that is not a legal or valid trust under state law | The actual owner[1] |
| 5. Sole proprietorship or disregarded entity owned by an individual | The owner[3] |
| 6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A)) | The grantor* |
| **For this type of account:** | **Give name and EIN of:** |
| 7. Disregarded entity not owned by an individual | The owner |
| 8. A valid trust, estate, or pension trust | Legal entity[4] |
| 9. Corporation or LLC electing corporate status on Form 8832 or Form 2553 | The corporation |
| 10. Association, club, religious, charitable, educational, or other tax-exempt organization | The organization |
| 11. Partnership or multi-member LLC | The partnership |
| 12. A broker or registered nominee | The broker or nominee |
| 13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments | The public entity |
| 14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B)) | The trust |

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

## Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: *spam@uce.gov* or contact them at *www.ftc.gov/idtheft* or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

**EXHIBIT "13"**

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**FORM W-8**

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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)

**EXHIBIT "14"**

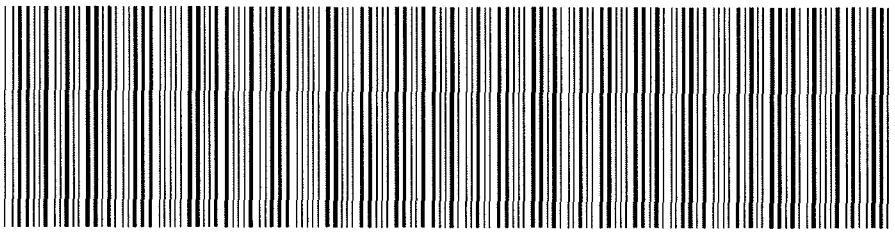
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**PROPERTY DEED**

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**NYC DEPARTMENT OF FINANCE**
**OFFICE OF THE CITY REGISTER**

This page is part of the instrument. The City Register will rely on the information provided by you on this page for purposes of indexing this instrument. The information on this page will control for indexing purposes in the event of any conflict with the rest of the document.



2013062300061001001E408D

**RECORDING AND ENDORSEMENT COVER PAGE** **PAGE 1 OF 4**

**Document ID:** 2013062300061001 Document Date: 06-14-2013 Preparation Date: 06-24-2013
Document Type: DEED
Document Page Count: 3

**PRESENTER:**
CHICAGO TITLE INSURANCE CO. (PICK-UP)
711 THIRD AVE, 5TH FLOOR
3113-00312
NEW YORK, NY 10017
212-880-1200
NYCOMMOPS@CTT.COM

**RETURN TO:**
CHICAGO TITLE INSURANCE CO. (PCIK-UP)
WESTERMAN BALL EDERER MILLER SHARFSTEIN, LLP
1201 RXR PLAZA
UNIONDALE, NY 11556

**PROPERTY DATA**

| Borough | Block | Lot | Unit | Address |
|---|---|---|---|---|
| MANHATTAN | 874 | 60 | Entire Lot | 78 IRVING PLACE |

**Property Type:** APARTMENT BUILDING

**CROSS REFERENCE DATA**

CRFN_____ *or* DocumentID_____ *or* _____ Year_____ Reel____ Page_____ *or* File Number_____

**PARTIES**

**GRANTOR/SELLER:**
RENROSE ASSOCIATES LLC
C/O ALDAD & ASSOCIATES PC, 350 FIFTH AVENUE, SUITE 5507
NEW YORK, NY 10118

**GRANTEE/BUYER:**
IRVING PLACE INVESTOR LLC
C/O SILVERSTONE PROPERTY GROUP LLC, 825 THIRD AVENUE, 37TH FLOOR
NEW YORK, NY 10022

**FEES AND TAXES**

| **Mortgage :** | | |
|---|---|---|
| Mortgage Amount: | $ | 0.00 |
| Taxable Mortgage Amount: | $ | 0.00 |
| Exemption: | | |
| TAXES: County (Basic): | $ | 0.00 |
| City (Additional): | $ | 0.00 |
| Spec (Additional): | $ | 0.00 |
| TASF: | $ | 0.00 |
| MTA: | $ | 0.00 |
| NYCTA: | $ | 0.00 |
| Additional MRT: | $ | 0.00 |
| TOTAL: | $ | 0.00 |
| Recording Fee: | $ | 52.00 |
| Affidavit Fee: | $ | 0.00 |

| | | |
|---|---|---|
| Filing Fee: | $ | 250.00 |
| NYC Real Property Transfer Tax: | $ | 469,875.00 |
| NYS Real Estate Transfer Tax: | $ | 71,600.00 |

**RECORDED OR FILED IN THE OFFICE OF THE CITY REGISTER OF THE CITY OF NEW YORK**
Recorded/Filed 07-02-2013 11:47
City Register File No.(CRFN): **2013000260909**

*City Register Official Signature*

Form 8002 (3/00) - Bargain and Sale Deed, with Covenants against Grantor's Acts - Individual or Corporation. (Single sheet)
**CONSULT YOUR LAWYER BEFORE SIGNING THIS INSTRUMENT - THIS INSTRUMENT SHOULD BE USED BY LAWYERS ONLY.**

**THIS INDENTURE,** made the 14 day of June , 2013

**BETWEEN**

RENROSE ASSOCIATES, LLC

residing at c/o Aldad & Associates PC , 350 Fifth Ave., #5507 New York , NY , 10118

party of the first part, and

IRVING PLACE INVESTOR LLC

residing at c/o Silverstone Property Group,LLC , 825 Third Ave., 37 Fl., New York, NY , 10022

party of the second part,

**WITNESSETH,** that the party of the first part, in consideration of ten dollars and other valuable consideration paid by the party of the second part, does hereby grant and release unto the party of the second part, the heirs or successors and assigns of the party of the second part forever,

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described more fully in Schedule "A" attached herein and made a part hereof.

Being and intended to be the same premises conveyed to the party of the first part by deed from Renrose Realty Corp., dated December 30, 1988 and recorded January 23, 1989 in Reel 1528 Page 1587 in the Office of the Register of New York County.

TOGETHER with all right, title and interest, if any, of the party of the first part, in and to any streets and roads abutting the above-described premises to the center lines thereof; TOGETHER with the appurtenances and all the estate and rights of the party of the first part in and to said premises; TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

AND the party of the first part covenants that the party of the first part has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.

AND the party of the first part, in compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first 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 total of the same for any other purpose.

The word "party" shall be construed as if it read "parties" whenever the sense of this indenture so requires.
**IN WITNESS WHEREOF,** the party of the first part has duly executed this deed the day and year first above written.

RENROSE ASSOCIATES, LLC

IN PRESENCE OF :

By: Jon Rosenblatt managing member

Marc Rosenblatt member

**Acknowledgement taken in New York State**

State of New York, County of New York, ss:

On the 14th day of June in the year 2013

before me, the undersigned, personally appeared

Jon Rosenblatt

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

JAMES R. HART
Notary Public, State Of New York
No. 01HA4902953
Qualified in Nassau County
Commission Expires August 17, 2013

SEAL

**Acknowledgement taken in New York State**

State of New York, County of New York, ss:

On the 14th day of May in the year 2013

before me, the undersigned, personally appeared

Marc Rosenblatt

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

JAMES R. HART
Notary Public, State Of New York
No. 01HA4902953
Qualified in Nassau County
Commission Expires August 17, 2013

**Acknowledgement by Subscribing Witness taken in New York State**

State of New York, County of , ss:

On the day of, in the year ,
before me, the undersigned, personally appeared

the subscribing witness to the foregoing instrument, with whom I am personally acquainted, who being by me duly sworn, did depose and say, that he/she/they reside(s) in

that he/she/they know(s)
to be the individual described in and who executed the foregoing instrument; that said subscribing witness was present and saw said

execute the same; and that said witness at the same time subscribed his/her/their name(s) as a witness thereto.

**Acknowledgement taken outside New York State**

*State of , County of, ss:
*(or insert District of Columbia, Territory, Possession or Foreign Country)

On the day of in the year ,
before me, the undersigned, personally appeared

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument, and that such individual made such appearance before the undersigned in the

(add the city or political subdivision and the sate or country or other place the acknowledgement was taken).

Title No.:

RENROSE ASSOCIATES, LLC

TO

IRVING PLACE INVESTOR LLC

DISTRICT
SECTION
BLOCK 874
LOT 60
COUNTY OR TOWN New York

**RETURN BY MAIL TO:**

Westerman Ball Ederer Miller & Sharfstein, LLP
1201 RXR Plaza
Uniondale, NY 11556
Att: Jay H. Levinton, Esq.

Zip No.

Distributed by
TitleVest®
www.titlevest.com

RESERVE THIS SPACE FOR USE OF RECORDING OFFICE

Old Republic National Title Insurance Company

Title Number: 813474(O-NY-CP-NI)

**SCHEDULE A**
**DESCRIPTION**

The land referred to in this Certificate of Title is described as follows:

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the easterly side of Irving Place with the southerly side of Nineteenth Street;

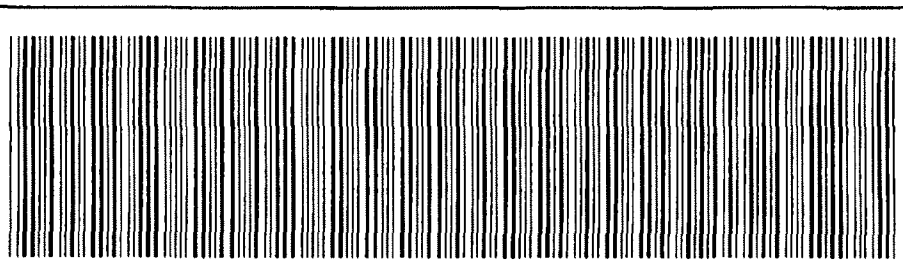
RUNNING THENCE easterly along the southerly side of Nineteenth Street, one hundred and six feet, eight inches;

RUNNING THENCE southerly parallel with the easterly side of Irving Place, twenty seven feet;

THENCE westerly and parallel with Nineteenth Street and part of the distance through a party wall, one hundred and six feet, eight inches to the easterly side of Irving Place;

RUNNING THENCE northerly along the easterly side of Irving Place, twenty seven feet to the point or place of BEGINNING.

**NYC DEPARTMENT OF FINANCE**
**OFFICE OF THE CITY REGISTER**



2013062300061001001S8E0C

**SUPPORTING DOCUMENT COVER PAGE** **PAGE 1 OF 1**

**Document ID: 2013062300061001** Document Date: 06-14-2013 Preparation Date: 06-24-2013
Document Type: DEED

**ASSOCIATED TAX FORM ID:** 2013060900008

**SUPPORTING DOCUMENTS SUBMITTED:**

| | Page Count |
|---|---|
| RP - 5217 REAL PROPERTY TRANSFER REPORT | 2 |

FOR CITY USE ONLY

C1. County Code | | C2. Date Deed Recorded | | (Month / Day / Year)

CITY REGISTER

C3. Book | | C4. Page | |

OR

C5. CRFN | |

JUN 24 2013

# REAL PROPERTY TRANSFER REPORT

STATE OF NEW YORK
STATE BOARD OF REAL PROPERTY SERVICES

# RP - 5217NYC

## PROPERTY INFORMATION

1. Property Location: 78 (STREET NUMBER) | IRVING PLACE (STREET NAME) | MANHATTAN (BOROUGH) | 10003 (ZIP CODE)

2. Buyer Name: IRVING PLACE INVESTOR LLC (LAST NAME / COMPANY) | (FIRST NAME)

(LAST NAME / COMPANY) | (FIRST NAME)

3. Tax Billing Address: Indicate where future Tax Bills are to be sent if other than buyer address (at bottom of form) (LAST NAME / COMPANY) | (FIRST NAME)

(STREET NUMBER AND STREET NAME) | (CITY OR TOWN) | (STATE) | (ZIP CODE)

4. Indicate the number of Assessment Roll parcels transferred on the deed: 1 # of Parcels OR ☐ Part of a Parcel

4A. Planning Board Approval - N/A for NYC

4B. Agricultural District Notice - N/A for NYC

5. Deed Property Size: (FRONT FEET) X (DEPTH) OR (ACRES)

Check the boxes below as they apply:

6. Ownership Type is Condominium ☐

7. New Construction on Vacant Land ☐

8. Seller Name: RENROSE ASSOCIATES LLC (LAST NAME / COMPANY) | (FIRST NAME)

(LAST NAME / COMPANY) | (FIRST NAME)

9. Check the box below which most accurately describes the use of the property at the time of sale:

A ☐ One Family Residential
B ☐ 2 or 3 Family Residential
C ☐ Residential Vacant Land
D ☐ Non-Residential Vacant Land
E ☐ Commercial
F ☑ Apartment
G ☐ Entertainment / Amusement
H ☐ Community Service
I ☐ Industrial
J ☐ Public Service

## SALE INFORMATION

10. Sale Contract Date: 2 (Month) / 18 (Day) / 2013 (Year)

11. Date of Sale / Transfer: 6 (Month) / 14 (Day) / 2013 (Year)

12. Full Sale Price $ 17,900,000.00

( Full Sale Price is the total amount paid for the property including personal property. This payment may be in the form of cash, other property or goods, or the assumption of mortgages or other obligations.) *Please round to the nearest whole dollar amount.*

13. Indicate the value of personal property included in the sale

14. Check one or more of these conditions as applicable to transfer:

A ☐ Sale Between Relatives or Former Relatives
B ☐ Sale Between Related Companies or Partners in Business
C ☐ One of the Buyers is also a Seller
D ☐ Buyer or Seller is Government Agency or Lending Institution
E ☐ Deed Type not Warranty or Bargain and Sale (Specify Below )
F ☐ Sale of Fractional or Less than Fee Interest ( Specify Below )
G ☐ Significant Change in Property Between Taxable Status and Sale Dates
H ☐ Sale of Business is Included in Sale Price
I ☐ Other Unusual Factors Affecting Sale Price ( Specify Below )
J ☑ None

## ASSESSMENT INFORMATION - Data should reflect the latest Final Assessment Roll and Tax Bill

15. Building Class: D1

16. Total Assessed Value (of all parcels in transfer): 1,295,550

17. Borough, Block and Lot / Roll Identifier(s) ( If more than three, attach sheet with additional identifier(s) )

MANHATTAN 874 60

20130609000820101

CERTIFICATION

**I certify that all of the items of information entered on this form are true and correct (to the best of my knowledge and belief) and understand that the making of any willful false statement of material fact herein will subject me to the provisions of the penal law relative to the making and filing of false instruments.**

**BUYER**

BUYER SIGNATURE | DATE: 6/14/13

C/O SILVERSTONE PROPERTY GROUP LLC 825 THIRD AVENUE, 37TH FLOOR
STREET NUMBER | STREET NAME (AFTER SALE)

NEW YORK | NY | 10022
CITY OR TOWN | STATE | ZIP CODE

**BUYER'S ATTORNEY**

Levinton | Jay
LAST NAME | FIRST NAME

516 | 622-9200
AREA CODE | TELEPHONE NUMBER

**SELLER**

SELLER SIGNATURE | DATE: 6/14/13

2013060900008201

**EXHIBIT "15"**

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**REVOCABLE CONSENT AGREEMENT**

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**NYC DEPARTMENT OF FINANCE**
**OFFICE OF THE CITY REGISTER**

This page is part of the instrument. The City Register will rely on the information provided by you on this page for purposes of indexing this instrument.The information on this page will control for indexing purposes in the event of any conflict with the rest of the document.

2014100801015001001E9542

**RECORDING AND ENDORSEMENT COVER PAGE** **PAGE 1 OF 19**

**Document ID:** 2014100801015001 Document Date: 10-06-2014 Preparation Date: 10-08-2014
Document Type: AGREEMENT
Document Page Count: 18

**PRESENTER:**
NYC DEPARTMENT OF TRANSPORTATION
55 WATER STREET 9TH FLOOR SW
OFFICE OF STREET FURNITURE FRANCHISES
NEW YORK, NY 10041
212-839-6550
eberenblit@dot.nyc.gov

**RETURN TO:**
NYC DEPARTMENT OF TRANSPORTATION
55 WATER STREET 9TH FLOOR SW
OFFICE OF STREET FURNITURE FRANCHISE
NEW YORK, NY 10041
212-839-6550
eberenblit@dot.nyc.gov

**PROPERTY DATA**

| Borough | Block | Lot | Unit | Address |
|---|---|---|---|---|
| MANHATTAN | 874 | 60 | Entire Lot | 78 IRVING PLACE |

**Property Type:** OTHER

**CROSS REFERENCE DATA**

CRFN_____ *or* DocumentID_____ *or* _____ Year____ Reel____ Page_____ *or* File Number_____

**PARTIES**

**PARTY 1:**
NYC DEPARTMENT OF TRANSPORTATION
55 WATER STREET 9TH FLOOR SW, OFFICE OF
STREET FURNITURE FRANCHISE
NEW YORK, NY 10041

**PARTY 2:**
IRVING PLACE INVESTOR LLC
825 THIRD AVENUE, 37TH FLOOR
NEW YORK, NY 10022

**FEES AND TAXES**

| | | |
|---|---|---|
| **Mortgage :** | | |
| Mortgage Amount: | $ | 0.00 |
| Taxable Mortgage Amount: | $ | 0.00 |
| Exemption: | | |
| TAXES: County (Basic): | $ | 0.00 |
| City (Additional): | $ | 0.00 |
| Spec (Additional): | $ | 0.00 |
| TASF: | $ | 0.00 |
| MTA: | $ | 0.00 |
| NYCTA: | $ | 0.00 |
| Additional MRT: | $ | 0.00 |
| TOTAL: | $ | 0.00 |
| Recording Fee: | $ | EXEMPT |
| Affidavit Fee: | $ | 0.00 |

Filing Fee: $ 0.00
NYC Real Property Transfer Tax: $ 0.00
NYS Real Estate Transfer Tax: $ 0.00

**RECORDED OR FILED IN THE OFFICE OF THE CITY REGISTER OF THE CITY OF NEW YORK**
Recorded/Filed 10-29-2014 11:49
City Register File No.(CRFN): **2014000360301**

*City Register Official Signature*

THE CITY OF NEW YORK
DEPARTMENT OF TRANSPORTATION
55 Water Street
New York, New York 10041

REVOCABLE CONSENT AGREEMENT (Owner)

WHEREAS Irving Place Investor LLC (the "Grantee") has petitioned for consent to construct, maintain and use a fenced-in area, together with stairs, (the "Structure") on the south sidewalk of East 19th Street, east of Irving P lace, in the Borough of Manhattan on real property owned by the City of New York (City Property); and

WHEREAS Grantee is the owner of the real property located at 78 Irving Place, in the Borough of Manhattan ("Real Property"), and the Structure which is the subject of this consent; and

WHEREAS the New York City Department of Transportation (the "Grantor"), acting through the Commissioner of Transportation, agrees to grant such consent and to have the City Property burdened by the Structure subject to the conditions stated herein and only if the Grantee agrees that the covenants and obligations described in this consent shall run with the Real Property owned by the Grantee and shall bind not only Grantee but also any successor in interest to the Grantee, including, in the event of filing for bankruptcy relief by the Grantee, any trustee in bankruptcy or purchaser in bankruptcy of the Grantee's Real Property and/or the Grantee's rights and interests under this agreement;

IT IS HEREBY AGREED:

1. Consent granted. The consent of Grantor is hereby granted to the Grantee, a limited liability company organized and existing under the laws of the State of Delaware and duly authorized to do business in the State of New York, having its principal place of business at 825 Third Avenue, 37th Floor, New York, NY 10022, to construct, maintain and use a fenced-in area, together with stairs, projecting 4.83-feet beyond the property line, on the south sidewalk of East 19th Street, commencing at a point 5.6-feet east from the east building line of Irving Place and extending easterly for a total length of 30.2-feet, in front of the Real Property located at 78 Irving Place, block 874, lot 60, in the Borough of Manhattan. The Structure to be used as a secondary means of egress and to be as shown upon a plan consisting of four (4) sheets and entitled:

> "Plan showing location of proposed fenced in area and stairs to be constructed at 78 Irving Place Borough of Manhattan to accompany application dated February 28, 2014 of Irving Place Investor LLC to the Department of Transportation City of New York"

--and signed Irving Place Investor LLC by Michael Zampetti, Authorized Signatory, Applicant, a copy of which is attached hereto and made a part hereof, upon the following terms and conditions:

2. Term. This consent shall continue only during the pleasure of the Grantor and shall be revocable at any time by the Grantor, and shall expire on the 30th of June following the tenth anniversary of its approval by the Mayor (the "Expiration Date"). The Grantee agrees that not later than six months prior to the aforesaid expiration of the term of this consent, it will petition the Grantor in writing for either a renewal or discontinuance thereof.

If this is a new consent, such privilege shall become effective on the date of final approval of this consent by the Mayor (the "Approval Date"). Pursuant to the New York City Charter, this consent shall not be implemented until it is registered with the Comptroller of the City of New York.

If this is a renewal consent, such privilege shall become effective on the day after the expiration of the previous term of this privilege. The date of final approval of the renewal consent by the Mayor shall also be referred to as the Approval Date.

3. Annual compensation. (a) The Grantee shall pay into the treasury of the City of New York (the "City") as compensation for the privilege hereby granted the compensation described below.

If this is a new consent, the first annual period shall commence on the Approval Date and shall terminate on the next June 30th following the Approval Date. The first annual period dates and the amount due for such period shall be as indicated on line one of paragraph 3(b), below, prorated from the Approval Date to the end of such first period.

If this is a renewal consent, the first annual period shall commence with the first period described in paragraph 3(b), below. The amount due shall be as indicated on line one of paragraph 3(b), below, less all prior payments made for this period, pursuant to paragraph 3(c), below.

An invoice setting forth the amount due for the first period shall be provided by Grantor within thirty (30) days after the Approval Date. The first payment due shall be made within thirty (30) days after the date of such invoice.

(b) For the first year of the consent, the annual period commencing on the date of the final approval of this consent by the Mayor (the "Approval Date") and terminating on June 30, 2015:

- $4,252/annum

For the period July 1, 2015 to June 30, 2016 - $4,368
For the period July 1, 2016 to June 30, 2017 - $4,484
For the period July 1, 2017 to June 30, 2018 - $4,600
For the period July 1, 2018 to June 30, 2019 - $4,716
For the period July 1, 2019 to June 30, 2020 - $4,832
For the period July 1, 2020 to June 30, 2021 - $4,948
For the period July 1, 2021 to June 30, 2022 - $5,064
For the period July 1, 2022 to June 30, 2023 - $5,180
For the period July 1, 2023 to June 30, 2024 - $5,296
For the period July 1, 2024 to June 30, 2025 - $5,412

Annual payments shall be made in advance on or before July 1 of each year, provided, however, that the first payment shall be made as provided in paragraph 3(a), above.

(c) In the event the Grantee continues the maintenance, repair, use and/or operation of the Structure after and in spite of the termination or expiration of this consent, the Grantee agrees to pay to the City the compensation as set forth herein at the rate in effect at the time of such termination or expiration and in the manner set forth herein, together with all taxes it would have been required to pay had its maintenance and operation been duly authorized. Such payments shall not be deemed to constitute an extension of this consent and all of the City's rights shall remain in full force and effect notwithstanding such payments. Such rate of compensation shall continue up to the date of the restoration of the street after the removal, or deactivation at the discretion of the Grantor, of the Structure. During the period of continued maintenance, repair, use and/or operation of the Structure, the Grantee shall be bound by all of the terms and conditions of this consent.

(d) In the event that a future agreement for this Structure becomes effective subsequent to the expiration of this agreement, it is understood and agreed that as a condition of such future grant of consent the fees charged under such grant may be at the rate in effect during the period following the expiration date of this agreement.

(e) In the event any payment is not made on or before the date such payment is due, interest on such payment shall apply from the date such payment is due at the rate of one and one-half percent (1 1/2%) per month. If the Grantee shall fail to pay such compensation or taxes, or the interest thereon, if any, the Comptroller may withdraw the amounts thereof from the security fund hereinafter provided for. If the compensation or taxes owed exceeds the amount available in the security fund the Grantee shall be liable for the shortfall, and shall pay such to the City upon demand.

(f) The compensation provided herein shall not be considered in any manner in the nature of a tax, but shall be in addition to any and all taxes of whatsoever kind or description now or hereafter required to be paid under any local law of the City or by any law of the State of New York.

4. Removal or deactivation of structure. Within ten (10) days after the revocation or termination of this consent, the Grantee shall cause the Structure to be removed, or deactivated at the discretion of the Grantor, and all of the streets affected thereby to be restored to its proper condition to the satisfaction of the Grantor. The entire cost of such work shall be borne by the Grantee.

If Grantee fails to so remove or deactivate the Structure, or so restore such street, within the time period stated above, Grantor shall have the right to cause the Structure to be removed or deactivated and such street to be restored. The cost to Grantor of causing such removal or deactivation and/or restoration shall be recovered from the security fund as provided for in this consent. If the cost of removal or deactivation and/or restoration exceeds the amount available in the security fund, the Grantee shall be liable for the shortfall, and shall pay such to the City upon demand. Grantee shall remain under a continuing obligation to comply with the terms and conditions of this consent including maintaining insurance and indemnifying the City as required in

section 20 of this consent, and maintaining and repairing the Structure until the Structure is removed or deactivated. This provision shall apply even if the Grantee seeks bankruptcy protection and the contract is rejected by the Grantee or any successor to the Grantee, including a trustee in bankruptcy, before the Structures have been removed or deactivated. Any cost to the Grantor of causing the removal or deactivation and/or restoration of the street or premises incurred after the Grantee seeks bankruptcy protection shall constitute an administrative claim of the Grantee's bankruptcy estate in accordance with applicable bankruptcy laws.

5. Restrictions against transfer of use of consent. This consent is for the exclusive use of the Grantee and solely for the purpose hereinabove mentioned and this consent for use shall not, either in whole or in part, be sold, assigned, leased, mortgaged or sublet in any manner, nor shall title thereto, or right, interest or property therein pass to or vest in any other person, firm or entity whatsoever, either by the acts of the Grantee or by operation of law, without the express written consent of the Grantor, which consent may be withheld by the Grantor in its sole discretion. Notwithstanding the above, in the event that the Grantee sells or otherwise disposes of the Real Property that is the subject of this consent or transfers, assigns or rejects the consent as part of the Grantee's bankruptcy proceeding, the terms of this consent and all obligations thereunder, including the obligations to maintain, remove and/or deactivate the Structures, shall be burdening and running with the Real Property and shall be binding upon the successor to the Real Property owned by Grantee and/or any transferee, assignee or purchaser for value of the Real Property and/or of the consent, including any trustee in bankruptcy, as if such successor in interest were the Grantee hereunder, regardless whether the sale, transfer or assignment of the Real Property and/or of the consent is made free and clear of all liens, claims and encumbrances.

6. Filing with the County Clerk and City Register's Office. Grantor shall file a copy of the consent agreement with the County Clerk and City Register's Office in the borough where the Real Property is located.

7. Grantee responsible for all costs. The Grantee shall pay the entire cost of all work, labor and material in connection with the Structure, and particularly,

(a) construction, maintenance, repair, use, operation, breakthrough, deactivation, alteration or removal of the Structure ("The Work");
(b) the protection of all structures which shall in any way be disturbed by The Work;
(c) if this is an underground structure, any and all changes in sewers or other subsurface structures necessitated by The Work, including the laying or relaying of pipes, conduits, sewers or other structures;
(d) the replacing or restoring of the pavement in the affected street which may be disturbed during The Work;
(e) each and every item of the increased cost of the installation of any future structures or repairs or alterations to any existing or future structures caused by the presence in the street of the Structure; and
(f) the inspection of all work during The Work as herein provided which may be required by the Grantor or any other governmental entity having jurisdiction.

8. Construction requirements. Prior to the commencement of The Work, the Grantee shall obtain, at its sole cost and expense, any and all licenses, permits or other forms of approval or authorization which may be required by Grantor or any other governmental entity having jurisdiction. The Grantee shall perform all the duties which may be imposed by those agencies as conditions of such forms of approval or authorization, provided such conditions are not inconsistent with the provisions of this consent. The Grantee shall submit to the Grantor working plans which shall include and show in detail the method of construction of the Structure and the mode of protection or changes in all structures required by The Work.

Upon the completion of the work the Grantee shall furnish to the Grantor and to any other governmental entity having jurisdiction, plans of such character as may be directed, showing accurately and distinctly the location, size and type of construction, and complete dimensions of the Structure erected or installed under this consent; also the location and dimensions of all substructures encountered during the progress of the work.

If so ordered by the Grantor, all work in connection with The Work shall be carried on only at night or continuously for twenty-four (24) hours each day.

9. City's access paramount. The Grantee shall allow to the City a right of way under or above any part of the Structure for any and all structures which are now or may be hereafter placed in the affected street by the City.

If, in the exercise of the sole discretion of the Grantor, the Grantor at any time decides to replace, alter or otherwise gain access to any structure located in or on the street that is affected by the Structure, the Grantor shall have the right to break through or remove all or any portion of the Structure. The cost to the Grantor of breaking through or removing the Structure shall be recovered from the security fund as provided for in this consent. If the cost of breaking through or removal exceeds the amount available in the security fund, the Grantee shall be liable for the shortfall, and shall pay such to the City upon demand. Should the Grantor determine at its sole discretion that the breaking through or removal of the Structure should be performed by Grantee, Grantor shall have the option of requiring Grantee to break through or remove the Structure at its sole cost and expense as detailed in Article 7 herein.

10. Structure subject to City's supervision. The Structure and any fixtures laid therein shall be constructed, repaired, maintained, used, operated, deactivated, altered, and removed subject to the supervision and control of the proper authorities of the City. The Grantee shall protect the Structure for which consent has been granted. Whenever such Structure is about to be disturbed by the regulating or grading of any street, the Grantee shall, on the receipt of a written notice from the City or its contractor, remove or otherwise protect and replace its Structure, and all fixtures and appliances connected therewith or attached thereto, where necessary, under the direction of the Commissioner. All such removal, protection, replacement or related activities required by this section shall be at the sole cost and expense of the Grantee. The City will endeavor to provide a thirty (30) day notice of such requirements, but reserves the right to require action sooner in cases of emergency. The Structure shall be open at all times to the inspection of all the authorities having jurisdiction.

11. Consent subject to rights of abutting property owners. This consent is subject to whatever right, title or interest the owners of abutting property or others may have in and to the affected street.

12. No rights conveyed. The Grantee acquires no right, title or interest in the space permitted to be occupied herein and it is expressly understood that said occupancy is considered temporary.

13. Maintenance of structure. The Grantee agrees to maintain the Structure in good, clean condition and repair it at its sole cost and shall not allow it to deteriorate, become unsightly, or develop into a dangerous condition or a condition which is not in the best interests of the general public.

14. No alienation of City's rights. It is expressly understood that the grant of this consent will not alienate or diminish the absolute right of the City to reenter into full possession of the street space described herein for any reason whatsoever, free of any encumbrance or obligation, upon the expiration of this consent or upon its revocation and cancellation.

15. Unconditional right of revocation. The Grantee expressly agrees that the Grantor may unconditionally revoke this consent and terminate the period thereof at any time without liability, at will, any provision herein to the contrary notwithstanding. In the event of such revocation and termination, the Grantee shall remain liable for the due and full performance of all the terms, covenants and conditions contained herein to be performed up to the time of said termination, and the Grantee's obligation to pay compensation shall continue up to the date of the removal of the Structure, or its deactivation at the discretion of the Grantor, and the restoration of the street affected thereby to the satisfaction of the Grantor. In the event this consent shall be rejected as part of the Grantee's bankruptcy proceeding, such rejection shall automatically constitute the revocation and termination of this consent to the same extent as if the consent was revoked or terminated prior to such bankruptcy filing.

16. Security fund. This agreement is contingent upon the express condition that in advance of the Approval Date, and before anything is done in exercise of the privilege conferred hereby, the Grantee shall deposit with the Comptroller of the City the sum of Seven Thousand Dollars ($7,000), in such form as shall be acceptable to the Comptroller, which fund shall be security for (a) the performance of all the terms and conditions of this consent and (b) the payment of all sums of money (including taxes) which may be due the City because of The Work.

In case of default in the performance by Grantee of any of such terms and conditions, the Grantor shall have the right to cause the work to be done and the materials to be furnished for making the necessary changes or repairs, after ten (10) days' notice to the Grantee, and shall collect the cost thereof from the security fund, or in case of default in the payment of the annual charge or in the payment of any other sum of money (including taxes) which may become due to the City because of The Work, the Grantor shall collect the same, with interest, from the security fund after ten (10) days' notice in writing to the Grantee.

In case of any drafts so made upon the security fund, the Grantee shall, upon ten (10) days' notice in writing, pay to the Comptroller of the City a sum of money sufficient to restore the fund to the original amount and in default of the payment thereof, this consent may be canceled and annulled, at the option of the Grantor.

If the amount deposited in the security fund is insufficient to cover any costs to the Grantor or any sum of money due to the Grantor, the Grantee shall be liable for the shortfall and shall pay such to the City upon demand.

Upon the termination or revocation of this consent, and at such time as the Structure has been removed, or deactivated at the discretion of the Grantor, and the street affected thereby has been restored to its proper condition to the satisfaction of the Grantor, in accordance with the terms of this consent, any amount remaining in the security fund shall be repaid to Grantee without interest.

No action or proceeding or rights under the provisions of this section shall affect any other legal rights, remedies or causes of action belonging to the City.

17. Notice required before work commences. Grantee shall give notice, in writing, to the Grantor and any other governmental entity having jurisdiction of its intention to begin the work hereby authorized at least forty-eight (48) hours before such work commences.

18. Discrimination prohibited. Pursuant to applicable laws prohibiting discrimination in employment, the Grantee agrees that it will not engage in any unlawful discrimination against any employee or applicant for employment because of race, creed, color, national origin, sex, age, disability, marital status or sexual orientation with respect to all employment decisions including, but not limited to, recruitment, hiring, upgrading, demotion, downgrading, transfer, training, rates of pay or other forms of compensation, layoff, termination, and all other terms and conditions of employment.

19. Compliance with applicable laws. This consent is granted on the further and express condition that Grantee shall strictly comply with all applicable laws now in force or which may hereafter be adopted.

20. Indemnification, Responsibility for Safety, Injuries or Damage and Insurance.

(a) To the fullest extent permitted by law, the Grantee shall indemnify, defend and hold the City, its officials, and employees (the "Indemnitees") harmless from, all liabilities, obligations, fines, damages, penalties, claims, charges and expenses relating to alleged or actual injury (or death) to any person or damage to any property (including, without limitation, reasonable attorneys' fees and disbursements) ("Damages") that may be imposed upon, incurred by or asserted against any of the Indemnitees arising out of The Work, by reason of any defect or deterioration of the Structure or otherwise in connection with this consent, whether or not the Damages are due to the negligence of the City, its officials, officers, agents, servants or employees. It is a condition of this consent that the Grantee shall indemnify the Indemnitees for whatever Damages may arise from this consent or any operations relating thereto, provided that if the facts or law relating to any of the foregoing would preclude any of the Indemnitees from being

completely indemnified by the Grantee, such Indemnitees shall be partially indemnified by the Grantee to the fullest extent permitted by law.

(b) The Grantee shall be solely responsible for the safety and protection of its employees, agents, servants, contractors, and subcontractors, and for the safety and protection of the employees, agents, or servants of its contractors, subcontractors, and sublessees.

(c) The Grantee shall be solely responsible for taking all reasonable precautions to protect the persons and property of the City or others from damage, loss or injury resulting from any and all operations under this consent.

(d) The Grantee shall be solely responsible for injuries to any and all persons, including death, and damage to any and all property arising out of or related to the operations under this consent, whether or not due to the negligence of the Grantee, including but not limited to injuries or damages resulting from the acts or omissions of any of its employees, agents, servants, contractors, subcontractors, sublessees or any other person.

(e) Grantee shall conduct operations under this consent in compliance with, and shall not cause or permit violation of any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of the courts, permits or permit conditions, currently existing or as amended or adapted in the future which are or become applicable to operations under this consent (collectively "Environmental Laws"). Except as may be agreed by the City as part of this consent, Grantee shall not cause or permit, or allow any of the Grantee's personnel to cause or permit any Hazardous Materials to be brought upon, stored, used, generated, treated or disposed of on any property in connection with operations under this consent. As used herein, "Hazardous Materials" means any chemical, substance or material which is now or becomes in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, its properties or effects.

(f) During the entire term of this consent, the Grantee shall maintain Commercial General Liability (CGL) insurance protecting the insureds from claims for property damage and/or bodily injury, including death, that may arise from The Work, the Structure, or any operations under this consent. This insurance shall be in the amount of at least Two Million Dollars ($2,000,000) per occurrence and Two Million Dollars ($2,000,000) aggregate. Coverage shall be at least as broad as that provided by the most recently issued Insurance Services Office ("ISO") Form CG 0001.

The CGL insurance shall name the City of New York, together with its officials and employees, as an Additional Insured with coverage at least as broad as the most recent edition of ISO Form CG 2026. The City's limits of coverage for the CGL insurance required shall be the greater of (i) the minimum limits set forth in this consent or (ii) the limits provided to the Grantee under all primary, excess and umbrella policies covering operations under this consent.

In the event any of The Work is to be conducted near the property of any person who reasonably requires other types of insurance (for example, Railroad Protective Insurance for Work near a train track) or higher limits, the Grantee shall procure and submit proof of such insurance as a condition to this consent. Where appropriate, the City, together with its officials and employees, shall be named an Additional Insured thereon.

At the same time as the Grantee submits an executed version of this consent, the Grantee shall submit proof of the required insurance in a form acceptable to the Commissioner. This shall include (i) a Certificate of Insurance certifying the issuance and effectiveness of such insurance with the specified minimum limits and the status of the City of New York as additional insured (with coverage at least as broad as the most recent edition of ISO Form CG 2026), and (ii) a duly executed Certification by Broker in the form required by the Commissioner. In addition, prior to the expiration date of all policies, the Grantee shall submit proof satisfactory to the Commissioner of either renewals of such policies or the issuance of new policies in compliance with the requirements herein.

Acceptance by the Commissioner of a Certificate of Insurance or any other action or inaction by the Commissioner or the Department does not waive Grantee's obligation to ensure that insurance fully consistent with the requirements herein is secured and maintained, nor does it waive Grantee's liability for its failure to do so.

The Grantee shall be obligated to provide the City with a copy of any policy of insurance required hereunder upon request by the Commissioner or the New York City Law Department.

The Grantee may satisfy its insurance obligations through primary policies or a combination of primary and excess/umbrella policies, so long as all policies provide the scope of coverage required herein. At the Commissioner's sole discretion, the Grantee may satisfy its insurance obligations through a type of insurance other than Commercial General Liability insurance so long as such insurance provides materially the same level of coverage, both for Grantee and the City, as otherwise required herein.

Where notice of loss, damage, occurrence, accident, claim or suit is required under a policy maintained in accordance with this consent, the Grantee shall notify in writing all insurance carriers that issued potentially responsive policies of any such event relating to The Work, the Structure, or any operations under this consent (including notice to Commercial General Liability insurance carriers for events relating to the Grantee's own employees) no later than 20 days after such event. Such notice shall expressly specify that "this notice is being given on behalf of the City of New York as Insured as well as the Named Insured." Such notice shall also contain the following information: the number of the insurance policy, the name of the named insured, the date and location of the damage, occurrence, or accident, and the identity of the persons or things injured, damaged or lost. The Grantee shall simultaneously send a copy of such notice to the City of New York c/o Insurance Claims Specialist, Affirmative Litigation Division, New York City Law Department, 100 Church Street, New York, New York 10007.

In the event the Grantee receives notice, from an insurance company or other person, that any insurance policy required under this consent shall expire or be cancelled or terminated (or has expired or been cancelled or terminated) for any reason, the Grantee shall immediately forward a copy of such notice to the Commissioner. Notwithstanding the foregoing, the Grantee shall ensure that there is no interruption in any of the insurance coverage required hereunder.

Policies of insurance required under this consent shall be primary and non-contributing to any insurance or self-insurance maintained by the City.

Wherever this consent requires that insurance coverage be "at least as broad" as a specified form (including all ISO forms), there is no obligation that the form itself be used, provided that the Grantee can demonstrate that the alternative form or endorsement contained in its policy provides coverage at least as broad as the specified form.

There shall be no self-insurance program or self-insured retention with regard to any insurance required under this consent unless approved in writing by the Commissioner. Under no circumstances shall the City be responsible for the payment of any self-insured retention (or any other aspect of a self-insurance program). Further, the Grantee shall ensure that any such self-insurance program provides the City with all rights that would be provided by traditional insurance under this consent, including but not limited to the defense and indemnification obligations that insurers are required to undertake in liability policies.

The insurance coverage required herein shall not relieve the Grantee of any liability under this consent, nor shall it preclude the City from exercising any rights or taking such other actions as are available to it under any other provisions of this consent or the law.

## 21. INVESTIGATION CLAUSE

21.01 The parties to this agreement agree to cooperate fully and faithfully with any investigation, audit or inquiry relative to this agreement conducted by a State of New York (State) or City of New York (City) governmental agency or authority that is empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath, or conducted by the Inspector General of a governmental agency that is a party in interest to this agreement or when it is the subject of the investigation, audit or inquiry.

21.02 A hearing shall be convened in accordance with section 21.03 below if (a) any person who has been advised that his or her statement, and any information from such statement, will not be used against him or her in any subsequent criminal proceeding, refuses to testify concerning the award of, or performance under, this agreement, before a grand jury or other governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath; or (b) any person refuses to testify concerning the award of, or performance under, this agreement, for a reason other than the assertion of his or her privilege against self-incrimination in an investigation, audit or inquiry conducted by a City or

State governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to take testimony under oath, or by the Inspector General of the governmental agency that is a party in interest in, and is seeking testimony.

21.03 (a) The Commissioner or agency head whose agency is a party in interest to this agreement shall convene a hearing, upon not less than five (5) days' written notice to the parties involved to determine if any penalties should attach for the failure of a person to testify.

(b) If any non-governmental party to the hearing requests an adjournment, the commissioner or agency head who convened the hearing may, upon granting the adjournment, suspend this agreement pending the final determination pursuant to section 21.05 below without the City incurring any penalty or damages for delay or otherwise.

21.04 The penalties which may attach after a final determination by the commissioner or agency head may include but shall not exceed:

(a) The disqualification for a period not to exceed five (5) years from the date of an adverse determination of any person, or any entity of which such person was a member at the time the testimony was sought, from submitting bids for, or transacting business with, or entering into or obtaining any contract, lease, permit or license with or from the City; and/or

(b) The cancellation or termination of any and all such existing City contracts, leases, permits or licenses that the refusal to testify concerns and that have not been assigned as permitted under this agreement, nor the proceeds of which pledged, to an unaffiliated and unrelated institutional lender for fair value prior to the issuance of the notice scheduling the hearing, without the City incurring any penalty or damages on account of such cancellation of termination; monies lawfully due for goods delivered, work done, rentals, or fees accrued prior to the cancellation or termination shall be paid by the City.

21.05 The Commissioner or agency head shall consider and address in reaching his or her determination and in assessing an appropriate penalty the factors in paragraphs (a) and (b) below. He or she may also consider, if relevant and appropriate, the criteria established in paragraphs (c) and (d) below in addition to any other information which may be relevant and appropriate.

(a) The parties' good faith endeavors or lack thereof to cooperate fully and faithfully with any governmental investigation or audit, including but not limited to the discipline, discharge, or disassociation of any person failing to testify, the production of accurate and complete books and records, and the forthcoming testimony of all other members, agents, assignees or fiduciaries whose testimony is sought.

(b) The relationship of the person who refused to testify to any entity that is a party to the hearing, including, but not limited to, whether the person whose testimony is sought has an ownership interest in the entity and/or the degree of authority and responsibility the person has within the entity.

(c) The nexus of the testimony sought to the subject entity and its contracts, leases, permits or licenses with the City.

(d) The effect a penalty may have on an unaffiliated and unrelated party or entity that has significant interest in an entity subject to penalties under section 21.04 above, provided that the party or entity has given actual notice to the commissioner or agency head upon the acquisition of the interest, or at the hearing called for in section 21.03(a) above gives notice and proves that such interest was previously acquired. Under either circumstance the party or entity must present evidence at the hearing demonstrating the potential adverse impact a penalty will have on such person or entity.

21.06 (a) The term "license" or "permit" as used herein shall be defined as a license, permit, revocable consent, franchise or concession not granted as a matter of right.

(b) The term "person" as used herein shall be defined as any natural person doing business alone or associated with another person or entity as a partner, director, officer, principal or employee.

(c) The term "entity" as used herein shall be defined as any firm, partnership, corporation, association, or person that receives monies, benefits, licenses, leases, or permits from or through the City or otherwise transacts business with the City.

(d) The term "member" as used herein shall be defined as any person associated with another person or entity as a partner, director, officer, principal or employee.

22. Special construction requirements. The Grantee shall perform such other special construction requirements as are contained in the Schedule attached hereto and made a part hereof, if any.

If the Grantee shall be performing work associated with the installation of geothermal wells, the Grantee shall be bound by the terms of the attached Drilling Schedule and rider. In the event of a conflict between this agreement and the rider or Drilling Schedule, the rider or the Drilling Schedule shall take precedence.

23. Severability and Headings. The clauses and provisions of this Revocable Consent Agreement are intended to be severable. The unconstitutionality or unconscionability of any term, clause or provision shall in no way defeat the effect of any other term, clause or provision.

Section and other headings are inserted for convenience only and shall not be used in any way to construe the terms of this Agreement.

24. Advertising. No advertisement shall be placed on, affixed to, projected from, or in any way displayed on the Structure unless expressly authorized by this Agreement.

25. Modification or amendment. This Agreement constitutes the entire agreement between the parties hereto and no other representation made heretofore shall be binding upon the parties hereto. This Agreement may not be modified or amended except by written agreement executed by the parties hereto.

## Schedule

The Structure to be maintained in accordance with the requirements of the Landmarks Preservation Commission.

The Grantee shall (a) conform to zoning regulations; (b) remove graffiti within seven (7) days of occurrence.

The Structure shall not impede access to any fire protection equipment including Siamese connections, fire alarm boxes, fire hydrants, etc.

No signs of any kind, character or description shall be placed on the outside of the Structure herein authorized.

DOT Staff may regularly inspect and photograph consented Structure to ensure that it is maintained properly.

In Witness Whereof, the parties hereunder have caused this revocable consent to be executed.

GRANTOR:
NYC DEPARTMENT OF TRANSPORTATION
DIVISION OF FRANCHISES, CONCESSIONS & CONSENTS

By: _____
Michelle Craven, Executive Director
Coordinated Street Furniture/Franchises, Concessions & Consents

Accepted and agreed to:
GRANTEE:

Irving Place Investor LLC

By: _____

BRIAN SHATZ
(Print Name of Signatory)

AUTHORIZED PERSON
(Title)

9/19/2014
(Date)

The foregoing consent is hereby approved.
Bill de Blasio, Mayor

By: _____
Title: Lisette Camilo, Director,
Mayor's Office of Contract Services

Dated, New York 10/6, 2014

Acknowledgment by New York City Department of Transportation

Executive Director

State, City and County of New York, ss.:

On the 23rd day of September, in the year 2014, before me, the undersigned, personally appeared Michelle Craven, 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.

SEAL

Notary Public or Commissioner of Deeds

VELMA P. LEWIS
Commissioner of Deeds
City of New York No. 4-5169
Certificate Filed in New York County
Commission Expires 4/1/15

Acknowledgment by Limited Liability Company

SEAL

AIDAN J. BROWNLIE
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BR6231941
Qualified in Queens County
Commission Expires December 27, 2014

State, City, and County of New York, ss.,

On the 19 day of SEPTEMBER, in the year 2014, before me, the undersigned, personally appeared BRIAN SHATZ, 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.

SEAL Aidan Brownlie

Notary Public or Commissioner of Deeds

AIDAN J. BROWNLIE NOTARY PUBLIC STATE OF NEW YORK

**APPROVAL AS TO FORM OF A REVOCABLE CONSENT AGREEMENT BY STANDARD TYPE OF CLASS**

AGENCY: Transportation

REVOCABLE CONSENT AGREEMENT: Owner

Pursuant to Section 394 of the New York City Charter, I hereby approve as to form the annexed revocable consent agreement by standard type of class. This approval is valid for one year and for a maximum of 300 consents.

The above approval is made on the express understanding that the substantive language of the subject revocable consent agreements will not be altered or changed in any way without prior submission to the office of the Corporation Counsel for approval, provided, however, that blank spaces in the revocable consent agreements requiring names, dates, locations, dollar amounts or other similar details may be completed.

APPROVED AS TO FORM AND
CERTIFIED AS TO LEGAL AUTHORITY

Sheree Carter

ACTING CORPORATION COUNSEL JUN 25 2014

2014-C22736