CONDOMINIUM OFFERING PLAN
FOR
THE SORTING HOUSE CONDOMINIUM

318-322 West 52nd Street
City of New York
New York County, New York 10019

TOTAL AMOUNT OF OFFERING (30 Residential Units).....$58,020,000

The Condominium includes a Commercial Unit and a Rooftop Terrace Unit, neither of which is offered for sale under this Plan.

NAME AND ADDRESS OF SPONSOR:

RC 51 Development LLC
c/o Cadence Property Group LLC
65 W. 13th Street
New York, New York 10011

NAME AND ADDRESS OF SELLING AGENT:

Halstead Property Development Marketing LLC
445 Park Avenue
New York, New York 10022

Date of Acceptance for Filing: August 24, 2015

This Offering Plan may not be used after August 23, 2016 unless extended by amendment.

SEE PAGE iii FOR SPECIAL RISKS TO PURCHASERS.

THE SPONSOR, AS THE OWNER OF UNSOLD UNITS, MAY HAVE VOTING CONTROL OF THE BOARD OF MANAGERS, EXCEPT THAT THE SPONSOR MAY NOT CONTROL THE BOARD AFTER THE LATER OF THE THIRD ANNIVERSARY OF THE FIRST CLOSING OF TITLE TO A RESIDENTIAL UNIT OR 120 DAYS AFTER THE CLOSING OF TITLE TO 90% OF THE RESIDENTIAL UNITS, BUT IN NO EVENT LATER THAN THE FIFTH ANNIVERSARY OF THE FIRST CLOSING OF TITLE TO A RESIDENTIAL UNIT. (SEE SPECIAL RISKS SECTION OF THE PLAN.)

BECAUSE THE 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 A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. (SEE SPECIAL RISKS SECTION OF THE PLAN).

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

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

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SPECIAL RISK FACTORS

1. **Purchase Agreement Not Contingent on Financing.** Prospective Purchasers should note that their obligations under their Purchase Agreements are not conditioned upon obtaining financing. Therefore, failure of a Purchaser to pay the balance of the purchase price at the closing will constitute a default under the Purchase Agreement and may result in the loss of the down payment made by such Purchaser irrespective of whether financing has been obtained. See the Section of this Plan entitled "Procedure to Purchase".

2. **Time of the Essence.** After the acceptance for filing of the amendment to this Plan disclosing the declaration of the Plan's effectiveness, the Sponsor or Selling Agent will send written notices to each Purchaser fixing the date for the closing of title to that Purchaser's Unit (the "Closing Date"), which shall be at least thirty (30) days thereafter unless such period is waived in writing by the Purchaser. The Closing Date shall be TIME OF THE ESSENCE as to the Purchaser. If, instead of closing, the Purchaser (i) does not pay the balance of the Purchase Price when due or execute the Power of Attorney to the Board of Managers or (ii) fails to perform any other obligation under the Purchase Agreement, and if, within thirty (30) days after written notice to the Purchaser, which date shall be TIME OF THE ESSENCE as to the Purchaser, any such default is not remedied, the Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement. In such event, the down payment, with interest if earned, shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. See the Section entitled "Procedure to Purchase."

3. **Sponsor Control of Condominium Board of Managers.** The Sponsor will be entitled to elect a majority of the Condominium Board of Managers until the later of (a) the third anniversary of the first closing of title to a Residential Unit, or (b) one hundred twenty (120) days after the closing of title to ninety (90%) percent of the Residential Units, but in no event later than the fifth anniversary of the first closing of title to a Residential Unit. There is no requirement in the Condominium By-Laws that, following the termination of Sponsor control of the Board of Managers, a majority of the Board of Managers must be Owner-occupants or members of an Owner-occupant household who are unrelated to the Sponsor and its principals. Owner-occupants and non-resident Owners, including the Sponsor, may have inherent conflicts as to how the Condominium should be managed arising out of their different reasons for purchasing (i.e., purchase as a home as opposed to purchase as an investment). For further details with respect to the effect on Unit Owners of the Sponsor's control of the Condominium Board of Managers, see the Section of this Plan entitled "Control of Board of Managers by Sponsor".

4. **Veto Power of Sponsor Over Certain Actions by the Condominium Board of Managers.** So long as the Sponsor continues to own Residential Units representing at least twenty-five (25%) percent of the common interests, but not later than five (5) years from the first closing of title to a Residential Unit, the Condominium Board of Managers may not, without the Sponsor's prior written consent: (i) make any change to the

percentage of Common Interest allocated to any Unit; (ii) make any addition, alteration or capital improvement to the Common Elements or to any Unit, except those required by law; (iii) assess any Common Charges or special assessments for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of the amounts of such funds, if any, set forth in the "Projected Budget for First Year of Condominium Operation" (Schedule B); (iv) increase the number or change the type of employees from that described in Schedule B; (v) enter into any service or maintenance contract for work not required by law or provided for in Schedule B; (vi) borrow money on behalf of the Condominium; or (vii) exercise a right of first refusal to lease or purchase a Unit; provided that the Sponsor may not veto expenses described in Schedule B or any expenses required to comply with applicable laws or regulations, to remedy any notice of violation or to remedy any work order of an insurer (each a "Veto-Proof Expense"). The Board of Managers may not amend the Declaration of Condominium or the By-Laws of the Condominium without the Sponsor's prior written consent so long as the Sponsor owns Residential Units representing at least twenty-five (25%) of the Residential Common Interests, but not later than five (5) years from the first closing of title to a Residential Unit; provided that any amendment to the Declaration of Condominium or By-Laws which is adverse to the Sponsor shall require the written consent of the Sponsor so long as the Sponsor owns a Unit, except that the Sponsor's consent to such adverse amendment shall not be necessary if such amendment is required in connection with a Veto-Proof Expense. See the Section of this Plan entitled "Control of Board of Managers by Sponsor".

5. **Veto Power of Commercial Unit Owner Over Certain Actions by Condominium Board of Managers.** The approval of the owner of the Commercial Unit shall be required with respect to all matters which materially affect (i) the structural integrity of the Building, (ii) the exterior façade of the Commercial Unit, (iii) the Building systems which affect the Commercial Unit, (iv) the monetary contribution of the Commercial Unit Owner, or (v) postal operations of the United States Postal Service, which is the current owner of the Commercial Unit, or the use and enjoyment of the Commercial Unit, provided that (1) such approval shall not be unreasonably withheld, conditioned or delayed and (2) the approval of the Commercial Unit Owner shall not be required with respect to (A) an annual increase in Common Charges assessed against the Commercial Unit (1) if such increase, expressed as a percentage of the prior year's Common Charges assessed against the Commercial Unit, is not greater than the CPI Increase (as hereinafter defined in this Plan), and (2) if such increase, expressed as a percentage of the prior year's Common Charges assessed against the Commercial Unit, is not greater than the increase in the aggregate Common Charges assessed against the Residential Units, expressed as a percentage of the prior year's aggregate Common Charges assessed against the Residential Units, and (B) any allocation of funds by the Board of Managers between two or more line items in the Condominium's budget. See the Section of this Plan entitled "Rights and Obligations of Unit Owners and Board of Managers".

6. **Minimum Sales Requirements of Lenders.** The Sponsor may declare the Plan effective once it has entered into Purchase Agreements for at least fifteen (15%) percent of the Residential Units. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to submit the Building to condominium

ownership with fewer than the minimum number of sales, if one or more Purchasers counted towards effectiveness do not ultimately purchase their Residential Units.

Purchasers should note that banks and other lenders may impose various restrictions on loans, including a requirement that a certain percentage of the dwelling units in a building be sold before the lender will consider making a loan. Accordingly, 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 requirement.

Even once the Condominium is established, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements. See the Section of this Plan entitled "Procedure to Purchase".

7. **Real Property Transfer Taxes.** Purchasers are responsible for the payment of the New York State Real Estate Transfer Tax and the New York City Real Property Transfer Tax due on the purchase of their Units, and the filing fee with respect to the New York City Real Property Transfer Tax Return. These are statutory obligations of a seller of real property, and the shifting of the obligation to pay such taxes from the Sponsor as seller to the Purchaser is deemed additional taxable consideration to the Sponsor. The amount of such taxes is added to the purchase price and such transfer taxes are then recomputed based upon the aggregate figure. See the Section of this Plan entitled "Unit Closing Costs and Adjustments".

8. **Sponsor's Obligations to the Condominium.** The Sponsor has the resources to meet its financial obligations to the Condominium. However, the Sponsor has not furnished a bond or other security to secure those obligations. See the Section of this Plan entitled "Rights and Obligations of Sponsor".

9. **Deposits in Excess of $250,000 Not Insured.** Down Payments and other deposits made by Purchasers will be maintained in a segregated special escrow account at Valley National Bank. This bank is covered by Federal Deposit Insurance Corporation ("FDIC") insurance, which currently insures to a maximum of $250,000 per individual depositor. Deposits, including Down Payments, in excess of the FDIC current limit of $250,000 will not be covered by such insurance to the extent they exceed the FDIC current limit of $250,000. See the Section of this Plan entitled "Procedure to Purchase".

10. **Certificates of Occupancy.** Prior to the first closing of title to a Unit, the Sponsor will obtain a temporary certificate of occupancy for that Unit and possibly other Units and/or portions in the Building. It will be the obligation of the Sponsor and the Sponsor's principal (described in the Section of this Plan entitled "Identity of Parties") to obtain a permanent certificate of occupancy for the Building and to obtain renewals of the temporary certificate of occupancy until a permanent certificate of occupancy is obtained.

Purchasers are advised that in New York City condominium units in newly constructed and newly renovated buildings are sometimes offered without the sponsor being obligated to obtain a final certificate of occupancy ("FCO") covering the entire building prior to the first closing of title to a Unit. Rather, the sponsor of those offerings is obligated

to obtain a temporary certificate of occupancy ("TCO") prior to the first closing of title to a Unit, with the sponsor obligated to obtain several successive TCOs. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable law, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy may be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units.

NOTWITHSTANDING THE FOREGOING, THE SPONSOR AND THE SPONSOR'S PRINCIPAL ARE OBLIGATED TO PROCURE THE FINAL CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE GOOD FAITH EFFORTS TO OBTAIN THE FCO WITHIN TWO YEARS FROM THE DATE OF ISSUANCE OF THE FIRST TCO WHILE KEEPING THE TCO CURRENT. HOWEVER, THE SPONSOR MAKES NO REPRESENTATION OR GUARANTEE THAT DOB WILL ISSUE THE FCO WITHIN SUCH TWO YEAR PERIOD. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing the Sponsor in these undertakings.

Furthermore, because the Sponsor and the Condominium By-laws permit Unit Owners, under certain conditions, to undertake renovations to individual Units prior to the procurement of a FCO, such renovations may cause additional delays in the issuance thereof.

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

It is expected that certain Unit Owners may desire to make substantial alterations to their Units. The By-Laws impose restrictions upon the ability of Unit Owners to perform such alterations so long as a permanent certificate of occupancy has not been issued for the Building. See the Section of this Plan entitled "Rights and Obligations of the Unit Owners and the Board of Managers".

11. **Reservation by Sponsor of the Right to Rent Units; Release Payments to Mortgagee.** The Sponsor will, in good faith, endeavor to sell Units which are vacant or which become vacant in a diligent and reasonably timely manner, rather than rent such Units, after consummation of this Plan. However, the Sponsor reserves the right to rent, after the consummation of this Plan, rather than sell, such Units if the Sponsor is unable, despite a bona fide effort, to sell such Units. Accordingly, since there is no commitment by the Sponsor to sell more than the number of Units required in order to declare this Plan effective (as described in Special Risk #6), Owner-occupants of the Units may never gain effective control and management of the Condominium.

The loan which currently encumbers the Property provides for the release of Units from the lien of the mortgage securing such loan only if, in connection with such release, the Sponsor pays the lender an agreed-upon amount (the "Unit Release Amount"). The Sponsor's ability to sell Units in an amount sufficient to (i) pay to its lender the Unit Release Amount, (ii) pay its other expenses of the development and construction of the Condominium and sales of Units (including, without limitation, expenses attributable to construction costs, architectural fees, overhead, general conditions, sales, marketing, legal, interest, taxes, administration and interest), and (iii) make a profit on its investment in the Condominium, will all have a bearing on the price at which the Sponsor is willing to sell the Units. See the Section of this Plan entitled "Introduction".

12. **Upgrades and Extras.** All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account. However, 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. However, if this Plan is abandoned or withdrawn by the Sponsor, all funds received by the Sponsor for upgrades and/or extras will be refunded. See the Section of this Plan entitled "Procedures to Purchase".

13. **Adjournment of Closing.** If, through no fault of the Sponsor, a Purchaser fails to close for any reason on the date originally scheduled for closing of title to the Unit, the Sponsor does not elect to cancel the Purchase Agreement, and the closing thereafter occurs on a later date, then in such event the Purchaser shall pay the Sponsor an amount equal to 16% per annum of the Purchase Price of the Unit for each day's delay, starting with the day originally scheduled for closing and including the day immediately prior to the actual Closing Date and all adjustments shall be made as of the date originally fixed for the closing of title. See the Section of this Plan entitled "Procedure to Purchase."

14. **Dimensions of Units.** The area of each Unit shown on Schedule A is based upon horizontal measurements made in accordance with Article 5 of the Declaration of Condominium, that is, from the exterior of the exterior walls of the Building to the centerline of the partition dividing the Unit from other Units or the Common Elements. Accordingly, as is customary in New York City, the as-built interior space of the Unit is significantly less than the area shown on Schedule A. See footnote 1 to Schedule A and the Section entitled "Changes in Prices and Units".

15. **Parking.** There will not be any parking spaces in the Condominium. See the Section of this Plan entitled "Description of Property and Improvements."

16. **Lot Line Windows; View Obstruction.** The bedroom windows in Units 3A, 4K and 5K, on the east side of the Condominium, and the bedroom windows in Units 3H, 4H and 5H, on the west side of the Condominium, will be lot line windows. The Sponsor's architect has advised the Sponsor that these lot line windows will not be used to satisfy New York City Building Code requirements for light and air. In the event of the closure of any such window due to the construction or expansion of a building of sufficient height on an adjoining property, the rooms containing lot line windows would still comply with zoning and code requirements for habitable rooms, since these rooms have other windows which satisfy code requirements for light and air. The cost to the Condominium for the closure

of each lot line window, should it be required, would be approximately $1,500. Although it is the custom in New York City for developers of adjacent buildings to pay for and perform the work to fill lot line windows, if any such developer does not do so the Condominium will be required to perform and pay for that work.

In addition there can be no assurance that future construction in the neighborhood surrounding the Property will not result in obstruction of the views from windows contained in these or other Residential Units. See the Section of this Plan entitled "Rights and Obligations of the Unit Owners and The Board of Managers."

17. **No Warranty Regarding Flooring.** The Sponsor is not making any warranty regarding the flooring in the Residential Units. See the Section entitled "Rights and Obligations of the Sponsor".

18. **Timing of Closings.** The Sponsor anticipates that the first closing of title to a Residential Unit will occur by September 1, 2016. Purchasers will be offered a right of rescission if (i) the actual date of the first closing of title to a Residential Unit, or (ii) the projected date of the first closing of title to a Residential Unit occurs later than September 1, 2017, twelve months after the projected date for the first closing of title to a Residential Unit. If this Plan is amended to provide for a later projected date for the first closing of title to a Residential Unit, purchasers will be entitled to an offer of rescission if the first closing of title to a Residential Unit occurs more than 12 months beyond that amended, later date.

However, if the first closing of title to a Residential Unit occurs before September 1, 2017 the Sponsor may schedule the closings of title to other Units significantly later than such date. Unless a Purchaser's Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule that closing within any specified time frame or to ensure that closing of title to that Purchaser's 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. If a Purchase Agreement contains a time of the essence closing date as to the Sponsor, and if the Sponsor cannot convey title by such date, then the Purchaser will be afforded the right to rescind the Purchase Agreement and obtain a refund of the Down Payment, together with all interest earned thereon. See the Section entitled "Procedure to Purchase".

19. **Transfer Fee.** In the event the Condominium Board of Managers does not exercise its right of first refusal, a Unit Owner who acquired his or her Unit from the Sponsor and who sells or otherwise conveys his or her Unit (excluding any conveyance which constitutes a gift or is otherwise made for no consideration) prior to the earlier of (a) the date of the conveyance by the Sponsor of the last unsold Residential Unit, or (b) the first anniversary of the Unit Owner's acquisition of his or her Unit from the Sponsor, shall remit to the Condominium Board of Managers, as a condition to the effectiveness of such conveyance, an amount (the "Transfer Fee") equal to ten (10%) percent of the sales price. The Transfer Fee shall be due and payable concurrently with the payment of the sales price or other consideration, and shall be in the form of an official or bank check issued by a member of the New York City Clearinghouse or in the form of a certified check drawn upon a bank which is a member of the New York City Clearinghouse, in either case payable to the

Condominium or as otherwise directed by the Board or the Managing Agent. See the Section entitled "Rights and Obligations of the Unit Owners and the Board of Managers".

20. Construction Site.

(a) Construction is a complicated process requiring the coordination of numerous tasks, contractors and suppliers, and the balancing of complex mechanical and architectural systems. No assurance can be or is given with regard to the accuracy of any projected completion dates set forth in this Offering Plan. During the first years of Condominium operation, it is anticipated that construction workers and related personnel will be at the property from time to time completing construction of the Building, making adjustments and corrections, and performing various other tasks related to completion of construction and the Sponsor's undertakings and obligations with respect to same. This could occur at any hour and could impact the Building's security while it is taking place. During any of these periods, various building systems, including but not limited to water supply, air conditioning, heating, ventilation and elevators, may need to be shut down temporarily. Further, the Sponsor may choose not to fully complete decorations of common areas of the Building, including, without limitation, lobbies or corridors, installation of light fixtures in common areas, hanging of wall coverings or laying of carpeting, etc., until that particular portion of the Building is complete or a particular floor is fully occupied by Residential Unit Owners.

(b) Certain services, such as telecommunications, and other similar services, may be provided by outside suppliers, and delays in provision of these services by such outside suppliers, are and will not be the responsibility of the Sponsor and the Sponsor shall have no liability in connection therewith. Such suppliers may not provide these services until occupancy of the Building has reached certain threshold levels. Portions of the Building, such as the Storage Bins, may be completed after some or all of the Units are completed, and thus after Unit Closings commence. The fact that a particular portion of the Building, or a particular amenity, is not completed or otherwise is not available for use by a Unit Owner, shall not be a basis for a Purchaser to refuse to close title to the Purchaser's Unit, nor shall it serve as a basis for any claim against the Sponsor. In addition, the Sponsor and its designees will have the right to use elevators and building systems and may install and retain scaffolding and other equipment to complete construction of the Building. The presence of hoists, scaffolding, construction elevator shafts, or similar temporary construction facilities may delay the closing of title to certain Residential Units or lines of Residential Units, until such hoists, elevators or other temporary facilities are no longer needed and are removed. During the period when the Sponsor is completing construction of the Building, moves by Unit Owners into the Building may be restricted to certain periods when the elevators and other access elements are not being used by the construction trades.

(c) Purchasers should be aware that they may be required to close title to their Units while construction in other Units and other parts of the Building is continuing, and that such construction may continue for an extended period of time. Noise, dust and other objectionable conditions inherent in a construction site may inconvenience or disturb Unit Owners (or tenants of Residential Units) who take occupancy of their Unit while construction is underway. In addition, to minimize damage to finished spaces that might be caused during move-ins by Purchasers, the entrance lobby might not be fully decorated,

carpeting may not be completely installed in public corridors and wall hangings may not be hung until all residential Unit move-ins are completed.

(d) Purchasers will have no right to rescind their Purchase Agreements or delay their closings, and Purchasers and Unit Owners will have no claim against the Sponsor, due to any of the foregoing issues. The Sponsor will not be liable to Unit Owners for any inconvenience or disturbance arising out of the fact that the Building is under construction. See the Section of this Plan entitled "Procedure to Purchase."

21. **Furnishes and Fixtures.** Finish material and kitchen, laundry and bathroom fixtures will be provided as described in the Architect Report in Part II of this Plan, subject to substitutions of equal or better quality by the Sponsor in its sole discretion, as approved by the Sponsor's architect or engineer. See the Section of this Plan entitled "Rights and Obligations of the Sponsor."

22. **Noise Attenuation.** Pursuant to the Declaration of Condominium, the Sponsor will install sound attenuation equipment (the "Attenuation Equipment") in the Commercial Unit and then certify to the United States Postal Service ("USPS") and to the Board that the Attenuation Equipment shall be sufficient to permit residential occupancy of the Residential Units in accordance with all applicable laws, ordinances, rules, regulations and codes. The maximum sound level emanating from the Commercial Unit following the installation of the Attenuation Equipment is referred to in the this Plan as the "Noise Standard". The Owner of the Commercial Unit shall (i) maintain, repair and replace the Attenuation Equipment at its sole cost and expense, (ii) not make any changes in the operation of the Commercial Unit after the installation of the Attenuation Equipment which would result in a violation of the Noise Standard, and (iii) otherwise limit noise emanating from the Commercial Unit or from outside the Commercial Unit to the extent caused by its employees or invitees in accordance with the Noise Standard. Neither the Sponsor, the Board, any owner or occupant of a Residential Unit nor any mortgagee of a Residential Unit shall have any claim based upon USPS's operation of a United States Postal Facility in the Commercial Unit or any noise in connection with such operation, all such claims being forever waived, unless such operation is not in accordance with the Noise Standard. A claim that the Commercial Unit Owner has violated the Noise Standard (a "Noise Claim") may be asserted by the Sponsor, the Board or any owner or occupant of any portion of a Residential Unit (a "Noise Claimant") by providing to the Commercial Unit Owner reasonable supporting documentation that the noise emanating from the Commercial Unit or from outside the Commercial Unit to the extent caused by the employees or invitees of the Owner of the Commercial Unit violates the Noise Standard. Within thirty (30) days of the receipt by the Commercial Unit Owner of notice of the Noise Claim, the Commercial Unit Owner is obligated under the Declaration of Condominium to limit such noise so that the Commercial Unit Owner is in compliance with the Noise Standard, which shall be evidenced by reasonable supporting documentation delivered to the Nosie Claimant and, if the Board is not the Noise Claimant, to the Board. If the Commercial Unit Owner fails to comply with the terms of the preceding sentence, the Noise Claimant may seek all available remedies at law and equity. See the Section of this Plan entitled "Rights and Obligations of the Unit Owners and the Board of Managers."

23. **Limited Warranty.** The Sponsor will deliver a Limited Warranty for each Residential Unit which differs in certain respects from the Housing Merchant Implied Warranty under Article 36-B of the General Business Law of the State of New York. The complete provisions of the Limited Warranty are annexed to the Purchase Agreement. Generally, those provisions limit the warranty as follows:

(a) no consequential or incidental damage may be recovered by a Purchser;

(b) warranty coverage extends only to the initial Purchaser and not to subsequent owners;

(c) the Sponsor's total liability under the Limited Warranty is limited to 75% of the Purchase Price of the Unit, less insurance proceeds paid to the Purchaser;

(d) all implied warranties of merchantability, fitness or otherwise are excluded;

(e) any obvious defect will be excluded if it was omitted from the inspection statement delivered by the Purchaser during the pre-closing inspection; and

(f) defects in appliances and other equipment will be excluded unless defectively installed by the Sponsor.

See Section entitled "Rights and Obligations of the Sponsor" for further details.

24. **Easements to United States Postal Service.** The United States Postal Service, as the owner of the Commercial Unit, will occupy portions of the cellar level and first and second floors of the Building. Under the Amended and Restated Declaration of Condominium, the United States Postal Service will have certain easements over other portions of the Building. See the Section entitled "Rights and Obligations of the Unit Owners and the Board of Managers."

25. **Reservation of Developmental Rights.** The Sponsor is reserving the right to transfer to one or more other properties any and all air or developmental rights that now or may hereafter exist with respect to the Property after construction of the Building. All such air or developmental rights are deemed to be part of the Rooftop Terrace Unit. Following such transfer, no expansion of the Building will be possible. As of the date of this Plan, the Sponsor estimates that 258 square feet of air or developmental rights will be available for transfer after construction of the Building. Properties that receive air or developmental rights from the Property may also receive air or developmental rights from other properties. See the Section entitled "Rights and Obligations of the Unit Owners and the Board of Managers."

26. **Special Allocation for Commercial Unit and Rooftop Terrace Unit.** As permitted by Section 399-m of the New York Real Property Law, and as provided in the Declaration and By-Laws, certain Condominium expenses will be allocated to the Commercial Unit and the Rooftop Terrace Unit in a manner different from common expenses; that is, they are not based on the Commercial Unit's and the Rooftop Terrace Unit's Common Interest.

See Schedule B and the Section of this Plan entitled "The Commercial Unit and the Rooftop Terrace Unit" for further details.

27. **Unit Owner Protection Plan.** Certain Residential Unit Owners will occupy their Residential Units before a Final Certificate of Occupancy for the Building has been issued by the New York City Department of Buildings. Each such Residential Unit Owner will be provided at Closing with a copy of the "Tenant Protection Plan" required by the New York City Building Code. See the Section entitled "Rights and Obligations of the Sponsor" for further details.

OFFERING PLAN
FOR
THE SORTING HOUSE CONDOMINIUM

INTRODUCTION

RC 51 Development LLC, a New York limited liability company (the "Sponsor"), with an office c/o Cadence Property Group LLC, 65 W. 13th Street, New York, New York 10011, presents this Offering Plan (the "Plan"), pursuant to which it is offering for sale thirty (30) residential condominium units (the "Residential Units" or the "Units") in the building located at 318-322 West 52nd Street, New York, New York 10019 (the "Building"). The Units are part of a condominium known as the "The Sorting House Condominium" (also referred to in this Plan as "the Condominium"). The Condominium will also include a Commercial Unit and a Rooftop Terrace Unit, neither of which is offered for sale under this Plan. The Residential Units will be constructed on the third, fourth and fifth floors of the Building (the "Residential Area"). The Residential Area was acquired by the Sponsor on June 27, 2014.

The purpose of this Plan is to set forth all the terms of the offer. The Plan may be amended from time to time by amendment duly filed with the New York State Department of Law and served on all persons who have entered into Purchase Agreements with the Sponsor ("Purchasers") and on all Unit Owners, unless the Department of Law consents to service on a specified class of offerees.

The Sponsor will, in good faith, endeavor to sell Units which are vacant or which become vacant in a diligent and reasonably timely manner, rather than rent such Units, after consummation of this Plan. However, the Sponsor reserves the right to rent, after the consummation of this Plan, rather than sell, such Units if the Sponsor is unable, despite a bona fide effort, to sell such Units, after consummation of this Plan.. If the Sponsor makes a bulk sale of all or some of the Units, the transferee successor sponsor will be bound by the Sponsor's commitment to endeavor to sell Units as described above.

The loan which currently encumbers the Property provides for the release of Units from the lien of the mortgage securing such loan only if, in connection with such release, the Sponsor pays the lender an agreed-upon amount (the "Unit Release Amount"). The Sponsor's ability to sell Units in an amount sufficient to (i) pay to its lender the Unit Release Amount, (ii) pay its other expenses of the development and construction of the Condominium and sales of Units (including, without limitation, expenses attributable to construction costs, architectural fees, overhead, general conditions, sales, marketing, legal, interest, taxes, administration and interest), and (iii) make a profit on its investment in the Condominium, will all have a bearing on the price at which the Sponsor is willing to sell the Units.

This Plan contains all of the material terms of the offer of Units.

Copies of this Plan, all documents referred to in this Plan and Parts A, B and C of the Exhibits submitted to the Department of Law in connection with the filing of this Plan will be available for inspection by prospective Purchasers and their attorneys without charge and for

copying at a reasonable charge at the office of the Sponsor, during normal business hours, and at the site whenever the on-site sales office is open. Copies of this Plan and Parts A, B and C of the Exhibits will also be available for inspection and copying at a reasonable fee at the Department of Law.

A general description of the Units is set forth in Part I of the Plan. Legal descriptions of the Units and the Common Elements may be found in the Declaration contained in Part II. The floor plans showing the approximate layout and dimensions of the Units are also set forth in Part II of this Plan.

All Units are being offered in accordance with the schedule of sales prices (Schedule A) contained herein. **These prices have been set by the Sponsor and are not subject to approval by the Department of Law or any other governmental agency.**

After the Effective Date of this Plan, the Sponsor shall, by Amended and Restated Declaration of Condominium recorded in the New York County Office of the Register of the City of New York, submit the entire Building to Article 9-B of the Real Property Law of the State of New York, as amended (the New York Condominium Act). The proposed Amended and Restated Declaration is set forth in Part II of this Plan.

The Condominium is subject to and complies with the New York Condominium Act (Article 9-B of the New York Real Property Law).

Commercial Unit

The Commercial Unit is located on a portion of the cellar level and portions of the ground and second floors of the Building. The Commercial Unit is currently owned by the United States Postal Service and operated as a United States Postal Facility.

The Commercial Unit is not offered for sale under this Plan.

Rooftop Terrace Unit

The Rooftop Terrace Unit is located on a portion of the main roof of the Building. The Rooftop Terrace Unit will be retained by the Sponsor and is not offered for sale under this Plan.

Features of Ownership of a Unit in the Condominium

A Unit Owner in the Condominium owns his or her Unit similarly in many respects to the manner in which a private home owner owns a home. A Unit Owner owns the Unit outright, in fee, and is entitled to the exclusive possession of the Unit. The Unit Owner is also the owner, in common with the owners of all the other Units, of all parts of the Property other than the Units themselves (the "Common Elements"). Certain of the Common Elements, the exclusive advantages or substantially exclusive advantages of which are enjoyed by one or more but less than all Unit Owners, are known as Limited Common Elements. Examples of Limited Common Elements are balconies, terraces outside certain Units and roof cabanas. Section 6 of the Declaration, found in Part II, describes the Common Elements and Limited Common Elements.

The owner of a Residential Unit can sell or lease the Residential Unit to anyone, subject only to a right of first refusal in favor of the Board of Managers of the Condominium. The right of first refusal must be exercised by the Board of Managers at the same price the Unit Owner has been offered, and is described in the subsection of this Plan entitled "Sale or Lease of Units by Unit Owners".

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

Each Unit Owner is responsible for maintenance and repairs to the Unit, including windows on the exterior walls of the Residential Unit, and to electrical, plumbing installations and fixtures, except that the Condominium is responsible for the exterior of the Building and electrical and plumbing pipes, wires and lines to the extent they are located in Common Elements and serve one or more Units. Unit Owners are responsible for repair or replacement of all appliances, fixtures and equipment in individual Units, and repair or replacement of all equipment, duct work and fixtures providing individually controlled heat and air conditioning within the Unit.

Unit Owners are also generally responsible for the maintenance of Limited Common Elements which are appurtenant to their Units.

Each Unit Owner is privileged to mortgage the Unit in any amount. The Unit is not subject to the lien of any mortgages placed by other Owners on their Units.

Although the Condominium will carry all-risk insurance covering the Residential Units, Unit Owners are encouraged to carry insurance covering the interior of their Units, including all alterations and improvements to the Units, their furniture and furnishings and personal property.

Each Unit will be taxed as a separate tax lot for real estate tax purposes just like a private home, and a Unit Owner will not be responsible for taxes on other Units. In the opinion of the Sponsor's counsel, which opinion is set forth in full in this Plan, under present tax laws a Unit Owner may deduct from his or her income for income tax purposes the real estate taxes assessed against the Unit and, in the case of a primary or secondary residence, the interest paid on the mortgage encumbering the Unit.

The affairs of the Condominium shall be the responsibility of the Condominium Board of Managers. Subject to the rights of the Sponsor as described in this Plan, the members of the Condominium Board of Managers are elected by the Unit Owners. The Condominium Board of Managers will assess against each Unit Owner, in proportion to his or her Unit's respective interest in the Common Elements of the Condominium, charges ("Common Charges") for the maintenance and operation of the Common Elements of the Condominium (collectively, the "Common Expenses"). A budget containing estimates of Common Expenses for the first year of operation of the Condominium based upon substantially full occupancy is incorporated in this Plan as Schedule B. Unit Owners are obligated to pay their Common Charges in accordance with the By-Laws and Sections 339(i) and 339(m) of the New York Condominium Act.

Each Unit Owner will pay for electricity which is consumed within the Unit for lighting and appliances.

The Board of Managers of the Condominium will pay for water consumption in the Units, gas which is consumed within the Units for heating, hot water and cooking, and the electric charges for the Common Elements as part of the Common Expenses, and each Unit Owner will pay his or her proportionate share as part of the Common Charges. See Schedule B for estimates of common electric costs.

Legal Documents

The agreement by which a prospective Unit Owner may agree and obligate himself or herself to purchase a Unit is called a "Purchase Agreement". The form of Purchase Agreement for the Units is set forth in full in Part II of this Plan as Exhibit A.

The Declaration and the By-Laws and Rules and Regulations which shall govern the operation of the Condominium are set forth in Part II as Exhibits E and F, respectively. They are summarized in Part I in the section entitled "Rights and Obligations of Unit Owners and the Board of Managers".

Copy of the Plan

To accommodate prospective Purchasers who desire to purchase a Unit but who are not ready to execute a Purchase Agreement, a prospective Purchaser may request a copy of the Plan from the Selling Agent on site. Such person shall tender a check made payable to "Romer Debbas LLP, as Escrow Agent" in the amount of $100. The deposit assures the return to the Selling Agent of the copy of the Plan in good condition. If within thirty (30) days of accepting the deposit, a prospective Purchaser enters into a Purchase Agreement or returns such copy of the Plan in good condition to the Selling Agent, the deposit will be refunded. Any such deposit will be treated as non-interest bearing trust funds pursuant to applicable law until the expiration of such thirty (30) day period. After the expiration of such thirty (30) day period, if the copy of the Plan is not returned in good condition or the Purchaser has not entered into a Purchase Agreement, then the deposit will be released to and retained by the Sponsor.

As of the date this Plan was accepted for filing by the Department of Law, no contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the Units offered in this Plan, and no deposits or advances of funds have been taken by or on behalf of the Sponsor in connection with the reservation, sale or transfer of such Units.

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

DEFINITIONS

Certain words used in this Plan have special meanings for condominium Unit Owners. They are used in accordance with their definitions found in Section 339-e of the New York Condominium Act, with occasional modifications necessary to conform to this Plan. Unless otherwise noted, defined terms refer to the Condominium and the Unit Owners in the Condominium.

(a) **Board of Managers:** Subject to the rights of the Sponsor as described in the Plan, the Unit Owners elect the Condominium Board of Managers, which is responsible for the affairs of the Condominium, including operation, upkeep, repair and maintenance of the Common Elements, fixing of the Condominium Budget and determination and collection of Common Charges, adoption and enforcement of rules and regulations, opening bank accounts and purchasing, leasing or otherwise acquiring Units and selling or mortgaging Units owned by the Condominium Board. The size of the Condominium Board, terms of members and election procedures are summarized in the section of the Plan entitled "Board of Managers" and are set forth in full in the By-Laws in Part II of this Plan. The Sponsor shall initially control the Condominium Board, as described in the section of the Plan entitled "Control by Sponsor".

(b) **Building:** The building having the current address of 318 West 52nd Street, between 8th Avenue and 9th Avenue. The Residential Units will be located on the third, fourth and fifth floors of the Building, and the Commercial Unit on a portion of the cellar level and portions of the ground and second floors.

(c) **Commercial General Common Elements.** As indicated on the Floor Plans:

(i) mechanical shafts which service the Commercial Unit;

(ii) the elevator and elevator shafts which service the cellar and the first and second stories of the Building;

(iii) the equipment rooms in the cellar level of the Building which service the Commercial Unit.

(d) **Commercial Unit.** Generally, a portion of the cellar level of the Building and portions of the first and second floors of the Building. As indicated on the Floor Plans, the lower horizontal boundary of the Commercial Unit is the upper surface of the cellar slab and the upper horizontal boundary of the Commercial Unit is the layer immediately below the underside surface of the slab between the second story and the third story, excluding the Residential Units, General Common Elements and Limited Common Elements as shown on the Floor Plans. The vertical boundaries of the Commercial Unit are the boundaries as shown on the Floor Plans, which are measured from the exterior surface of the exterior walls to the center line of the block work of any interior walls and partitions separating the Commercial Units from the Residential Units or the Common Elements. Included within the Commercial Unit are the following items, as more particularly described on the Floor Plans:

(i) the windows on the first and second stories, exclusive of windows in the Residential Lobby on the first story;

(ii) all columns, girders, beams, supports and bearing walls on the portion of the Commercial Unit located on the cellar level and on the first and second stories;

(iii) the slab between the first story and the second story;

(iv) all systems and installations inside the Commercial Unit for services such as power, light and water to the extent such systems and installations service only the Commercial Unit; and

(v) all other facilities in the Building which exclusively serve or benefit or are necessary exclusively for the existence, maintenance, operation or safety of the Commercial Unit.

(e) **Common Charges:** Each Unit's proportionate share of the Common Expenses assessed by the Condominium Board of Managers in accordance with the allocations of the Common Interest to each Unit. For the estimated Common Charges payable by each Unit Owner, see Schedule A to the Plan. For further details with respect to assessment and payment of Common Charges, see the section of the Plan entitled "Rights and Obligations of Unit Owners and the Board of Managers".

(f) **Common Expenses:** The operating costs of the Condominium, including but not limited to the costs of operating, maintaining, repairing and replacing the Common Elements, electricity for the elevators, lighting of public areas, the cost for water consumed within the Units, the costs for gas consumed for heat, hot water and cooking in the Units, and heat throughout the Condominium. The Common Expenses are paid by Unit Owners in the form of Common Charges. See the Projected Budget for the Condominium, Schedule B to this Plan.

(g) **Common Interest:** The proportionate undivided fee simple interest of the Unit Owners in the Common Elements of the Condominium, as expressed in the Declaration. In this Plan the Sponsor has allocated Common Interests on the basis of method (iv) contained in Section 339-i of the New York Condominium Act, that is, 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.

(h) **Condominium:** The Units and the Common Elements in the Condominium, which will be submitted to the New York Condominium Act by the recording of the Declaration and By-Laws and filing of Floor Plans.

(i) **Declaration:** The Amended and Restated Declaration of Condominium which the Sponsor will record in the New York County office of the Register of the City of New York, prior to the first conveyance of title to a Residential Unit. A copy of the proposed Declaration is set forth in Part II of this Plan.

(j) **Down Payment:** The money that a person desiring to purchase a Unit must deliver at the time such person delivers an executed Purchase Agreement to the Sponsor or the Selling Agent.

(k) **Family Members:** The spouse, domestic partner, children (natural and adopted), stepchildren, grandchildren, siblings, parents, parents-in-law, grandparents, great-grandparents and aunts and uncles of a Unit Owner who reside in such Unit Owner's Unit.

(l) **General Common Elements.** Those portions of the Building and the Land which service or are available for use by all of the Units and their occupants, including the following:

(i) the water meter room in the cellar of the Building;

(ii) the foundation and foundation walls;

(iii) the water delivery system from the point of entry to the Building to the point of sub-metering; and

(iv) the fire stairs.

In addition, General Common Elements shall also include any other point-of-entry utility room designated by the Sponsor in writing to the Condominium Board and USPS if such point-of-entry utility is common to the Commercial Unit and the Residential Units. The Declaration and the Floor Plans will be amended to reflect such additional General Common Elements.

(m) **Insurance Trustee:** A bank or a trust company from time to time appointed to serve as such by the Condominium Board of Managers.

(n) **Land:** The tract, plot, piece and parcel of land situate, lying and being in the Borough of Manhattan, City and State of New York, on which the Building is located.

(o) **Managing Agent:** The entity which will manage the Condominium at the direction of the Condominium Board of Managers. The Managing Agent is FirstService Residential.

(p) **Offering Plan:** This document, as it may be amended from time to time, filed with the New York State Department of Law which describes the Condominium and pursuant to which Units are offered for sale.

(q) **Person:** A natural person, corporation, partnership, association, trustee or other legal entity.

(r) **Preferred Title Company:** Royal Abstract of New York LLC, 500 Fifth Avenue, Suite 1540, New York, New York 10110 (212-376-0900).

(s) **Purchase Agreement:** The contract of purchase and sale for a Unit in the Condominium.

(t) **Purchase Price:** The purchase price for the Unit that is payable under the Purchase Agreement.

(u) **Purchaser:** Any Person who has entered into a Purchase Agreement, which agreement is approved by Sponsor, to purchase any Unit.

(v) **Residential Common Elements:** Those portions of the Common Elements that are for the exclusive use of the Residential Units, including:

(1) the exterior of the Building on the third, fourth and fifth floors, including the windows and doors in or on the exterior walls and all façade features and fixtures;

(2) the Residential Lobby;

(3) the approximately 2,650 square foot passive recreation area on the roof of the Building;

(4) the equipment rooms on the roof which service the Residential Units;

(5) all slabs between the second and third floors, the third and fourth floors and the fourth and fifth floors;

(6) the HVAC system to the extent it is used exclusively by the Residential Units, the elevators serving exclusively the Residential Units and the corridors, stairs and stairways on the third, fourth and fifth floors;

(7) certain portions of the cellar level of the Building which exclusively serve the Residential Units in which are located (i) the stairs and the elevator shafts for elevators which service the Residential Units, (ii) a fitness room, (iii) utility rooms, (iv) refuse rooms, (v) superintendent's room, (vi) bike storage rooms, and (vii) the Storage Bins;

(8) all systems and installations for services such as power, light and water to the extent such systems and installations service only the Residential Units; and

(9) all other facilities in the Building which exclusively serve or benefit or are necessary exclusively for the existence, maintenance, operation or safety of the Residential Units.

(w) **Residential Limited Common Elements:** Common Elements which are appurtenant to particular Residential Units and are reserved for the exclusive use of the Owners of those Units, or which are restricted for the sole use of the Unit Owners. Residential Limited Common Elements consist solely of storage bins, balconies and terraces outside certain Residential Units and private roof terraces. The respective responsibilities of Residential Unit Owners and the Board of Managers for repair and maintenance of Residential Limited Common Elements are set forth in the Declaration and By-Laws.

(x) **Residential Lobby:** The approximately 790 square foot entrance lobby to the Condominium.

(y) **Residential Unit:** A Residential Unit in the Condominium. Residential Units may receive the exclusive use of certain Limited Common Elements. For the legal description of the Residential Units, see the Declaration set forth in Part II of this Plan.

(z) **Roof Terrace:** The passive recreation area for use by the Residential Unit Owners.

(aa) **Rooftop Terrace Unit:** The approximately 258 square foot area as the northeast corner of the main roof of the Building. The Rooftop Terrace Unit will not be available for use by the Residential Unit Owners or the Commercial Unit Owner. The Rooftop Terrace Unit is not offered for sale under this Plan.

(bb) **Selling Agent:** The entity which will supervise sales of the Residential Units on behalf of the Sponsor. The Selling Agent is Halstead Property Development Marketing LLC.

(cc) **Storage Bin:** One of the thirty (30) storage bins which the Sponsor intends to construct at the cellar level of the Building. Each Storage Bin will be a Limited Common Element for a particular Residential Unit, as shown on Schedule A.

(dd) **Unit Owner:** The fee simple owner of a Unit. Unit Owners may be one or more individuals over 18 years old, owning as tenants in common, joint tenants or tenants by the entirety, partnerships, corporations, trusts, estates, fiduciaries, unincorporated associations, syndicates, joint ventures, governments or any department or agency thereof, or any other legal entity permitted to own real property in the State of New York.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Building

The Building is located on the south side of West 52nd Street between 8th Avenue and 9th Avenue in Manhattan. The Building formerly contained a cellar and three stories. USPS operates a United States Postal Facility in a portion of the cellar level and on portions of the first and second stories. The Sponsor is constructing a fourth and fifth story on the Building. The Residential Units will be located on the third, fourth and fifth stories.

Parking

There will not be any parking spaces in the Condominium.

The Residential Units

The Residential Units range in size from a studio to a three bedroom Unit.

Part II sets forth a description of the Building and Residential Units, including the equipment supplied by the Sponsor which is included in the Purchase Price, and any optional extra features which may be available. Purchasers should review the general description and outline of the specifications for the Building and the Units that appears in Part II as "Description of Property and Specifications".

The Building will be constructed substantially in accordance with the plans prepared by Architecture Outfit and specifications on file in the office of the Sponsor, and will conform to all applicable rules, regulations, laws and other requirements of all governmental authorities having jurisdiction thereof, including those governing zoning and construction. These authorities are the New York State Building Code as applied and interpreted by the New York State Code Commission and the Building Department of the City of New York, the Board of Fire Underwriters and the Board of Health. The Sponsor and all other persons engaged by the Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules, regulations and other governmental requirements pertaining thereto. If there is a variation between the plans and specifications and the applicable rules, regulations, laws and other requirements including those governing zoning and construction, said applicable rules, regulations, laws and other requirements of governmental authorities having jurisdiction shall govern and control over the plans and specifications, and the plans and specifications shall be amended accordingly.

The Sponsor anticipates that all construction necessary for the issuance of a Temporary Certificate of Occupancy for all Residential Units will be substantially completed by August 31, 2016.

Services and Facilities

Staffing: The Condominium will employ one full-time superintendent, two part-time porters working separate shifts and one doorman/concierge for the hours 7:00 a.m. to midnight.

Recreational Facilities: Approximately 2,650 square feet of the roof will be a passive recreation area for use by the Residential Unit Owners and their tenants. A fitness center of approximately 1,198 square feet for the exclusive use of Owners of Residential Units and their tenants will be located on the cellar level.

Bicycle Storage: There will be a room in the cellar level with space for storage of approximately 18 bicycles, which will be available to Unit Owners, subject to availability of space, on a first-come, first-served basis. The Sponsor reserves the right to impose fees for such storage at any time and to change the location of or remove such bicycle storage. If and when the Sponsor transfers control of the bicycle storage area to the Condominium or to another party, the Board or such other party may impose fees for bicycle storage.

Trash Removal: Recyclables and garbage will be picked up by the New York City Sanitation Department.

Mailboxes: The mailboxes for Residential Units will be located in the Residential Lobby. A U.S. Postal Service employee will deliver incoming mail. Packages and special deliveries for the Residential Unit Owners will be delivered to the Residential lobby.

Elevator Service: The Residential Units will be served by one (1) automatic passenger elevator.

Fire Protection: Smoke detectors will be provided in each Residential Unit in accordance with applicable code. There will be a Fire Standpipe Telephone and Signaling System, consisting of fire alarm stations, gongs and telephones.

Telephone: Telephone lines will be provided by Verizon and/or Time Warner Cable, and each Residential Unit will be pre-wired for telephone service. Each Unit Owner will pay usage charges directly to the service provider.

Snow Removal: The Condominium will be responsible for the removal of snow and ice from the sidewalks adjacent to the Residential Lobby.

Laundry Facilities: Each Residential Unit will be equipped with its own washer and dryer.

Storage: The Sponsor intends to construct thirty (30) Storage Bins in a specified area at the cellar level (the "Storage Bin Area"). The Storage Bin Area is part of the Common Elements. Each Storage Bin will be a Limited Common Element appurtenant to a particular Residential Unit, as shown on Schedule A.

LOCATION AND AREA INFORMATION

Location

The Condominium is located on the south side of West 52nd Street between 8th Avenue and 9th Avenue.

The Building lies in an R8 zoning district, permitting residential, community facility and certain commercial uses.

Police, fire, water and sanitation services will be provided by the City of New York. The Police Department's Midtown North Precinct is located at 306 West 54th Street between 8th and 9th Avenues. The Fire Department's Engine Company 54 is located on 8th Avenue between 48th Street and 49th Street. The public streets surrounding the Building will be maintained and cleaned of snow by the City of New York.

Transportation

The surrounding area is well serviced by transportation facilities. The local subway stations are located on 8th Avenue at 50th Street and 51st Street (C & E), and on Broadway between 50th Street and 51st Street (#1). Convenient bus service runs along 8th Avenue (M20 and M104), 9th Avenue (M11) and 49th Street and 50th Street (M50). All provide service throughout New York City. The subway offers a direct connection to Grand Central Terminal, Times Square and many of the city's other subway and passenger train lines. Three major airports, Kennedy International and La Guardia in New York and Newark International in New Jersey, are located within 15 miles, providing domestic and international air service.

Schools

(The following represents the current districting. The Sponsor makes no representation as to which schools will be available to residents of the Condominium.)

High Schools
Professional Performing Arts High School, 328 W. 48th Street
High School of Graphic Communication Arts, 439 W. 49th Street
Independence High School, 850 10th Avenue

Middle Schools
Adolf S. Ochs, 440 W. 53rd Street

Elementary Schools
P.S. 111, 440 W. 53rd Street
P.S. 35, 317 W. 52nd Street
P.S. 212 Midtown West, 328 W. 48th Street
Success Academy Hell's Kitchen, 439 W. 49th Street

Houses of Worship

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

Hospitals

St. Luke's Roosevelt Hospital, 1000 10th Avenue

Post Office

The Post Office is located at 322 West 52nd Street, in the same Building as the Condominium.

Library

A branch of the New York Public Library is located at 742 10th Avenue, between 50th Street and 51st Street.

Recreational Facilities

Central Park is located at 110th Street between Fifth Avenue and Central Park West. DeWitt Clinton Park is between 52nd Street and 54th Street and between 10th Avenue and 11th Avenue. Hell's Kitchen Park is on 10th Avenue between 47th Street and 48th Street. Gutenberg Playground is located on 49th Street between 9th Avenue and 10th Avenue.

SCHEDULE A

The Sorting House Condominium
318 West 52nd Street
Schedule A: Purchase Prices and Related Information for the Projected First Year of Condominium Operation (1/1/17-12/31/17)

Unit	Number Bedrooms/Baths (1)	Unit Square Footage (1)	Terrace/Balcony Square Footage (1)	Storage Bin #/Cubic Footage (Cellar) (1)	General Common Interest (2)(a)	Residential Common Interest (2)(b)	Offering Price (3)	Estimated Monthly Common Charges (4)	Estimated Monthly Real Estate Taxes (5)	Estimated Annual Real Estate Taxes 1st Year (5)	Estimated Total Monthly Carrying Costs (6)	Estimated Total Annual Charges 1st Year (6)
3A	3BR, 3 Bath	1,448	714	1 / 60cf	0.9693%	4.4291%	$ 2,650,000	$ 2,043.19	$ 1,920.68	$ 23,048.15	$ 3,963.87	$ 47,566.48
3B	1BR, 2 Bath	1,081	303	2 / 60cf	0.6893%	3.1499%	$ 1,625,000	$ 1,453.10	$ 1,365.97	$ 16,391.61	$ 2,819.07	$ 33,828.79
3C	0BR, 1 Bath	605	0	3 / 60cf	0.3605%	1.6475%	$ 895,000	$ 760.00	$ 714.42	$ 8,573.09	$ 1,474.42	$ 17,693.04
3D	1BR, 1 Bath	896	228	4 / 60cf	0.5679%	2.5951%	$ 1,295,000	$ 1,197.15	$ 1,125.37	$ 13,504.39	$ 2,322.52	$ 27,870.19
3E	0BR, 1 Bath	601	0	5 / 60cf	0.3582%	1.6366%	$ 850,000	$ 754.97	$ 709.70	$ 8,516.41	$ 1,464.67	$ 17,576.06
3F	0BR, 1 Bath	601	356	6 / 60cf	0.4112%	1.8789%	$ 850,000	$ 866.77	$ 814.80	$ 9,777.57	$ 1,681.57	$ 20,178.83
3G	1BR, 1 Bath	898	228	7 / 60cf	0.5691%	2.6005%	$ 1,275,000	$ 1,199.66	$ 1,127.73	$ 13,532.73	$ 2,327.39	$ 27,928.68
3H	2BR, 3 Bath	1,317	247	8 / 60cf	0.8216%	3.7544%	$ 2,150,000	$ 1,731.97	$ 1,628.12	$ 19,537.43	$ 3,360.09	$ 40,321.11
3J	1BR, 2 Bath	1,099	228	9 / 60cf	0.6889%	3.1479%	$ 1,695,000	$ 1,452.16	$ 1,365.08	$ 16,380.98	$ 2,817.24	$ 33,806.86
3K	1BR, 2 Bath	1,074	228	10 / 60cf	0.6740%	3.0798%	$ 1,650,000	$ 1,420.75	$ 1,335.56	$ 16,026.72	$ 2,756.31	$ 33,075.74
3L	1BR, 2 Bath	1,074	228	11 / 60cf	0.6740%	3.0798%	$ 1,650,000	$ 1,420.75	$ 1,335.56	$ 16,026.72	$ 2,756.31	$ 33,075.74
3M	1BR, 2 Bath	1,074	228	12 / 60cf	0.6740%	3.0798%	$ 1,650,000	$ 1,420.75	$ 1,335.56	$ 16,026.72	$ 2,756.31	$ 33,075.74
3N	1BR, 2 Bath	1,074	228	13 / 60cf	0.6740%	3.0798%	$ 1,660,000	$ 1,420.75	$ 1,335.56	$ 16,026.72	$ 2,756.31	$ 33,075.74
3P	1BR, 2 Bath	1,074	228	14 / 60cf	0.6740%	3.0798%	$ 1,675,000	$ 1,420.75	$ 1,335.56	$ 16,026.72	$ 2,756.31	$ 33,075.74
3Q	1BR, 2 Bath	1,074	228	15 / 60cf	0.6740%	3.0798%	$ 1,695,000	$ 1,420.75	$ 1,335.56	$ 16,026.72	$ 2,756.31	$ 33,075.74
4A	2BR, 2.5 Bath	1,302	593	16 / 60cf	0.8643%	3.9491%	$ 2,375,000	$ 1,821.79	$ 1,712.55	$ 20,550.62	$ 3,534.34	$ 42,412.11
4B	2BR, 2.5 Bath	1,284	586	17 / 60cf	0.8525%	3.8954%	$ 2,250,000	$ 1,796.98	$ 1,689.23	$ 20,270.75	$ 3,486.21	$ 41,834.52
4C	2BR, 2.5 Bath	1,284	593	18 / 60cf	0.8535%	3.9001%	$ 2,250,000	$ 1,799.18	$ 1,691.30	$ 20,295.55	$ 3,490.48	$ 41,885.70
4D	2BR, 2.5 Bath	1,284	593	19 / 60cf	0.8535%	3.9001%	$ 2,250,000	$ 1,799.18	$ 1,691.30	$ 20,295.55	$ 3,490.48	$ 41,885.70
4E	2BR, 2.5 Bath	1,284	593	20 / 60cf	0.8535%	3.9001%	$ 2,250,000	$ 1,799.18	$ 1,691.30	$ 20,295.55	$ 3,490.48	$ 41,885.70
4F	2BR, 2.5 Bath	1,284	593	21 / 60cf	0.8535%	3.9001%	$ 2,250,000	$ 1,799.18	$ 1,691.30	$ 20,295.55	$ 3,490.48	$ 41,885.70
4G	2BR, 2.5 Bath	1,454	640	22 / 60cf	0.9618%	4.3950%	$ 2,500,000	$ 2,027.49	$ 1,905.92	$ 22,871.02	$ 3,933.41	$ 47,200.92
4H	3BR, 2.5 Bath	1,409	373	23 / 60cf	0.8952%	4.0907%	$ 2,625,000	$ 1,887.11	$ 1,773.96	$ 21,287.48	$ 3,661.07	$ 43,932.83
4J	2BR, 2 Bath	1,068	370	24 / 60cf	0.6916%	3.1601%	$ 1,775,000	$ 1,457.81	$ 1,370.40	$ 16,444.75	$ 2,828.20	$ 33,938.46
4K	2BR, 2 Bath	1,071	470	25 / 60cf	0.7083%	3.2364%	$ 1,775,000	$ 1,492.98	$ 1,403.46	$ 16,841.52	$ 2,896.44	$ 34,757.31
4L	3BR, 2 Bath	1,364	205	26 / 60cf	0.8434%	3.8538%	$ 2,695,000	$ 1,777.82	$ 1,671.22	$ 20,054.65	$ 3,449.05	$ 41,388.54
PH - A	3BR, 2 Bath	1,364	348	27 / 60cf	0.8647%	3.9512%	$ 2,875,000	$ 1,822.73	$ 1,713.44	$ 20,561.25	$ 3,536.17	$ 42,434.04
PH - B	2BR, 2 Bath	1,071	432	28 / 60cf	0.7026%	3.2105%	$ 1,995,000	$ 1,481.05	$ 1,392.24	$ 16,706.90	$ 2,873.29	$ 34,479.49
PH - C	2BR, 2 Bath	1,068	432	29 / 60cf	0.7008%	3.2023%	$ 1,995,000	$ 1,477.28	$ 1,388.70	$ 16,664.39	$ 2,865.98	$ 34,391.75
PH - D	3BR, 2 Bath	1,409	440	30 / 60cf	0.9052%	4.1363%	$ 2,895,000	$ 1,908.15	$ 1,793.74	$ 21,524.83	$ 3,701.89	$ 44,422.68
Residential Unit Sub-Total		33,990	10,933	1,800	21.8847%	100.0000%	$ 58,020,000	$ 46,131.41	$ 43,365.25	$ 520,383.03	$ 89,496.66	$ 1,073,959.92
Non-Residential Unit												
Rooftop Terrace			258		0.1153%			$ 32.39	$ 227.30	$ 2,727.60	$ 259.69	$ 3,116.22
Non-Residential Unit Sub-Total			258		0.1153%			$ 32.39	$ 227.30	$ 2,727.60	$ 259.69	$ 3,116.22
Commercial Unit												
Commercial Unit		42,723	0	0	78.0000%			$ 11,867.89			$ 11,867.89	$ 142,414.69
Commercial Unit Sub-Total		42,723	0	0	78.0000%			$ 11,867.89			$ 11,867.89	$ 142,414.69
Totals		76,713	10,933	1,800	100.0000%	100.0000%	$ 58,020,000	$ 57,999.30	$ 43,592.55	$ 523,110.63	$ 101,624.24	$ 1,219,490.83

NOTES TO SCHEDULE A

(1) Floor plans depicting the layouts of typical Units are contained in Part II of this Plan. All dimensions shown on such plans are approximate and subject to construction variances. Plans and dimensions may also contain minor variations from floor to floor. The room count consists of bedrooms and living rooms calculated in accordance with the New York State Multiple Dwelling Law. The square footages are based on plans drawn by Architecture Outfit. The Unit dimensions exceed the useable floor area of each Unit and correspond with the area calculated pursuant to the legal definition of a Unit as contained in Article 5 of the Declaration, that is, from the exterior of the exterior walls of the Building to the centerline of the partition dividing the Unit from other Units or the Common Elements. Accordingly, the area shown does not accurately represent the interior spaces of the Units.

(2) The allocation of common interests is based upon method (iv) contained in Section 339-i of the New York Condominium Act, that is, 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.

(3) These prices have been set by the Sponsor. Prices are not subject to the approval of any governmental agencies. For an explanation of conditions affecting these prices, see the section of this Plan entitled "Changes in Prices and Units". For closing costs payable by Purchasers (in addition to the price) and adjustments at closing, see the section of this Plan entitled "Unit Closing Costs and Adjustments".

(4) The Projected Common Charges are based upon the "Projected Schedule of Receipts and Expenses for the First Year of Condominium Operation". The figures shown do not include the cost of electricity consumed within Units for lighting and appliances (including but not limited to in-unit heat pump units), the cost of telephone or cable television service or the costs to maintain the interior of the Unit. A Unit Owner who obtains a mortgage loan to purchase a Unit will also pay the debt service on that mortgage.

(5) Projected real estate taxes are based upon estimated taxable assessed values and tax rate for the second half of the 2016-2017 tax year and the first half of the 2017-2018 tax year, as set forth in the February 16, 2015 letter of Tuchman, Korngold, Weiss, Liebman & Gelles, LLP.

Starting with the tax year for which assessments are fixed after the recording of the Declaration, each Unit will be taxed as a separate tax lot for real estate purposes. A Unit Owner will not be responsible for the payment of real estate taxes assessed against other Units, nor will a Unit be subject to a lien arising out of the non-payment of real estate taxes assessed against other Units.

Tax deductible amounts may vary due to changes in assessed valuations of Units, in tax rates or in the method of assessing real property which may result in a change in real property taxes, or such other changes as may reasonably be expected to affect tax deductions. The interest portion of monthly mortgage payments made by a Purchaser who obtains mortgage financing for his or her Unit, and designates same as a primary or secondary qualifying residence, although not shown in this column, is also deductible for tax purposes by a person who itemizes deductions. The portion of the debt service deductible for income tax purposes may vary in subsequent years due to financing related changes such as changes in the interest rate on a Purchaser's mortgage, if any, the interest rate on a refinanced mortgage, or the allocation of constant debt service payments between interest and principal.

(6) This column represents the total of Projected First Year Common Charges and Projected First Year Real Estate Taxes.

SCHEDULE B

THE SORTING HOUSE CONDOMINIUM

318 West 52nd Street
New York, NY

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

ESTIMATED INCOME

Common Charges – Residential Units (Note 2)	$	553,577
Common Charges – Commercial Unit (Note 2)	$	142,415
Common Charges – Rooftop Unit (Note 2)	$	389
Total Estimated Common Charges	$	696,380

ESTIMATED EXPENSES (Note 3)

Payroll and Labor Contracts (Note 4)	$	337,948
Gas (Hot Water) (Note 5)	$	7,900
Electricity (Note 6)	$	7,920
Water Charges and Sewer Rent (Note 7)	$	29,855
Repairs and Maintenance (Note 8)	$	49,000
Service Contracts (Note 9)	$	61,200
Insurance (Note 10)	$	69,000
Management Fee (Note 11)	$	30,000
Legal and Audit Fees (Note 12)	$	8,000
Other Expenses (Note 13)	$	12,250
Contingencies (Note 14)	$	20,000
Replacement Reserves (Note 15)	$	63,307
Total (Note 16)	$	696,380

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

ALLOCATION OF COMMON EXPENSES BETWEEN RESIDENTIAL AND RETAIL UNIT

(see also detailed notes which follow)

Common Charges	Total Expenses	Residential Unit Expenses	Commercial Unit Expenses	Rooftop Terrace Expenses
Payroll & Labor Contracts	$337,948	337,948 (100%)	-0-	-0-
Electricity	$7,920	7,920 (100%)		
Gas (Hot Water)	$7,900	7,900 (100%)		
Water Charges & Sewer Rent	$29,855	29,855 (100%)		
Repairs and Maintenance	$49,000	41,188 See A below	7,800 See A below	12 See A below
Service Contracts	$61,200	58,075 See B below	3,120 See B below	5 See B below
Insurance	$69,000	15,100 (21.8847%)	53,820 (78%)	80 (0.1153%)
Management Fee	$30,000	22,382 (74.61%)	7,500 (25%)	118 (0.39%)
Legal & Audit Fees	$8,000	1,751 (21.8847%)	6,240 (78%)	9 (0.1153%)
Other Expense	$12,250	2,681 (21.8847%)	9,555 (78%)	14 (0.1153%)
Contingency	$20,000	14,921 (74.61%)	5,000 (25%)	79 (0.39%)
Replacement Reserve	**$63,307**	**13,855 (21.8847%)**	**49,380 (78%)**	**73 (0.1153%)**
Total	**$696,380**	**553,577**	**142,415**	**389**

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

A. The Commercial Unit Owner's share of Repairs and Maintenance expenses is based on its Common Interest applied to the costs of the following Repair and Maintenance expense only: General Repairs.
B. The Commercial Unit Owner's share of Service Contract expenses is based on its Common Interest applied to the costs of the following Service Contracts only: exterminating and sprinkler.

NOTES TO SCHEDULE B

(1) Projected First Year of Condominium Operations

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

If the actual or anticipated date of commencement of condominium operations is delayed by more than six (6) months from the commencement of the projected First Year of Condominium, Sponsor will amend the Plan to include a revised budget disclosing current projections ("Revised Budget Amendment"). If such amended projections exceed original projections by twenty-five (25%) percent or more, Sponsor will offer all Purchasers that entered into Agreements prior to the date of the Revised Budget Amendment the right to rescind their Purchase Agreements for a period of fifteen (15) days after the date of the presentation of the Revised Budget Amendment setting forth the right to rescind, and any Purchasers electing rescission pursuant to such offer will have their Down Payments returned, together with any interest earned thereon.

(2) Common Charges

These amounts represent the total Common Charges to be levied against and collected from the Residential Unit Owners and the Commercial Unit Owner during the anticipated First Year of Condominium Operation. The Common Charges will be utilized by the Condominium Board to defray the operational expenses of the Condominium. Except as otherwise set forth herein, the Common Charges have been allocated between the Residential Unit Owners and the Commercial Unit Owner based on anticipated usage and benefits derived by such Unit Owners, respectively, and between and among the Unit Owners on the basis of percentage of Common Interest allocated to each Unit. Where the allocation of Common Expenses is not based on percentage of Common Interest, or Common Expenses have been allocated only to certain categories of Units, such circumstances are set forth in the following notes. The Commercial Unit Owner will only be obligated to pay its allocable share of those expenses that are incurred by the Condominium Board in furnishing services, operating and maintaining those Common Elements which are utilized by and serve such Commercial Unit Owner. Those Common Charges that have been allocated on the basis of Common Interest have been allocated on such a basis as follows: Those expenses to be borne by the Residential Unit Owners have been allocated on the basis of the combined percentage of Common Interest of such Residential Units, for a total of 21.8847. Common Charges to be borne by the Owner of the Commercial Unit has been allocated on the basis of such Commercial Unit Owner's Common Interest for a total of 78%. Common Charges to be borne by the Owner of the Rooftop Terrace has been allocated on the basis of such Rooftop Terrace Owner's Common Interest for a total of 0.1153%.

(3) Estimated Expenses

Common Charges include the costs and expenses in connection with the maintenance and operation of, and any alteration to, the General Common Elements and the provision of

services to all Unit Owners in general, such as service contracts applicable to the Building as a whole, employees who will provide services to the entire Condominium, the Managing Agent for the Condominium, and insurance coverage for the Common Elements.

(4) **Payroll and Contract Labor: 337,948**

The Building staff shall consist of:

Position and Number
1 Full-Time Live-out Superintendent (1) (40 hour per week) Monday through Friday At a billed rate of $53.00 per hour.
Lobby Attendants (16 hours per day 7 days per week at a billed rate of $21.50 per hour. 2 Full time and 1 part time.
Porters (2 Full-Time Porters) (40 hours per week each) at a billed rate of $18.50 per hour.

Superintendent:

40 Hour Per-Week @ $53 per hour = $110,240 per year.	$110,240.00
Holiday Differential	$ 3,816.00
NY State Sales Tax	$ 10,122.47
NY MCTM Payroll Tax	$ 387.79
Total for Superintendent	**$124,566.26**

Porters:

80 Hours Per-Week @ 18.50 per hour = $76,960 per year	$ 76,960.00
Holiday Differential	$ 2,664.00
NY State Sales Tax	$ 7,066.63
NY MCTM Payroll Tax	$ 270.72
Total for Porters	**$ 86,961.35**

Lobby Attendants:

112 Hours Per-Week @ 21.50 per hour = $125,216 per year	$125,216.00
Holiday Differential	$ 1,204.00
Total for Porters	**$126,420.00**

All staff will be retained from a third party provider and all wages, payroll taxes and workers compensation insurance will be paid by the third party provider. The Building is classified as Class "A" for the purpose of defining the wage scale. The Building's staff will

be non-union and wages will meet state minimum wage laws. The projected expenses for wages, salaries and benefits, as well as the assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's budget expert, FirstService Residential of New York, Inc., in managing comparable buildings. Such level of staffing complies with all applicable housing and labor laws.

The Commercial Unit will not utilize the services of any staff members and is not allocated any expense related to payroll and contract labor.

(5) **Gas (Domestic Hot Water): $7,900**

Based on an estimate dated January 5, 2014 by Engineering Solutions, located at 150 West 30th Street, New York, New York, 10001. It is anticipated that hot water will be provided to the Residential Units by natural gas and will cost $7,900. This estimate is based on a projected usage of 171 therms of gas per year at an anticipated average cost of $1.40 X 110% per therm to factor in inflation. The Commercial Unit will be separately metered.

(6) **Electricity: $7,920**

Based on an estimate dated January 5, 2014 by Engineering Solutions, located at 150 West 30th Street, New York, New York, 10001. It is anticipated that light and power for the Common Elements, as well as the mechanical equipment, will be approximately 3,750 kwh per month at an annual cost of $0.16 per KWH X 110% per KW/HR to factor in inflation. The Commercial Unit will be separately metered.

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 directly to Con Edison.

(7) **Water Charges and Sewer Rent: $29,855**

Based on an estimate dated of January 5, 2014 by Engineering Solutions, located at 150 West 30th Street, New York, New York, 10001. It is anticipated that water charges for the Residential Units and all Common Elements will be approximately $29,855 based on a combined rate of $9.27 per 100 cubic feet of water used X 110% to factor in inflation.

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

Water charges and sewer rents for the Commercial Unit will be separately sub-metered.

(8) **Repairs and Maintenance: $49,000**

This estimate includes painting, maintenance and repair costs of General Common Elements 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 and Hardware	$ 25,000
Plumbing	$ 2,500
Electrical	$ 2,500
Intercom	$ 1,000
Window, Lock and Doors	$ 2,000
Plastering and Painting	$ 5,000
Elevator Repairs (Not Covered by Contract)	$ 1,000
General Repairs	$ 10,000
Total	**$ 49,000**

This estimate is based on experience of Sponsor's budget expert, FirstService Residential New York, Inc., in operating comparable buildings. The Commercial Unit will only be allocated their share of General Repair and no other expense in this line item.

(9) **Service Contracts and Supplies: $61,200**

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

Elevator Maintenance	$ 12,000
Exterminating	$ 2,500
Central Station Monitoring	$ 2,200
Fire Extinguishers	$ 500
Fire Alarm	$ 5,000
Sprinkler	$ 1,500
HVAC Service	$ 5,000
Landscaping	$ 10,000
Telephone/Internet	$ 7,500
Virtual Doorman	$ 15,000
Total	**$ 61,200**

No maintenance or service contracts have been entered into as of the filing date of the Plan. The budgeted amounts are based on estimates received from contractors and the experience of Sponsor's budget expert, FirstService Residential New York Inc., in operating comparable buildings. While this Schedule B includes a reasonable allowance for possible increases in cost, which may occur prior to and during the First Year of Condominium Operation, no warranty or guarantee is made that the actual cost for these services or other services will be in accordance with this projection. The Commercial Unit Owner will share in the expense of only the exterminating and sprinkler based on its Common Interest percentage.

(10) **Insurance: $69,000**

The insurance premiums are based on a letter dated January 5, 2015 from MR Cooper, LTD, located at 622 Third Avenue, New York, New York, 10017. The fire, casualty and general liability are on the terms set therein:

	COVERAGES	LIMITS OF LIABILITY
A.	Property (Building Limit)	$ 35,000,000

	Business Personal Property Limit	$	200,000
	Loss of Maintenance Fee	$	12 Months
	Demolition and Increased Cost	$	1,000,000
	Flood	$	5,000,000
	Earthquake	$	5,000,000
	Deductibles		
	Building, Underground Water & Sewer	$	10,000
	Earthquake	$	50,000
	Flood	$	25,000
B.	General Liability		
	(General Aggregate)	$	2,000,000
	Each Occurrence	$	1,000,000
	Fire Damage Liability	$	50,000
	Personal and Advertising Injury	$	1,000,000
	Medical Expenses	$	5,000
	Hired/Non Owner Auto Liability	$	1,000,000
C.	Directors & Officers Liability	$	1,000,000
	Deductible	$	5,000
D.	Umbrella Liability	$	100,000,000
	Self Insured Retention	$	10,000
	Included Excess Director's & Officers		
E.	Crime		
	Employee Dishonesty Limit	$	500,000
	Managing Agent's Rider	$	500,000
F.	Boiler and Machinery or Equipment Breakdown Limit	$	23,946,000

The total premium for these various coverages is estimated at $69,000.

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

This coverage does not include claims for personal injury or property damage resulting from occurrences in individual Units or any Limited Common Elements exclusive to such Units.

The proposed insurance provides property coverage on an All Risk/Replacement Cost basis. The Building limits and Business Income limits are based on an Agreed Amount which includes a waiver of co-insurance.

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, prior to the first closing of title to a Residential Unit. The agent quoting the proposed insurance is MR Cooper, LTD, located at 622 Third Avenue, New York, New York, 10017.

Sponsor will procure, on behalf of the Condominium Board, on or before the date of the first closing of title to a Residential Unit, the general liability insurance that is required to be carried by the Condominium.

(11) Management Fee: $30,000

Based on the management agreement to be entered into with FirstService Residential New York Inc. at or before the first closing of title to a Residential Unit, it is expected that the Managing Agent will receive an annual fee of $30,000 for the First Year of Condominium Operation. Reference should be made to the Section of the Plan entitled "Management Agreement" in the Offering Plan for further details of the Management Agreement.

(12) Legal and Audit Fees: $8,000

Based upon the estimate set forth in a letter dated February 4, 2015 from Mindy Eisenberg Stark CPA CFE located at 88 Bonnie Meadow Road, Scharsdale, New York, 10583, Sponsor has budgeted $6,500 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 ($1,500) 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. This amount has been allocated between the Residential Units and the Commercial Unit on the basis of Common Interest.

(13) Other Expenses: $12,250

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

Printing and Postage	$ 1,500
Sprinkler Fees	$ 750
General	$ 10,000

(14) Contingency: $20,000

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

(15) **Replacement Reserve $60,756**

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.

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

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(16) **Total Expenses: $668,300**

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 JANUARY 1, 2017. THE FOREGOING BUDGET, 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 THE BUDGET, SINCE THE ANNUAL COMMON CHARGES AND OTHER ITEMS OF INCOME AND EXPENSE MAY VARY FROM AMOUNTS SHOWN IN THE BUDGET BASED ON FACTORS SUCH AS INFLATION, CHANGES IN THE ECONOMY AND UNFORESEEN FACTORS.

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.

FirstService
RESIDENTIAL

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-(i)

February 9 , 2015

RC 51 Development LLC
65 West 13th Street, Suite 4C
New York, New York 10011

Re: The Sorting House Condominium
318 West 52nd Street, New York, NY

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 twenty-five 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

THE COMMERCIAL UNIT AND THE ROOFTOP TERRACE UNIT

The Condominium will contain one Commercial Unit and Rooftop Terrace Unit. The Commercial Unit is currently owned by USPS and is operated as a United States Postal Facility. The Commercial Unit may be used for any lawful purpose permitted under the Zoning Resolution. The Zoning Resolution permits uses for the Commercial Unit itemized under Use Group B - Business. These uses include office, professional services, service-type transactions, animal hospitals, kennels and pounds, banks, barber and beauty shops, outpatient clinic, custodial care facilities, dry cleaning and laundries, educational occupancies above the 12th grade, electronic data processing, laboratories, libraries, motor vehicle showrooms, photocopying and printing shops using electronic printing equipment, and radio and television stations not admitting an audience. However, pursuant to the Amended and Restated Declaration of Condominium, following the conveyance or lease of the Commercial Unit by USPS, the Commercial Unit may not be used as or for any use which is not in compliance with the current R-8 zoning of the Property, or as or for (a) the sale of alcoholic beverages (unless such sales are by a (i) restaurant or (ii) bar ancillary to a restaurant, or (iii) a retail food store, or (iv) a retail store selling alcoholic beverages on an incidental or secondary basis), (b) a massage parlor (but excluding any spa or similar operation providing massages for patrons), (c) a tattoo parlor, (d) a pornographic or erotic bookstore or video store or any "adult entertainment" use (meaning such stores or uses that are pornographic or obscene or such that, as of the date of this Declaration, are prohibited from permitting patrons that are under the age of eighteen (18) or the like, (e) a pinball or video game arcade, (f) a pet store, (g) a pawn, consignment or other so-called second hand shop, (h) the conduct of a business operation the principal business of which is the sale of merchandise of the types or qualities commonly known as "odd lot," "close out," "clearance," "discontinued," "cancellation," "second," "factory reject," "sample," "floor model," "demonstrator," "obsolescent," "over-stock," "distressed," "bankruptcy," "fire sale" or "damaged", (i) any purpose or business which is noxious or unreasonably offensive because of the emission of noise, smoke, dust or odors; (j) the operation of a hotel or motel or extended stay facility; (k) a "car-hop" or "carry-out" restaurant business whose customers consume food items sold for off-premises consumption; (l) banquet hall business which serves its guests on a special, catered basis as distinguished from a restaurant business open to the public at large on a random basis; (m) any "amusement operation," so-called, which term shall mean and include any activity consisting wholly or in substantial part of the furnishing of entertainment or amusement facilities, regardless of whether as a business or as a part or aspect of a business (including, without limitation, off-track betting parlors, movie theaters, "penny arcades," so-called; amusement games or devices (electronic or otherwise), "discos," so-called; so-called "strip shows," and live entertainment of any kind); or for a massage parlor; (n) any automobile or truck sales, storage, service, fueling, washing, or repair operation; (o) any business using outdoor space in its regular operations, such as lumber yards, boat sales yards and the like; (p) any central laundry or dry cleaning plant or laundromat (except that this prohibition shall not be applicable to one on-site dry cleaning store whose primary business is the dropoff and pickup of clothing by the ultimate consumer, including dry cleaning machines as incidental supporting facilities); (q) any veterinary hospital, animal raising facilities or pet shop; (r) any training or educational facility, including, but not limited to, beauty schools, barber colleges, reading rooms, places of instruction or other operations catering primarily to students or trainees rather than to customers

(except that this prohibition shall not prohibit a tenant or other operator from offering to the general public, as an incidental part of its primary retail use, activities such as book readings and computer-training sessions; (s) any auto parts store or gas or service station; (t) any operation primarily used as a storage warehouse operation; (u) any use which is a public or private nuisance; (v) mail, internet and/or telephone sales; (w) a so-called "head shop"; (x) a billiards parlor; (y) a bingo parlor or any establishment conducting games of chance; (z) a bowling alley; (aa) a funeral parlor; (bb) a discotheque or dance hall; (cc) a skating rink; (dd) an employment or placement agency; (ee) a school; (ff) a governmental or quasi-governmental bureau or department; (gg) a tenant which has diplomatic or sovereign immunity or is not subject to service of process in New York or is not subject to the jurisdiction of the courts of New York; or (hh) a check cashing service. If insurance premiums for the Condominium increase as the direct result of the nature of the business being conducted in the Commercial Unit, other than retail, restaurant or other standard, customary commercial use, the owner of that Unit shall pay the amount of the increase to the Condominium.

The Commercial Unit Owner may subdivide the Commercial Unit into any number of smaller Commercial Units and may amend the Declaration accordingly, to the extent permitted by the foregoing. The Sponsor makes no representation or guaranty as to when or for what purpose the Commercial Unit will be occupied or open for its permitted purpose.

As permitted by Section 339-m of the New York Real Property Law and as provided in the Declaration and By-Laws, certain Condominium expenses will be allocated to the Commercial Unit and the Rooftop Terrace Unit as set forth in the proposed operating budget for the First Year of Condominium Operation contained as Schedule B of this Plan, in a manner different from Common Expenses; that is, they are not based on the Commercial Unit's Common Interest or the Rooftop Terrace Unit's Common Interest. The Sponsor has been advised by FirstService Residential that the projections of Common Charges payable by the Commercial Unit Owner and the Rooftop Terrace Unit Owner during the anticipated First Year of Condominium Operation appear reasonable and sufficient to cover the anticipated operating expenses fairly attributable to the Commercial Unit and the Rooftop Terrace Unit, respectively, during the projected First Year of Condominium Operation.

A Commercial Unit Owner and a Rooftop Terrace Unit Owner have certain rights that differ from the rights of the Residential Unit Owners. For instance, but without limitation, a Commercial Unit Owner and a Rooftop Terrace Unit Owner will not be subject to a right of first refusal by the Board of Managers upon the sale or lease of said Owner's Unit, and either Unit Owner may make structural and non-structural additions, alterations or improvements in said Owner's Unit, change the layout of the Unit, subdivide the Unit and reapportion Common Interest previously allocated to the Unit among the newly created Units, without the consent of the Board of Managers or any other Unit Owner. In the Sponsor's opinion, such rights will not have a material adverse impact upon the Condominium since the Commercial Unit and the Rooftop Terrace Unit would still be subject to various restrictions, including without limitation, compliance with applicable laws and regulations, which will function as a protection to the Condominium.

CHANGES IN PRICES AND UNITS

The prices for these condominium interests may be changed from those set forth in this Plan so that Purchasers may pay different prices for similar Units, but no price change which (a) is across-the-board or affects one or more lines or types of Units, or (b) is to be advertised, or (c) is a price increase, will be made except pursuant to a duly filed amendment to this Plan.

The Sponsor will abide by any regulations concerning price changes promulgated by the Department of Law. The Sponsor also reserves the right to negotiate with Purchasers all aspects of the price of Units, including but not limited to (i) renovations or improvements to the Unit or the fixtures or equipment contained therein or credits or allowances therefor; (ii) reduced Down Payment towards the Purchase Price; (iii) payment of all or part of the Purchaser's closing costs such as attorneys' fees or transfer taxes; (iv) extensions of time periods provided for in the Plan and (v) any and all other costs related to the costs of acquiring title to the Unit. Furthermore, the Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms.

The Sponsor reserves the right to (i) change the layout of or number of rooms in any Unit, (ii) change the number of Unit types, and (iii) change the size and/or number of Units, including subdividing one or more Units into separate Units, combining separate Units into one or more Units or altering the boundary walls of Units (provided, in each case, that the approval of all governmental authorities having jurisdiction is first obtained). In such event, the Sponsor shall have the right to reapportion among the Units affected by such change, subdivision, combination or alteration, their appurtenant interest in the Common Elements, provided that unless the affected Purchaser consents, no change will be made in the Unit size or layout or percentage of Common Interest allocated to any Unit for which a Purchase Agreement has been accepted and is not then in default. Unless all Purchasers consent, no material change will be made in the size and no materially adverse change will be made in the quality of Common Elements. Any of the above changes (other than the alteration of interior partitions) shall be reflected by a duly filed amendment to this Plan, and, if applicable, by a duly recorded amendment to the Declaration with the consent of all Unit Owners directly affected if the Declaration was recorded prior to such change.

The Sponsor reserves the right to make changes in any and all architectural, structural, mechanical or electrical plans and specifications, provided that prior approval is first obtained from the municipal agencies having jurisdiction, and further provided that any such changes are made with the approval of an architect or professional engineer, and are reflected by a duly filed amendment to this Plan. Again, unless the Purchaser consents, no such change shall be made with respect to any Unit for which a Purchase Agreement has been executed and is in effect. Notwithstanding the above, the dimensions of the Units shown on the Floor Plans are approximate and may vary slightly as a result of construction variances.

The area of each Unit shown on Schedule A is based upon horizontal measurements made in accordance with Article 5 of the Declaration of Condominium, that is, from the exterior walls of the Building to the centerline of the partition dividing the Unit from other Units or the Common Elements.

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit will be required to execute four copies of a Purchase Agreement in the form set forth in Part II of this Plan, and to return them to the Sponsor's attorneys, together with a check for the required Down Payment drawn on a New York City bank to the order of "Romer Debbas LLP, as Escrow Agent. The Down Payment must be in an amount equal to the sum of 10% of the Purchase Price of the Unit. When accepted in writing by the Sponsor, the Purchase Agreement will be binding upon the Sponsor, subject to the Sponsor's rights to abandon this Plan, as set forth in the section of this Plan entitled "Effective Date of this Offering Plan". The Sponsor shall have thirty (30) days within which to accept or reject such Purchase Agreement, at which time the Sponsor will return to the Purchaser either a fully executed counterpart or a refund of the down payment previously tendered, without interest. Failure by the Sponsor to act within this thirty (30) day period shall be deemed a rejection of the Purchase Agreement.

Purchasers must have received this Plan and all filed amendments at least three (3) business days before executing a Purchase Agreement, or alternatively, they may rescind their Purchase Agreements at any time during the seven (7) day period following the delivery of an executed Purchase Agreement to the Sponsor's attorneys. A Purchaser who wishes to rescind must personally deliver a written notice of rescission to the Selling Agent during such seven (7) day period, or mail the notice of rescission to the Selling Agent during such seven (7) day period. Within thirty (30) days after receipt of such notice, the Sponsor will refund any monies paid by such person pursuant to the Purchase Agreement, without interest. Upon the refund of these monies, all rights and obligations under the Purchase Agreement shall terminate.

Any notice or other communication required or permitted to be given under the Purchase Agreement shall be in writing and shall be deemed to have been given if delivered personally, sent by certified or registered mail, return receipt required, or by reputable overnight courier. All such notices and communications shall be deemed to have been received on the date of personal delivery, on the fifth (5th) day after mailing, or on the date of delivery by reputable overnight courier, as the case may be.

After the acceptance for filing of the amendment to this Plan disclosing the declaration of the Plan's effectiveness, the Sponsor or Selling Agent will send written notices to each Purchaser fixing the date for the closing of title to that Purchaser's Unit (the "Closing Date"), which shall be at least thirty (30) days thereafter unless such period is waived in writing by the Purchaser. The Closing Date shall be TIME OF THE ESSENCE as to the Purchaser. The notice of Closing Date may also state when Common Charges will begin to be due and payable. The Sponsor may adjourn a Closing Date and reset it upon five (5) business days prior written notice.

The Sponsor anticipates that the first closing of title to a Residential Unit will occur by September 1, 2016. Purchasers will be offered a right of rescission if (i) the actual date of the first closing of title to a Residential Unit, or (ii) the projected date of the first closing of title to a Residential Unit occurs later than September 1, 2017, twelve months after the projected date for the first closing of title to a Residential Unit. If this Plan is amended to provide for a later projected date for the first closing of title to a Residential Unit, purchasers will be entitled to an

offer of rescission if the first closing of title to a Residential Unit occurs more than 12 months beyond that amended, later date. However, if the first closing of title to a Residential Unit occurs before September 1, 2017, the Sponsor may schedule the closings of title to other Residential Units significantly later than such date. Unless a Purchaser's Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule that closing within any specified time frame or to ensure that closing of title to that Purchaser's 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.

If a Purchase Agreement contains a time of the essence closing date as to the Sponsor, and if the Sponsor cannot convey title by such date, the Purchaser will be afforded the right to rescind the Purchase Agreement and obtain a refund of the Down Payment, together with all interest earned thereon.

If the first closing of title to a Residential Unit does not occur by September 1, 2017, this Plan will be amended to offer all Purchasers the right to rescind their Purchase Agreements during the fifteen (15) day period following delivery of such amendment. A Purchaser desiring to so rescind must tender during that fifteen (15) day period written notice to the Sponsor. Upon such rescission, the Sponsor shall return any monies paid under the terms of the Purchase Agreement (other than monies paid toward changes, optional extras and custom work ordered by the Purchaser, if any, and the costs of installation), with interest if earned. (See the Section of the Plan entitled "Escrow Funds").

Upon the closing of title, the Purchaser will be required to (i) pay the balance of the purchase price of the Unit, by certified or official bank or cashier's check drawn on a bank which is a member of the New York Clearinghouse Association, to the order of the Sponsor or as the Sponsor may otherwise direct, (ii) execute a Power of Attorney in the form contained in Part II and (iii) if a mortgage loan is being obtained by the Purchaser, execute the mortgage note or bond and mortgage and any other documents required by the mortgagee in connection with the loan. The Purchaser will then receive a bargain and sale deed with covenants against grantor's acts, in the form set forth in Part II. At closing, or at such earlier time as the Purchaser enters into possession of the Unit pursuant to written agreement with the Sponsor, risk of loss from fire or other casualty will pass from the Sponsor to the Purchaser. The Sponsor is under no obligation to allow a Purchaser to take possession prior to closing.

If, instead of closing, the Purchaser (i) does not pay the balance of the Purchase Price when due or execute the Power of Attorney to the Board of Managers or (ii) fails to perform any other obligation under the Purchase Agreement, and if, within thirty (30) days after written notice to the Purchaser, which date shall be TIME OF THE ESSENCE as to the Purchaser, any such default is not remedied, the Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement. In such event, the down payment, with interest if earned, shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Notwithstanding the foregoing, the Sponsor may not retain as liquidated damages a sum in excess of ten (10%) percent of the Purchase Price, plus interest if earned, plus the cost of changes, optional extras and custom work ordered and any installation costs connected therewith.

If, through no fault of the Sponsor, a Purchaser fails to close for any reason on the date originally scheduled for closing of title to the Unit, the Sponsor does not elect to cancel the Purchase Agreement, and the closing thereafter occurs on a later date, then in such event the Purchaser shall pay the Sponsor an amount equal to 18% per annum of the Purchase Price of the Unit for each day's delay, starting with the day originally scheduled for closing and including the day immediately prior to the actual Closing Date and all adjustments shall be made as of the date originally fixed for the closing of title.

Neither the Sponsor nor the Selling Agent shall have any liability or responsibility to Purchasers, nor will any Purchaser be relieved of a Purchase Agreement, by reason of any minor inaccuracy or error in the floor plans for or square footage of the Units.

The Purchase Agreement will also provide that the Purchaser is purchasing the Unit without relying upon any warranties or representations as to financial data or estimated income tax deductions, except as specifically represented in this Offering Plan and the Exhibits hereto.

The Purchase Agreement is not conditioned upon the issuance of a mortgage loan commitment or the availability of financing at closing. Consequently, a Purchaser will be obligated to pay the balance of the purchase price at closing regardless of whether the Purchaser's lender, if any, is then willing to make a loan to the Purchaser.

Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to submit the Building to condominium ownership with fewer than the minimum number of sales, if one or more Purchasers counted towards effectiveness do not ultimately purchase their Units.

Purchasers should note that banks and other lenders may impose various restrictions on loans, including a requirement that a certain percentage of the dwelling units in a building be sold before the lender will consider making a loan. Accordingly, 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 requirement.

Even once the Condominium is established, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account. However, such funds may be released from the escrow account by the Escrow Agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras. If this Plan is abandoned or withdrawn by the Sponsor, all funds received by the Sponsor for upgrades and/or extras will be refunded to the Purchaser.

The Sponsor reserves the right to lease Units after the consummation of this Plan that are not subject to a Purchase Agreement to non-purchasers thereof without limitation as to the terms

or rental therefor. If the Sponsor rents a Unit prior to the sale and conveyance thereof, the Purchaser will be notified that he will be purchasing a Unit that is or has been previously occupied. The Purchase Agreement will specify whether or not such Unit will be delivered at the closing of title free and clear of all leases, tenants and rights of occupancy.

The Sponsor has reserved the right, without prior notice or amendment to the Plan, to (i) use any unsold Units as sales offices and model Units for the rental and/or sale of Units in the Condominium, or as business or administrative offices, (ii) circulate throughout the common areas of the Building in connection with those activities, and (iii) place signage of any size and in any location in connection with the sale or rental of Units in the Condominium. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model Unit 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 the Sponsor an amount as determined by the Sponsor in addition to the Purchase Price for such Unit.

Construction is a complicated process requiring the coordination of numerous tasks, contractors and suppliers, and the balancing of complex mechanical and architectural systems. No assurance can be or is given with regard to the accuracy of any projected completion dates set forth in this Offering Plan. During the first years of Condominium operation, it is anticipated that construction workers and related personnel will be at the property from time to time completing construction of the Building, making adjustments and corrections, and performing various other tasks related to completion of construction and the Sponsor's undertakings and obligations with respect to same. This could occur at any hour and could impact the Building's security while it is taking place. During any of these periods, various building systems, including but not limited to water supply, air conditioning, heating, ventilation and elevators, may need to be shut down temporarily. Further, the Sponsor may choose not to fully complete decorations of common areas of the Building, including, without limitation, lobbies or corridors, installation of light fixtures in common areas, hanging of wall coverings or laying of carpeting, etc., until that particular portion of the Building is complete or a particular floor is fully occupied by Residential Unit Owners.

Certain services, such as telecommunications, and other similar services, may be provided by outside suppliers, and delays in provision of these services by such outside suppliers, are and will not be the responsibility of the Sponsor and the Sponsor shall have no liability in connection therewith. Such suppliers may not provide these services until occupancy of the Building has reached certain threshold levels. Portions of the Building, such as the Storage Bins, may be completed after some or all of the Units are completed, and thus after Unit Closings commence. The fact that a particular portion of the Building, or a particular amenity, is not completed or otherwise is not available for use by a Unit Owner, shall not be a basis for a Purchaser to refuse to close title to the Purchaser's Unit, nor shall it serve as a basis for any claim against the Sponsor. In addition, the Sponsor and its designees will have the right to use elevators and building systems and may install and retain scaffolding and other equipment to complete construction of the Building. The presence of hoists, scaffolding, construction elevator shafts, or similar temporary construction facilities may delay the closing of title to certain Residential Units or lines of Residential Units, until such hoists, elevators or other temporary facilities are no longer needed and are removed. During the period when the Sponsor is

completing construction of the Building, moves by Unit Owners into the Building may be restricted to certain periods when the elevators and other access elements are not being used by the construction trades.

Purchasers should be aware that they may be required to close title to their Units while construction in other Units and other parts of the Building is continuing, and that such construction may continue for an extended period of time. Noise, dust and other objectionable conditions inherent in a construction site may inconvenience or disturb Unit Owners (or tenants of Residential Units) who take occupancy of their Unit while construction is underway. In addition, to minimize damage to finished spaces that might be caused during move-ins by Purchasers, the entrance lobby might not be fully decorated, carpeting may not be completely installed in public corridors and wall hangings may not be hung until all residential Unit move-ins are completed.

Purchasers will have no right to rescind their Purchase Agreements or delay their closings, and Purchasers and Unit Owners will have no claim against the Sponsor, due to any of the foregoing issues. The Sponsor will not be liable to Unit Owners for any inconvenience or disturbance arising out of the fact that the Building is under construction. See the Section of this Plan entitled "Procedure to Purchase."

This Plan is incorporated by reference in the Purchase Agreement. Any inconsistency between the Purchase Agreement and this Plan shall be resolved in favor of this Plan.

Neither this Plan nor the Purchase Agreement shall contain or be modified to contain any provision waiving the Purchaser's rights, other than the ability of the Purchaser to waive his or her right to thirty (30) days written notice prior to closing of title to the Unit, or abrogating the Sponsor's obligations under this Plan or under Article 23-A of the New York General Business Law.

The Escrow Agent

The law firm of Romer Debbas LLP, with an address at 275 Madison Avenue, New York, New York 10016, telephone number (212) 888-3100, shall serve as escrow agent ("Escrow Agent") for the Sponsor and the Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Louis Sherman; Sharon Zimmer; Michael Romer; Matthew Melnick and Pierre Debbas. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Account

The Escrow Agent has established the escrow account at Valley National Bank, located at 111 Fourth Avenue, New York, New York 10003 ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "Romer Debbas – 318 West

52nd Street Escrow Account" ("Escrow Account") The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit. Any deposit in excess of $250,000 will not be insured.

All Down Payments and other deposits received from a Purchaser (collectively, the "Deposits") shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of Romer Debbas LLP, as Escrow Agent.

Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance with the terms of a written agreement between a Purchaser and Sponsor.

The current prevailing interest rate for all Deposits made into the Escrow Account is .1% as of the date of this Plan. The actual interest rate for Purchasers' Deposits shall be set forth in the notice of deposit sent to each Purchaser by the Escrow Agent. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to or credited to the Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

Section 71-(a) (3) of the New York State Lien Law imposes certain requirements upon the sale of residential properties, which in the opinion of the Sponsor are satisfied by the terms of this Plan. Those provisions of Section 71-(a)(3) of the Lien Law are as follows: (a) a Purchaser may require that the Down Payment be deposited within five (5) business days thereafter by the Sponsor in an interest bearing account in a bank, trust company, savings bank, state or federal savings and loan association, located in New York, which deposit, together with the interest accumulated thereon, shall remain the property of the Purchaser except as otherwise provided herein; (b) the Sponsor shall advise the Purchaser in writing of the name of the depository where the funds have been placed within ten (10) business days after such deposit has been made; (c) in lieu of making the deposit of such moneys in an escrow account as provided in paragraph (a), the Sponsor may post with the Purchaser a bond or contract of indemnity, issued by a surety company licensed to execute such an instrument in New York State, guaranteeing the return of the moneys which otherwise would be required to be deposited in such escrow account, in which case the Sponsor shall not be required to deposit such money in an escrow account, which bond or contract of indemnity shall be delivered to the Purchaser within ten (10) business days after receipt of the Down Payment; (d) at any time after making the deposit of such moneys in the escrow account, the Sponsor may post with the Purchaser a bond or contract of indemnity issued by a surety company licensed to execute such an instrument in New York guaranteeing the return of such moneys, in which case the Sponsor shall not be required to maintain the deposit of such moneys in such account; (e) the Down Payment shall be retained in the escrow account or such bond or contract of indemnity continued in effect until the Purchase Agreement is terminated (i) by the Sponsor's performance of the terms of the Purchase Agreement, or (ii) by default of the Purchaser excusing the Sponsor's performance of the terms of the Purchase Agreement, or (iii) by release or discharge of the Sponsor's liability to refund the Down Payment, or (iv) upon transfer of title of the Unit to the Purchaser; (e) every Purchase Agreement which by its terms

provides for is incidental to a contract providing for the construction on the subject real property of a residential condominium unit or a structure designed solely for the residential occupancy by not more than two families living apart, shall contain a statement advising the Purchaser of the provisions of this subdivision, which statement shall be printed in bold type which is at least two points larger than any other printing contained thereon and shall read as follows: "YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE."

The Purchase Agreement

The Purchase Agreement is attached hereto as Exhibit A in Part II of the Plan. The relevant escrow trust fund provisions are included in Paragraph 16 of the Purchase Agreement, which must be executed by the Escrow Agent.

Notification to Purchaser

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

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

Release of Funds

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

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

The Escrow Agent shall release the Deposits if so directed:

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

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

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

If the Escrow Agent is not directed to release the Deposits pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the Deposits, then the Escrow Agent must give both the Purchaser and the Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposits. If the Escrow Agent has not received notice of objection to the release of the Deposits prior to the expiration of the thirty (30) day period, the Deposits 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 Deposits within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposits 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 Deposits 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.

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

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

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

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

Waiver Void

Any provision 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 Deposits or other deposit in trust is absolutely void. The provisions of the Attorney General's regulations and General Business Law §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, this Plan, or any amendment thereto.

The Escrow Agent is acting as an accommodation to the Sponsor and shall not be liable for any action taken or omitted under this Plan or any Purchase Agreement except for its negligence or willful misconduct. It shall incur no liability to the Sponsor with respect to any action taken or suffered by it in reliance upon any notice, direction, instruction, consent, statement or other paper or document reasonably believed by it to be genuine. Upon payment of funds in accordance with the terms of the escrow agreement and this Plan, the Escrow Agent will be discharged from liability by the Sponsor.

In the event a conflict should arise over the disposition of any monies deposited in escrow, the attorneys serving as Escrow Agent may represent the Sponsor in such dispute.

The Escrow Agent will maintain all records concerning the escrow account for seven (7) years after the release of funds.

ASSIGNMENT OF PURCHASE AGREEMENTS

No assignments of Purchase Agreements by Purchasers will be permitted without the prior written consent of the Sponsor, which may be given or withheld in the Sponsor's sole discretion.

EFFECTIVE DATE OF THIS OFFERING PLAN

All Purchase Agreements are contingent upon the Plan being declared effective in compliance with the time periods and conditions set forth herein.

This Plan will become effective at the Sponsor's option, but in no event prior to the date that there are binding Purchase Agreements in effect for at least 15% of the Residential Units offered under this Plan (i.e., 5 Residential Units). The Sponsor must, however, declare this Plan effective at such time as the Sponsor shall have entered into valid and binding Purchase Agreements for 80% in number of the Residential Units offered under this Plan (i.e., 24 Residential Units). For the purpose of this Plan, a Purchase Agreement shall be valid and binding if executed by both the Purchaser and the Sponsor.

For purposes of effectiveness, Purchase Agreements will not be included in the count if (i) they are signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) the Purchaser was not afforded at least three (3) business days to review this Plan and all filed amendments prior to signing a Purchase Agreement or at least seven (7) days after signing a Purchase Agreement to rescind the Purchase Agreement, as more fully described in the Section entitled "Procedure to Purchase"; or (iii) they are signed by any Purchaser who is the Sponsor, the Selling Agent or the managing agent or a principal of any of them, or is related to the Sponsor, the Selling Agent or the managing agent or to a principal of any of them by blood, marriage or adoption or as a business associate, employee, shareholder or limited partner. Notwithstanding the foregoing, a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is a bona fide purchaser.

This Plan will be declared effective by an amendment to this Plan which will be submitted to the Department of Law. No closings shall occur until this Plan is declared effective and the effectiveness amendment has been accepted for filing by the Department of Law.

If requested, the Sponsor will submit to the Department of Law copies of all Purchase Agreements and any amendments or modifications thereto, within five (5) business days after the request is made.

This Plan may be abandoned by the Sponsor at any time prior to being declared effective. If this Plan is abandoned and the Sponsor has accepted Purchase Agreements, the Sponsor shall promptly submit an amendment to the Office of the Attorney General together with form RS-3 as promulgated by the Office of the Attorney General. If payments under Purchase Agreements have been received, the amount of such funds and the manner and time when these funds will be returned to Purchasers must be disclosed. The funds must be returned within five (5) days after the amendment abandoning this Plan has been accepted for filing. If there are no outstanding Purchase Agreements the Sponsor need not submit an amendment but shall submit a form RS-3 to the Office of the Attorney General which shall be served simultaneously by the Sponsor on all commercial or professional tenants, if any, in the manner specified by regulations promulgated by the Office of the Attorney General.

The Sponsor may not abandon this Plan after it has been declared effective for any reason other than (i) a defect in title which cannot be cured without litigation or which cannot be cured for less than one-half of one (.5%) percent of the total amount of this offering, or (ii) substantial damage or destruction of any portion of the Building by fire or other casualty which cannot be repaired for less than one-half of one (.5%) percent of the total amount of this offering, or (iii) the taking of any material portion of the Property by condemnation or eminent domain. The figures computed for purposes of (i) and (ii) above shall not include attorneys' fees and title defects or determinations of any authority or regulatory association which exist on the date of presentation of this Plan and either are known to the Sponsor or are a matter of public record.

TERMS OF SALE

The closing of title to each Unit will take place only after or concurrently with the following events:

1. Declaration of this Plan's effectiveness by the filing of an amendment to this Plan confirming the effectiveness thereof, and confirming that the Units have been and are being constructed in accordance with applicable plans and specifications as more fully described in the section of the Plan entitled "Description of Property and Improvements";

2. Recording of the Declaration and the By-Laws in the New York County office of the Register of the City of New York. In addition, a set of floor plans of the Building showing the layout, location and approximate dimensions of the Units and the Unit designations, with tax authority certification as conforming to the official tax lot number for each such Unit and an Architect's statement required by Section 339-p of Article 9-B of the Real Property Law of the State of New York certifying that the plans fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, will be filed in said office. The Sponsor reserves the right to record, or (on request of the Sponsor) to require the Board of Managers to duly execute and record, in the New York County office of the Register of the City of New York, an amendment to the Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owner or mortgagee for purposes of (i) changing the designation of a Unit, the approximate square foot area of a Unit and the number of rooms in a Unit and (ii) making insubstantial changes to the Declaration;

3. Issuance of a temporary or permanent Certificate of Occupancy for the entire project, or, alternatively, the issuance of a partial, temporary or permanent Certificate of Occupancy for the Unit under contract and being closed;

4. Release of the Unit to be closed and its undivided common interest from the liens of all mortgages except the Purchaser's mortgage, if any, and free and clear of all other liens and encumbrances except those described in this Plan, including those described in the proposed Unit deed in Part II of this Plan;

5. Service on Purchaser with written Notice of the Closing Date no less than thirty (30) days in advance of closing (unless such time period is waived by the Purchaser);

6. Delivery to the Purchaser of a Bargain and Sale Deed with Covenants against Grantor's Acts, in proper form for recording and containing the provisions set forth in subdivision 5 of Section 13 of the Lien Law;

7. Assignment to the Purchaser of any manufacturer's warranties with respect to equipment and appliances installed in the Unit, and assignment to the Board of Managers of any warranties with respect to equipment and appliances installed in the Common Elements; and

8. The execution by the Purchaser of a Power of Attorney in the form contained in Part II, designating (a) the Board of Managers as his attorneys-in-fact, coupled with an interest,

for the purposes of (i) managing, selling, mortgaging, leasing, voting or otherwise dealing with any Residential Units acquired by the Board on behalf of all Unit Owners, (ii) authorizing the Board to apply for a reduction in the assessed valuation of the Residential Units as part of a single application on behalf of all Unit Owners and to prosecute and settle any such action, and (iii) otherwise acting in accordance with the Condominium's Declaration and By-Laws, and (b) the Sponsor as his attorney-in-fact, coupled with an interest, for the purpose of amending the Declaration, By-Laws and/or Rules and Regulations of the Condominium when such amendment may be required (i) to reflect changes in unsold Units, (ii) by a lender designated by the Sponsor to make a mortgage loan secured by a mortgage on a Residential Unit, (iii) by a governmental agency, or (iv) by a title insurance company selected by the Sponsor to insure title to a Residential Unit. The Power of Attorney shall not, however, be effective for the election of managers.

In the event that all or a substantial part of a Residential Unit is damaged or destroyed by fire or other casualty prior to the Closing Date, the Sponsor may elect, by notice to the Purchaser within ninety (90) days after such damage or destruction, to terminate the Purchase Agreement and refund the down payment to the Purchaser, with interest if any has been earned. Upon such termination, the Purchase Agreement shall be null and void and the Sponsor and the Purchaser shall have no further obligation or liability to the other. If the Sponsor does not elect to terminate the Purchase Agreement, or if less than a substantial part of the Residential Unit is damaged or destroyed, the Purchase Agreement will remain in full force and effect and the Sponsor shall restore the Residential Unit to its condition existing immediately before such damage or destruction.

All personal property owned by the Sponsor which is located within a Residential Unit on the date a Purchase Agreement is accepted by the Sponsor will be included in the conveyance of the Residential Unit, and all personal property owned by the Sponsor which is affixed to or located within the Common Elements on the date the Declaration of Condominium is recorded will become the property of the Condominium upon the recording of the Declaration, except for personal property used in connection with construction activities or with the Sponsor's offer and sale of the Residential Units and except as otherwise indicated in this Plan. Notwithstanding the foregoing, furniture, furnishing, equipment and decorations in the Sales Office and model Residential Units are not included in the conveyance of the Residential Unit unless the Purchaser has agreed to pay the Sponsor, in addition to the purchase price of the Residential Unit, an amount as determined by the Sponsor and as more fully set forth in a rider to the Purchase Agreement.

At or prior to the first conveyance of a Residential Unit, each holder of a mortgage on the Property will either: (a) consent to the formation of the Condominium and acknowledge that its lien will be limited to unsold Residential Units; (b) subordinate the lien of its mortgage to the Declaration of Condominium; or (c) release its lien on the Residential Unit being conveyed and its interest in the Common Elements.

The Purchaser's obligation for payment of the Common Charges and expenses applicable to his or her Residential Unit will begin to accrue on the date on which title is closed.

STATUS OF TITLE AT CLOSING

The deed conveying ownership of the Residential Unit to the Purchaser will contain the provisions set forth in subdivision 5 of Section 13 of the Lien Law, and will convey title free and clear of all liens and encumbrances other than:

1. State of facts shown on a survey made by Boro Land Surveying, P.C., dated April 26, 2014.

2. Any additional state of facts which an accurate survey would show since April 26, 2014, providing such additional facts do not render title unmarketable.

3. Zoning and building ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the Building.

4. Easement Agreement made by USPS dated October 25, 2013 and recorded in the City Register's Office on November 25, 2013 in CRFN 2013000486393.

5. Zoning Lot Description and Ownership Statement made by USPS dated December 6, 2013 and recorded in the City Register's Office on December 18, 2013 in CRFN 2013000517996.

6. Zoning Lot Certification made by Horizon Land Services, LLC, as agent for First American Title Insurance Company, dated as of October 31, 2013, and recorded in the City Register's Office on December 18, 2013 in CRFN 2013000517997.

7. The Declaration, By-Laws, Maps and Floor Plans to be recorded and filed in the New York County office of the Register of the City of New York, as the same may be amended from time to time, and the terms, covenants and conditions of this Plan and amendments thereto.

8. Easement in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction of the Building or which may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any adjoining Unit or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements, made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand.

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

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

11. Standard printed exceptions to the ALTA policy of title insurance.

12. Franchise taxes, if any, provided the title company issuing a policy of title insurance to the Purchaser will insure that such taxes cannot be collected from the Unit.

Each Unit Owner shall have an easement in common with the Owners of other Units to use all pipes, ducts, cables, wires, conduits, public utility lines or other Common Elements located in other Units and serving his Unit. In addition, each Unit Owner shall have an easement for the continuance of any encroachment by his Unit on any adjoining Unit or on any Common Element, now existing as a result of construction of the Building, or which may come into existence hereafter as a result of the Building settling or shifting, or as a result of restoration of the Building or a Unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Building stands. The Board of Managers, through the manager, managing agent, or their employees shall have a right of access to each Unit to inspect and make repairs to the Unit to prevent damage to the Common Elements or any other Unit.

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

Royal Abstract of New York LLC (as agent for Old Republic National Title Insurance Company), having an office at 500 Fifth Avenue, Suite 1540, New York, New York 10110 [Tel: 212-376-0900; Fax: 212-376-0912] (the "Preferred Title Company"), has agreed to insure, upon payment by a Purchaser of the premium for such insurance (see the estimate of the cost described below in the section entitled "Closing Costs and Adjustments"), (i) that the Purchaser has fee title to the Unit, free and clear of all liens and encumbrances except those set forth in this Plan, and subject to the provisions of the declaration and By-Laws and any mortgage executed, or any other encumbrance created, by the Purchaser; and (ii) that the Unit is part of the Condominium which was validly created pursuant to Article 9-B of the Real Property Law. While the Purchaser will be free to select a title company of his or her choice, the Sponsor's obligation to deliver title to the Unit as provided above will be deemed satisfied if the Preferred Title Company is prepared to insure such title subject to those title exceptions permitted under this Plan. Since the Sponsor has no obligation to satisfy the requests of any title company other than the Preferred Title Company, Purchasers who use a title company other than the Preferred Title Company may not be able to obtain a title insurance policy that will satisfy the requirements of lenders and other persons. If a Purchaser uses a title company other than the Preferred Title Company, the Purchaser, or his or her attorney, must notify the Sponsor's attorneys not later than thirty (30) days prior to the Closing Date of all title objections raised by

the Purchaser's title company,. If such notice is not timely delivered, the Purchaser shall be obligated to accept such title to the Unit as the Preferred Title Company is willing to insure.

UNIT CLOSING COSTS AND ADJUSTMENTS

Estimated Closing Costs

The estimated closing costs to be borne by each Purchaser of a Residential Unit are set forth below. Such costs are estimated and are subject to change without notice:

(a) Fee title insurance, if Purchaser elects to obtain title insurance. Notwithstanding anything herein to the contrary, a Purchaser may elect to obtain title insurance and/or a title report from any title insurance company and/or abstract company. Purchasers are advised that obtaining title insurance from a title insurance company and/or abstract company other than the Preferred Title Company may cause a delay of the closing of title to the Unit. Fee title insurance rates as quoted by the Preferred Title Company as of the date of this Plan are as follows:

(i) fee title insurance where the purchase price is up to $1,000,000 (for all title insurance underwriters participating in the 15% reduction in rates approved by the New York State Superintendent of Insurance):

the discounted premium for owner's title insurance is 70% of the sum of (A) $342 for the first $35,000 of coverage, (B) $5.67 per additional $1,000 of purchase price in excess of $35,000 up to $50,000, (C) $4.62 per $1,000 of purchase price in excess of $50,000 up to $100,000, (D) $3.71 per $1,000 of purchase price in excess of $100,000 up to $500,000, and (E) $3.38 per $1,000 of purchase price in excess of $500,000 up to $1,000,000.

(ii) fee title insurance where the purchase price is more than $1,000,000:

the discounted premium for owner's title insurance is 70% of the sum of (A) $402 for the first $35,000 of coverage, (B) $6.67 per additional $1,000 of purchase price in excess of $35,000 up to $50,000, (C) $5.43 per $1,000 of purchase price in excess of $50,000 up to $100,000, (D) $4.36 per $1,000 of purchase price in excess of $100,0000 up to $500,000, (E) $3.98 per $1,000 of purchase price in excess of $500,000 up to $1,000,000, and (F) $3.66 per $1,000 of purchase price in excess of $1,000,000 up to $5,000,000.

Purchasers are required to accept such title as the Preferred Title Company will provide, approve and insure and without additional premium, provided that the only liens, encumbrances and conditions affecting title shall be the matters described in the section of this Plan entitled "Status of Title at Closing". As a result, the Sponsor is not obligated to cause a Purchaser's title company to omit any exception to title if the Preferred Title Company is willing to insure the Purchaser's title without such exception, at its regular rates and without premium, by either (i) omitting same from the Purchaser's title insurance policy or (ii)

insuring against collection from the Unit. Each Purchaser will be responsible to pay to the title company the entire premium for the Purchaser's title insurance. In the event there is a delay in the closing of title to a Unit due to clearance of title issues or otherwise as a result of a Purchaser utilizing a title company other than the Preferred Title Company, the Purchaser will be responsible for the additional closing costs as provided for in the Purchase Agreement and in this Section of the Plan.

(b) Recording fee of approximately $360 for recording the deed and power of attorney.

(c) New York State Real Estate Transfer Tax, which is currently $2 for each $500 of the purchase price or portion thereof. The shifting of the obligation to pay this tax from the Sponsor as a seller of real property to the Purchaser is deemed additional consideration to the Sponsor. Accordingly, the initial computation of this tax (and of the New York City Real Property Transfer Tax) is added to the purchase price in order to determine the taxable consideration, and then the New York State Real Estate Transfer Tax is then recomputed based upon the aggregate amount.

(d) New York City Real Property Transfer Tax, which is currently at the rate of 1% of the purchase price where the purchase price is $500,000 or less or at the rate of 1.425% of the purchase price where the purchase price is more than $500,000, plus a filing fee to the City of approximately $125. The shifting of the obligation to pay this tax from the Sponsor as a seller of real property to the Purchaser is deemed additional consideration to the Sponsor. Accordingly, the initial computation of this tax (and of the New York State Real Estate Transfer Tax) is added to the purchase price in order to determine the taxable consideration, and then the New York City Real Property Transfer Tax is then recomputed based upon the aggregate amount.

(e) New York State Mansion Tax, which is applicable where a purchase price (as increased by the additional consideration deemed paid to the Sponsor as a result of the Purchaser's payment of the transfer taxes described in (d) and (e) above) exceeds $1,000,000, and is equal to 1% of said purchase price, as increased by the New York State and New York City transfer taxes payable by the Purchaser as described in (d) and (e) above.

(f) A sum equal to two (2) months' Common Charges payable to the Board of Managers as an initial, non-reimbursable contribution to the Working Capital Fund of the Condominium. Said payment shall be in addition to and not in lieu of monthly payments of Common Charges required to be made.

(g) The following closing fees of the Sponsor's attorneys:

(1) $2,500 closing fee (plus $150 for disbursements) if the closing is held at the offices of Romer Debbas LLP, 275 Madison Avenue, New York, New York;

(2) $500 travel fee if the closing is held in another location in the City of New York, Borough of Manhattan (the closing shall not be held outside the Borough of Manhattan);

(3) $500 if the Purchaser does not pay the balance of his purchase price on time as required by the Purchase Agreement; and

(4) $500 if the Purchaser (with the Sponsor's consent, which may be withheld in the sole discretion of the Sponsor) assigns his or her Purchase Agreement.

The costs in (h) above are cumulative to the extent applicable to an individual closing.

(h) In the event the Purchaser obtains a mortgage, the Purchaser shall pay all costs in connection with the mortgage. Such mortgage costs may include, but may not be limited to, the following:

(1) Loan origination fee or "points";

(2) Charge for appraisal service and credit check;

(3) Legal fees of the lender's attorney;

(4) Title insurance premiums for a lender's policy as of the date of this Plan are as follows:

a base rate of $344 for the first $35,000 in coverage, plus $5.55 per $1,000 of coverage in excess of $35,000 up to $50,000, plus $4.54 per $1,000 of coverage in excess of $50,000 up to $100,000, plus $3.64 per $1,000 of coverage in excess of $100,000 up to $500,000, plus $3.31 per $1,000 of coverage in excess of $500,000 up to $1,000,000, plus $3.05 per $1,000 of coverage in excess of $1,000,000 up to $5,000,000. If a mortgage title policy is purchased simultaneously with a fee insurance policy and through the same company, insurance coverage rates shall be discounted.

(5) Recording charges to record the mortgage;

(6) Private mortgage insurance premium, if required by the lender; and

(7) Mortgage tax, currently at the rate of 2.05% of the mortgage amount for those mortgages securing a loan of less than $500,000 or 2.175% of the mortgage amount for those mortgages securing a loan of $500,000 or more, less $30 (the Sponsor shall be entitled to receive the benefits of any mortgage tax credit allowable under Section 339-ee of the Real Property Law, by closing adjustment or by check payable by the Purchaser to the Sponsor at closing). Institutional lenders are required to pay .25% of the 2.05% or 2.175% tax, thereby reducing the Purchaser's cost to 1.8% less $30.00, for mortgages less than $500,000, and 1.925% less $30.00 for mortgages of $500,000 or more.

If any of the costs in (a) through (h) above are advanced by the Sponsor, the Purchaser will reimburse the Sponsor for same at the closing.

If a Purchaser obtains a commitment for a mortgage loan to finance the purchase of his Unit, the mortgage on the Unit may provide that the mortgagor shall deposit monthly with the mortgagee one-twelfth (1/12th) of the estimated annual real estate taxes assessed or to be assessed against the Unit, and at the closing of title the Purchaser may be required to deposit with the mortgagee a portion of the annual real estate taxes assessed against the Unit for the forthcoming period.

In addition, each Purchaser of a Unit will be responsible for the fees and expenses of his own attorney, if any.

As an example of the estimated closing costs, a Purchaser of Unit 4J, at a Purchase Price of $1,175,000, would pay the following closing costs:

Fee title insurance	$ 5,148.05
New York State Real Estate Transfer Tax	
New York City Real Property Transfer Tax, including Filing Fee ($125)	21,960.32
New York State Mansion Tax	11,964.44
Recording charges (Est.)	360.00
Working Capital Fund Contribution	2,994.94
Fee to Sponsor's attorney (plus $150 for disbursements)	2,150.00
	$44,577.75

(plus other costs such as mortgage-related costs and the Purchaser's own legal fees, if applicable. These will vary significantly based on different lenders and circumstances, and are therefore not estimated above.)

Estimated Expenses and Adjustments

Purchasers will be required to pay to the Board of Managers Common Charges allocable to their Units monthly in advance, notwithstanding that work may remain to be completed in the Unit by the Sponsor. Common Charges assessed during the month in which title closes shall be

adjusted with the Sponsor as of midnight of the day preceding the Closing Date. The amount of such Common Charges to be assessed against each Unit will be fixed by the Board of Managers.

Real estate taxes for each Unit for the tax year in which title closes will be apportioned between the Sponsor and the Purchaser as of the date of closing of title. In the event that Units have not been separately assessed for real estate tax purposes prior to the first closing of title to a Unit, the Sponsor will (i) place in escrow in the name of the Board of Managers an amount equal to the unpaid real estate taxes which will be levied against the Property for the six (6) month period following the first closing of title, (ii) pay the real estate taxes from this escrow account when they become due and payable, and (iii) at each closing of title to a Unit receive a pro rata reimbursement from the Purchaser of an amount based upon the assessment for the Property and the percentage of the Common Elements appurtenant to the Unit.

Each Purchaser will be required to reimburse the Sponsor, at closing, such Purchaser's pro rata share of the Condominium's portion of the premium for the insurance policy (as described in the footnotes to Schedule B) covering the first year of operation of the Condominium, the premium for which will be prepaid by the Sponsor prior to the first closing of title to a Unit. The amount of reimbursement will vary depending on the Unit's percentage interest in the Common Elements and, with respect to the insurance premium, the date of closing of title to the Unit. The actual reimbursement for the insurance premium will be determined by multiplying the amount of the prepaid premium by the Unit's percentage interest in Common Elements, and then multiplying the resulting per diem rate by the number of days remaining in the relevant covered period.

Adjustment for Adjourned Closings

If, through no fault of the Sponsor, a Purchaser fails to close for any reason on the date originally scheduled for closing of title to the Unit, the Sponsor does not elect to cancel the Purchase Agreement, and the closing thereafter occurs on a later date, then in such event the Purchaser shall pay the Sponsor an amount equal to 16% per annum of the Purchase Price of the Unit for each day's delay, starting with the day originally scheduled for closing and including the day immediately prior to the actual Closing Date and all adjustments shall be made as of the date originally fixed for the closing of title.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

The Sponsor represents that:

1. The Sponsor will defend any suits or proceedings against the Condominium arising out of the Sponsor's acts or omissions, and it will indemnify the Condominium Board of Managers and the Unit Owners against liability imposed as a result of such suits or proceedings.

2. All representations under this Plan, such obligations under this Plan which are to be performed subsequent to the closing of title to a Unit and all other obligations under the General Business Law, shall survive delivery of the deed.

3. The Sponsor has obtained financing for the construction of the Residential Units from Pacific Western Bank.

4. The Sponsor will at its sole cost and with reasonable diligence complete the construction of the Condominium substantially in accordance with all applicable codes and with the plans and specifications described in this Plan, and with a quality of construction comparable to currently prevailing standards. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in this Plan and in the architectural plans on file, but due to unavailability of materials and supplies or for any other reason, the Sponsor may substitute materials, fixtures, appliances and equipment of substantially equal or better quality. The Sponsor may direct the architect to replace, substitute or change any materials, equipment, appliances, or finishes, such replacements, substitutions or changes to be of equal or better quality than the originally designated item, as such quality is determined by the Sponsor in its sole discretion.

The Sponsor also reserves the right to make modifications of layout or design, as more fully set forth in the section entitled "Changes in Prices and Units", provided, however, that the Sponsor may not change the size or layout of Units, other improvements or Common Elements if such changes affect the percentage of Common Interest appurtenant to a Unit or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners consent in writing to such change and all affected contract vendees either consent in writing to such change or are given the right to rescind their Purchase Agreements and receive a refund of all monies paid under their Purchase Agreements, with interest if any has been earned.

5. The Sponsor will obtain a temporary certificate of occupancy for one or more Units prior to the first closing of title to a Unit. It will be the Sponsor's obligation to obtain renewals of the temporary certificate of occupancy for the Units until a permanent certificate of occupancy is obtained, and to cause a permanent certificate of occupancy for the Building to be obtained. The Sponsor will use good faith efforts to obtain a permanent certificate of occupancy within two (2) years after the issuance of the initial temporary certificate of occupancy.

The Sponsor is obligated to perform all work in the common areas of the Condominium which is necessary for a permanent certificate of occupancy for the Building to be issued.

If the first closing of title to a Residential Unit takes place prior to the issuance of a permanent Certificate of Occupancy for the Building, the Sponsor shall maintain all deposits and sales proceeds 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 reasonably necessary to complete the work necessary to complete all alterations and improvements to the public portions and common areas of the Building, in which case the sum exceeding the amount so certified by the Sponsor's engineer or architect may be released from escrow. Alternatively, the Sponsor may deposit with the escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified or provide other collateral acceptable to the Department of Law, in which event same will be reflected by duly filed amendment to this Plan.

6. With respect to the construction of a Unit or the Common Elements, or the installation or operation of any mechanical equipment therein, the Sponsor will correct any material defects due to substantially improper workmanship or materials substantially at variance with the plans and specifications, provided and on condition that: (a) in the case of a Unit, the Sponsor is notified in writing of such defect within sixty (60) days from the closing of title to, or the Sponsor's first leasing of, such Unit (or if the defect was not reasonably discoverable within that period and is not a defect in the installation or operation of any appliance, equipment or fixtures with respect to which an assignable warranty or other undertaking, however denoted, from a contractor, materialman or others is assigned to the Unit Owner, within one hundred twenty (120) days after the closing of title to, or the Sponsor's first leasing of, such Unit); or (b) in the case of the Common Elements, the Sponsor is notified in writing of such defect within sixty (60) days after the date of completion of that portion of the Common Elements to which such notice relates (or, if the defect was not reasonably discoverable within that period and is not a defect in the installation or operation of any appliance, equipment or fixtures with respect to which an assignable warranty or other undertaking, however denoted, from a contractor, materialman or others is assigned to the Condominium Board, within one hundred twenty (120) days after the completion of that portion of the Common Elements to which such notice relates). The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications. The Sponsor makes no other warranty or promise with respect to the materials or workmanship of each Unit and the Common Elements.

The Sponsor shall have discharged any obligation it may have with respect to any defect described in the preceding paragraph, and shall have no liability for direct, indirect or consequential damages arising therefrom, if (i) the Sponsor is not notified in writing of such defect within the time periods specified above, or (ii) the Condominium Board and/or the Unit Owner in question prevents the Sponsor, the Sponsor's contractors and/or the Managing Agent from access to the Unit or Common Elements in question as provided herein, or (iii) the Sponsor shall have corrected the defect in accordance with the practice of the industry as determined by the Sponsor's general contractor or architect or engineer, in their sole discretion.

The Sponsor makes no warranties as to kitchen appliances, heat pump units, washers, dryers or any other appliance, except that it will assign to the Purchaser any manufacturer's

warranties thereon and any manufacturer's warranties existing for other items in the Purchaser's Unit to the extent same are assignable. Except as expressly set forth in this Plan, the Sponsor is not making any express or implied warranties of fitness for a particular purpose, merchantability or habitability. Without limiting the generality of the foregoing, the Sponsor hereby disclaims any and all express or implied warranties as to view, light quality, sound and/or odor transmission, and the existence of molds, mildew, spores, fungi and/or other toxins within the Units, the Common Elements or the Building. The Sponsor has not given and no Purchaser may rely on or bargain for any such warranties.

In no event will the Sponsor be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty or otherwise), including without limitation, any costs associated with a Purchaser vacating the Unit or its contents during any period of repair or alteration which the Sponsor has agreed or is required to perform, it being intended that the Sponsor's sole obligation under this Plan will be to repair or, at the Sponsor's election, 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), subject to the terms and conditions set forth in this Plan.

Under no circumstances will the Sponsor be responsible for correcting or repairing, or be liable for direct, indirect or consequential damages arising out of: (i) defects in the installation or manufacture of the flooring in any Unit; (ii) defects of construction or in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, materialmen, or others, are assigned to the Condominium Board or Unit Owners; (iii) normal wear and tear or natural deterioration; (iv) normal settling or shifting of the Building; (v) defects of an insubstantial nature, including, without limitation, minor cracking, gaps, separation or scratches, minor differences in color or tone, nail pops, ridging on sheet rock walls, lumber shrinkage, door or window sticking, door warpage, scratches or chips in stone, Formica, granite, Corian or porcelain surfaces, partial or total death of any trees, shrubs, bushes or other landscape improvements, bath and kitchen tile grouting, walls not square, electrical plates not straight, discoloration or shrinkage, and separation between base and floor; (vi) normal settlement and deflection; (vii) cracks in roof pavers or other concrete that does not impair the structural soundness of the Building; (viii) variations in floor levels; (ix) ceiling cracks or imperfections; (x) minor painting defects; (xi) alignment of bathroom finishes; (xii) air infiltration from windows; (xiii) normal plumbing system, heating system and air conditioning system noises; (xiv) normal floor noises and creaking; (xv) carpet or floor discoloring or stretching; (xvi) variations in width, length, tone or color of wood floor strips, or normal shrinkage or expansion of wood flooring due to changes in moisture content of wood; (xvii) 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, doors, mirrors, hardware, appliance cabinets and flooring; (xviii) subsequent to the Unit closing, paint touch-ups, dented appliances, lighting or light ballasts; (xix) cracks in, or variations in tone, finish or color of, any counters, vanity tops or other stone surfaces; (xx) ponding and/or controlled drainage on the roof surface; (xxi) cracks in any pressure treated wood or redwood used or intended for use outside the Building; or (xxii) variation in placement or spacing of bathroom floor tiles. In the event of any substantially

chipped stone, Formica, granite, Corian or porcelain surface, the Sponsor may fill or refinish the surface, but in no circumstance shall the Sponsor be obligated to replace such stone, Formica, granite, Corian or porcelain surface.

The Board of Managers is required to maintain and manage the Condominium, to keep the Common Elements therein clean and properly lighted, to keep structural and mechanical equipment in good working order, and to repair those portions of the Condominium which are not required to be maintained by the Unit Owners. The Sponsor shall have no obligation, responsibility or liability with respect to any condition caused by the act or omission of a Unit Owner, the Board of Managers of the Condominium, the Managing Agent or any person other than the Sponsor or its contractors.

The Sponsor will deliver a Limited Warranty for each Residential Unit which differs in certain respects from the Housing Merchant Implied Warranty under Article 36-B of the General Business Law of the State of New York. The complete provisions of the Limited Warranty are annexed to the Purchase Agreement. Generally, those provisions limit the warranty as follows:

(a) no consequential or incidental damage may be recovered by a Purchser;

(b) warranty coverage extends only to the initial Purchaser and not to subsequent owners;

(c) the Sponsor's total liability under the Limited Warranty is limited to 75% of the Purchase Price of the Unit, less any insurance proceeds paid to the Purchaser;

(d) all implied warranties of merchantability, fitness or otherwise are excluded;

(e) any obvious defect will be excluded if it was omitted from the inspection statement delivered by the Purchaser during the pre-closing inspection; and

(f) defects in appliances and other equipment will be excluded unless defectively installed by the Sponsor.

7. If any work still remains to be done to complete the Condominium at the time of the first closing of title to a Unit, including completion of the Units and Common Elements, the Sponsor, at its own cost and expense, will perform or cause all such work to be performed and will supply or cause all such work to be supplied, will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the construction of the Units and Common Elements for work performed and fixtures, material and equipment supplied or installed in the construction of the Condominium, and will discharge by bonding or otherwise all mechanics' liens which may have been filed as a result of the construction of the Units or Common Elements.

The Sponsor will bear all costs and expenses incurred in connection with the creation of the Condominium and the initial sale of Units, including, but not limited to, selling expenses and commissions, if any, advertising and printing expenses, architect's fees, organization costs and

engineering costs, whether incurred prior or subsequent to the effective date of the Condominium.

8. All references in this Plan to "plans and specifications" shall mean the plans for the Condominium filed with the appropriate governmental authorities, as the same have been or may be amended or changed. The Sponsor shall provide the Condominium Board of Managers with a set of "as built" drawings representing the state of the drawings at the completion of construction, including structural, mechanical, electrical and plumbing, including necessary amendments filed with and approved by the New York City Department of Buildings.

9. The Sponsor will pay all Common Charges, real estate, taxes, special assessments and other expenses allocable to any Units owned by the Sponsor, so long as the Sponsor shall continue to own the same. The Sponsor has the financial resources to meet its obligations with respect to unsold Units. In the first instance, these obligations will be funded from projected sales. However, no bond or other security has been furnished to secure the performance of the Sponsor's obligations. The ability of the Sponsor to perform its obligations will depend upon its financial condition at the time it is called upon to perform. No representation can be made as to its financial ability to perform any such obligations at the time such obligations arise.

10. The Sponsor shall cause the Board to initially procure fire and casualty insurance pursuant to an agreed amount replacement value policy. The Condominium's share of the cost of such insurance shall be a Common Expense.

11. Pursuant to Section 352-e(9) of the General Business Law, copies of this Plan and all Exhibits or documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of this Plan are and will be kept on file at the office of the Sponsor set forth on the cover page hereof for six (6) years from the first closing of title to a Unit for examination without charge and copying at a reasonable charge, during normal business hours, upon reasonable notice, by prospective Purchasers and any person who has purchased a Condominium interest offered by this Plan or otherwise has participated in this offering.

12. The Sponsor may dissolve or liquidate itself, or its principals may transfer their ownership interests at any time, provided, however, that in the event of the dissolution or liquidation of the Sponsor or the transfer by the Sponsor of the lesser of ten (10) unsold Residential Units or 20% of the total number of Residential Units in the Condominium, the principals of the Sponsor will provide a financially responsible entity or entities or individuals who will assume the status and all of the obligations of the Sponsor for those Units under this Plan, applicable laws and regulations.

This paragraph 12 shall in no way be deemed as a limitation of any of the Sponsor's obligations or any of the rights and remedies of the Unit Owners pursuant to law.

13. If any work still remains to be done to complete the Condominium, including the Units and Common Elements, the Sponsor shall have a right of access in, over and through the Units and Common Elements, but shall be obligated to repair any damage caused by it or its employees, contractors or subcontractors in the process of such completion of construction.

During such time, the Sponsor shall use its best efforts not to unreasonably interfere with the use of the Units and Common Elements by the Unit Owners.

14. In the event that all or a substantial part of a Residential Unit is damaged or destroyed by fire or other casualty prior to the Closing Date, the Sponsor may elect to terminate the Purchase Agreement and refund the down payment to the Purchaser, with interest if earned, by notice to the Purchaser delivered within ninety (90) days after such damage or destruction. If the Sponsor does not elect to terminate the Purchase Agreement, or if less than a substantial part of the Residential Unit is damaged or destroyed, the Purchase Agreement will remain in full force and effect and the Sponsor shall restore the Residential Unit to its condition existing immediately before such damage or destruction.

15. At the closing of title to each Residential Unit, the Sponsor will assign to the Purchaser any assignable manufacturers' warranties relating to equipment and appliances installed in the Residential Unit, and prior to the first closing of title to a Unit the Sponsor will assign to the Board of Managers any warranties with respect to equipment and appliances installed in the Common Elements. From and after the date of each such assignment, the Sponsor will have no liability or obligation whatsoever with respect to such equipment and appliances.

16. Immediately following the first unit closing of title to a Residential Unit, the Sponsor will assign to the Condominium Board, and the Condominium Board will, on behalf of all Unit Owners, assume, all assignable service and maintenance contracts and agreements relating to the Condominium. The Condominium will indemnify the Sponsor against all claims and liability thereunder that relate to matters and events occurring on or after the date of the first closing of title to a Residential Unit.

17. The following documents shall be delivered to the Condominium Board upon transfer of control of the Condominium Board by the Sponsor:

(a) operation and maintenance manuals for mechanical equipment;

(b) equipment warranties;

(c) roof warranty;

(d) major equipment start-up sheets; and

(e) control system as-built plans.

18. The Sponsor may use one or more Residential Units as model Residential Units or as sales offices in connection with the sale and/or rental of Residential Units in the Condominium or as business or administrative offices. During the period in which the Sponsor is offering Residential Units for sale, prospective Purchasers will be given access to all portions of the Residential Area other than those Residential Units which have already been conveyed.

The Sponsor may install signage of any size and in any location on the Property, including the exterior and interior of the Building, relating to the sale or lease of Residential Units and/or the rental of such apartments.

19. Pursuant to the Amended and Restated Declaration of Condominium, if at any time USPS decides to sell or lease the Commercial Unit or any portion thereof (the "Available Unit"), USPS shall provide written notice (the "Notice of Sale or Lease") thereof to the Sponsor. Following the delivery of the Notice of Sale or Lease, the Sponsor may elect to purchase or lease the Available Unit, as the case may be, within the subsequent thirty (30) day period. This right is personal to the Sponsor and cannot be exercised by any person or entity other than the Sponsor or an affiliate of the Sponsor. The terms of this Section shall apply only to USPS, and not to any subsequent bona fide unaffiliated owner of the Commercial Unit.

20. As set forth in the Section of this Plan entitled "The Commercial Unit", there are several restrictions on the use of the Commercial Unit. Under current zoning, the Commercial Unit may not be used for residential purposes.

21. Pursuant to a Right of First Offer Agreement between USPS and the Sponsor, dated June 27, 2014 and recorded in the City Register's Office on July 30, 2014 in CRFN 2014000251672 (the "ROFO Agreement"), if at any time USPS decides to sell all or any portion of the parcel of land owned by USPS at 315 West 51st Street (adjacent to the Building) (the "Offered Parcel"), USPS shall notify the Sponsor (the "Availability Notice") of the availability of the Offered Parcel and shall set forth in such Availability Notice (1) the date on which such Offered Parcel will be available for transfer to the Sponsor, and (2) the terms and conditions upon which USPS is offering the Offered Parcel to the Sponsor, including a request for the Sponsor to make its best price proposal. The Sponsor shall have a period of thirty (30) days to make an offer for the Offered Parcel. This right is personal to the Sponsor and cannot be exercised by any person or entity other than the Sponsor. The ROFO Agreement does not contain any restrictions on the use of the Commercial Unit. The Sponsor has no current intention to purchase the Commercial Unit pursuant to the ROFO Agreement and, since USPS has not given an Availability Notice, and has no current intention for the use of the Commercial Unit if it did purchase the Commercial Unit pursuant to the ROFO Agreement.

22. At each closing of title to a Residential Unit that occurs prior to the issuance of a Final Certificate of Occupancy for the Building by the New York City Department of Buildings, the Sponsor will deliver to the Purchaser a copy of a Unit Owner Protection Plan in the form required by Section 28-104.8.4 of the New York City Building Code, which is contained in Part II of this Plan.

The Sponsor makes no representations or warranties except as provided in this Plan. Each of the obligations of the Sponsor contained in this Offering Plan shall be enforceable by any Residential Unit Owner as to his or her Residential Unit or the Board of Managers on behalf of the Residential Unit Owners as to Common Elements. The Sponsor has no obligation to make any repair to the Residential Units or Common Elements except as set forth in this Plan and as required by law.

CONTROL BY THE SPONSOR

Title to all unsold Residential Units will remain with the Sponsor until such Residential Units shall thereafter be sold by the Sponsor and a deed delivered to a Purchaser. Such sale does not require the approval of or a first offer to the Board of Managers. No fee or cost of any kind may be imposed by the Board of Managers or its managing agent upon the Sponsor or the Purchaser in connection with such sale.

There shall be a three (3) member Condominium Board. The Sponsor, as the owner of unsold Residential Units, may have voting control of the Condominium Board of Managers, except that the Sponsor may not control such Board after the later of the third anniversary of the date of the first closing of title to a Residential Unit, or 120 days after the closing of title to ninety (90%) percent of the Residential Units, but in no event later than the fifth anniversary of the first closing of title to a Residential Unit. The Sponsor shall designate all three (3) members of the Board until the first annual meeting of Unit Owners, at which time one of the members designated by the Sponsor shall resign and one (1) member will be elected by the then Residential Unit Owners other than the Sponsor.

The first annual meeting of Residential Unit Owners will be held within thirty (30) days following the first anniversary of the first conveyance of title to a Residential Unit.

Notwithstanding anything to the contrary contained in this Plan, a special meeting of Unit Owners shall be held on fifteen (15) days notice, within thirty (30) days after the later of the third anniversary of the date of the first closing of title to a Residential Unit, or 120 days after the sale of ninety (90%) percent of the Residential Units, but in no event later than the fifth anniversary of the first closing of title to a Residential Unit.

After the Sponsor has turned over control of the Board to the Residential Unit Owners, so long as the Sponsor owns at least one (1) Residential Unit, it shall be entitled to designate one (1) member to the Board. If at any time it is determined to increase or decrease the size of the Board, the representation of the Sponsor shall be changed proportionately.

Notwithstanding the foregoing, so long as the Sponsor shall own Residential Units representing at least 25% of the Common Interest, but not longer than five (5) years from the first closing of title to a Residential Unit, the Board of Managers may not, without the Sponsor's prior written consent: (i) make any addition, alteration or improvement to the Common Elements or to any Unit except those required by law; or (ii) assess any Common Charges or special assessments for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of the amounts of such funds, if any, set forth in Schedule B to this Plan; or (iii) increase the number or change the type of employees from that described in Schedule B; (iv) enter into any service or maintenance contract for work not required by law or provided for in Schedule B; or (v) borrow money on behalf of the Condominium; or (vi) exercise a right of first refusal to lease or purchase a Residential Unit. However, the Sponsor may not veto expenses described in Schedule B or any expenses required to comply with applicable laws or regulations, to remedy any notice of violation or to remedy any work order of an insurer (each, a "Veto-Proof Expense").

Any amendment to the Declaration or By-Laws of the Condominium which is adverse to the Sponsor shall require the Sponsor's prior written consent so long as the Sponsor owns a Unit, except that the Sponsor's consent to such adverse amendment shall not be necessary if such amendment is required in connection with a Veto-Proof Expense.

BOARD OF MANAGERS

Under the By-Laws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers consisting of not less than three (3) and not more than five (5) persons. Other than members designated by the Sponsor, all members of the Board of Managers must be Residential Unit Owners, spouses of Residential Unit Owners or officers, directors or principals of a Residential Unit Owner which is not a natural person. The Commercial Unit Owner does not have the right to elect, designate or appoint any member of the Board of Managers.

The first Board of Managers will consist of the following three persons designated by the Sponsor:

Howard Glatzer	-	Sponsor Representative
Lauren Lombardi	-	Sponsor Representative
Rachel Glatzer	-	Sponsor Representative

One of these members will resign upon the election of the first Unit Owner representative to the Board at a meeting to be held within one (1) year after the first closing of title to a Unit.

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, including but not limited to: determining the Common Charges, adopting rules and regulations, borrowing, opening of bank accounts, purchasing, leasing or otherwise acquiring Units, selling or mortgaging Units owned by the Board of Managers, applying to the Tax Commission of the City of New York for a reduction in the assessed valuation of Units, applying, as necessary, for construction, alteration or other approvals to any and all municipal authorities having jurisdiction over the Condominium, and generally managing or supervising the Condominium as provided in the Declaration and By-Laws.

The Unit Owners shall hold annual meetings at each of which they shall elect members of the Board of Managers. The first annual meeting will be held within thirty (30) days following the first anniversary of the first conveyance of title to a Residential Unit. Each Residential Unit Owner (including the Sponsor) shall be entitled to cast one vote for each .01% of the interest in the Common Elements attributable to the Unit or Units owned by him on all matters put to a vote at all meetings of the Unit Owners. The presence, in person or by proxy, of Residential Unit Owners representing a majority of the Common Interests appurtenant to all Residential Units shall constitute a quorum at all meetings of Unit Owners and unless otherwise provided, the vote of Residential Unit Owners representing a majority of the Common Interests appurtenant to all Residential Units at a meeting at which a quorum shall be present shall be binding upon all Unit Owners. If Units are owned by more than one person as joint tenants, tenants by the entirety or as tenants in common, the persons owning said Unit shall agree among themselves to cast the votes for their Units as a block. For a discussion of the votes required to amend the Declaration and By-laws, see the subsection entitled "Amendment of Condominium Documents" in the section entitled "Rights and Obligations of the Unit Owners and the Board of Managers".

Special meetings of Unit Owners will be called by the President if directed by resolution of the Board of Managers or upon petition by Unit Owners representing a majority of the Common Interests, upon at least five (5) days notice.

Starting with the first annual meeting of Unit Owners at which the Sponsor no longer designates a majority of the members of the Board of Managers, the Board will consist of five (5) members. The terms of the members shall be three (3) years, except that the term of office of one (1) of the Managers then elected shall be fixed at two (2) years and one (1) of the Managers then elected shall be fixed at one (1) year. The longer terms shall be awarded to the Managers receiving the most votes. Thereafter, at the expiration of the initial term of office of each member of the Board of Managers, his successor shall be elected to serve for a term of three (3) years. There is no requirement in the Condominium By-Laws that, following the termination of Sponsor control of the Board of Managers, a majority of the Board of Managers must be Owner-occupants or members of an Owner-occupant household who are unrelated to the Sponsor and its principals.

Members of the Board of Managers shall serve without compensation, and the Sponsor has agreed that the By-Laws will not be amended to provide otherwise while the Sponsor is in control of the Board of Managers.

Members of the Board of Managers, other than those members who have been designated by the Sponsor, may be removed for cause at any time by the Unit Owners. Members of the Board who are not designated by the Sponsor may also be removed without cause by the Residential Unit Owners. Successors may be elected at any regular meeting of the Board of Managers or any special meeting called for such purpose, provided that successors to members designated by the Sponsor may not be removed without cause except by the Sponsor.

The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in its judgment may be necessary. All officers shall serve without compensation from the Condominium.

Liability of Board of Managers and Unit Owners

In order to limit the liability of the Unit Owners, the members of the Board of Managers and the managing agent, any contract or other commitment made by the Board of Managers or a managing agent shall state that it is made by the Board of Managers or the managing agent, as the case may be, only as agent for the Unit Owners, and that the members of the Board of Managers and the managing agent shall have no personal liability on any such contract or commitment (except as Unit Owners), and that the liability of any Unit Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereunder as the common interest of such Unit Owner bears to the aggregate common interest of all Unit Owners.

As provided in the By-Laws, no member of the Board of Managers or officer of the Condominium shall have any personal liability to the Condominium or to any Unit Owner for damages for any breach of duty in his capacity as member of the Board or officer, provided that this provision does not eliminate or limit the liability of a member of the Board or officer if a judgment or other final adjudication adverse to him establishes (a) that his acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that he personally gained in fact a financial profit or other advantage to which he was not legally entitled.

The Condominium shall indemnify to the fullest extent permitted by law any person (the "Indemnified Party") made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any member of the Board or officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that the Indemnified Party, his testator or intestate, was a member of the Board or officer of the Condominium, or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, provided that no indemnification may be made to or on behalf of any Indemnified Party if a judgment or other final adjudication adverse to the Indemnified Party establishes that his acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he personally gained in fact a financial profit or other advantage to which he was not legally entitled. The liability of any Unit Owner on account of the indemnification described in this paragraph shall be limited to such proportionate share thereof as the common interest of such Unit Owner bears to the aggregate common interest of all Unit Owners.

Members of the Board who handle the Condominium funds will be bonded. The cost of such bond is included in the line item for insurance on Schedule B to this Plan.

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

Sale or Lease of Units by Residential Unit Owners

Subject to the right of first refusal hereinafter described, and more fully set forth in Article VIII Section 1 of the By-Laws, each Residential Unit Owner is free to sell or lease his Residential Unit to anyone, without restriction or limitation. Any lease shall be substantially in the Real Estate Board form, a copy of which is available for review at the office of the Sponsor, with such modifications as shall be approved in writing or required by the Board of Managers. Any purchaser or lessee of a Residential Unit shall be bound by, and his or her Residential Unit shall be subject to, the Declaration and By-Laws, including the foregoing restrictions. Although the Sponsor does not believe that the lease of a Residential Unit, or the rent thereunder, will be subject to state or local law, Purchasers are advised to consult with their counsel.

With respect to the right of first refusal, the By-Laws of the Condominium require that, with certain exceptions, a Residential Unit Owner desiring to sell or lease a Unit must first give the Board of Managers, on behalf of all Unit Owners, an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as offered by the proposed purchaser or lessee. The Board of Managers will have the right to request information from and interview the proposed purchaser or lessee.

Upon receipt of a notice from a Residential Unit Owner regarding a proposed sale or lease, the Board of Managers will initially request an application and accompanying information from the proposed purchaser or lessee. Within twenty (20) days after receipt of a completed application and information package, the Board may request an interview and/or further information. Any interview will be scheduled within fifteen (15) days of the request therefor. Within ten (10) days after the interview or receipt of the additional information requested, whichever is later, the Board must notify the Unit Owner whether it elects to exercise the right of first refusal. If the Board (i) waives its right of first refusal, or (ii) does not respond within the ten (10) day period following the interview or receipt of additional information, or (iii) takes no further action within the twenty (20) day period following receipt of the initial completed application and information package (either (ii) or (iii) being deemed a waiver of the right of first refusal), the Unit Owner will be free to sell or lease the Unit to the proposed purchaser or lessee within sixty (60) days of the Board's waiver or the end of the aforesaid ten (10) or twenty (20) day period, as the case may be, on terms and conditions no more favorable to the proposed purchaser or lessee than those set forth in the Unit Owner's original notice. The Board of Managers must purchase or lease the Unit within forty-five (45) days after the giving of a notice by the Board of its election to exercise its right of first refusal. The time limits contained in this paragraph may be extended in the sole discretion of the Board of Managers.

The right of first refusal with respect to sales or leases of Units, as described above, is not applicable to sales or leases of the Commercial Unit, sales or leases of Units by or to the Sponsor, sales of Units at foreclosure sales, conveyances by deed in lieu of foreclosure, or conveyances by a party who has acquired a Unit in foreclosure or by deed in lieu of foreclosure. A Residential Unit Owner may sell, transfer or lease his or her Unit to his or her spouse or

domestic partner or to any of his or her children or his or her parent or parents or to his or her brothers or sisters, or to any one or more of them, without first offering to sell or lease such Unit to the Board of Managers.

Acquisition of Units by the Board of Managers, or its designee, on behalf of all Unit Owners may be made from the working capital and Common Charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner, as a Common Charge, and/or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit to be acquired by the Board of Managers, together with the appurtenant interest of such Unit in the Common Elements.

All Units acquired or leased by the Board of Managers or its designee, corporate or otherwise, will be held by it on behalf of all Unit Owners in proportion to the interest in the Common Elements appurtenant to their Units. No such Units held by the Board of Managers will carry voting rights. In the event that any Unit is acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners will be deemed to have waived all rights of partition with respect to such Unit. The proceeds from the sale of any Unit acquired by the Board of Managers will be disposed of at the discretion of the Board.

In the event the Condominium Board of Managers does not exercise its right of first refusal, a Unit Owner who acquired his or her Unit from the Sponsor and who sells or otherwise conveys his or her Unit (excluding any conveyance which constitutes a gift or is otherwise made for no consideration) prior to the earlier of (a) the date of the conveyance by the Sponsor of the last unsold Unit, or (b) the first anniversary of the Unit Owner's acquisition of his or her Unit from the Sponsor, shall remit to the Condominium Board of Managers, as a condition to the effectiveness of such conveyance, an amount (the "Transfer Fee") equal to ten (10%) percent of the sales price. The Transfer Fee shall be due and payable concurrently with the payment of the sales price or other consideration, and shall be in the form of an official or bank check issued by a member of the New York City Clearinghouse or in the form of a certified check drawn upon a bank which is a member of the New York City Clearinghouse, in either case payable to the Condominium or as otherwise directed by the Board or the Managing Agent.

The Board of Managers may establish reasonable fees for the processing of sale or lease applications from Residential Unit Owners (other than the Sponsor), which shall be payable by the selling or leasing Unit Owner, as the case may be.

The Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by law, in its sale or lease of any Unit which it acquires.

Each Unit Owner, on the closing of title to his or her Unit, shall be required to execute a Power of Attorney in the form contained in Part II of this Plan constituting the Board of Managers and their successors his or her attorneys-in-fact, coupled with an interest, for the

purpose of managing, selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or its designee, on behalf of all Unit Owners, authorizing the Board to apply for a reduction in the assessed valuation of the Unit as part of a single application on behalf of all Unit Owners, prosecute and settle any such action and otherwise acting in accordance with the Condominium's Declaration and By-Laws.

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

Mortgaging of Units by Unit Owners

Each Unit Owner is free to mortgage his or her Unit, provided the Unit Owner satisfies all arrearages for unpaid Common Charges and discharge any liens therefor which exist on the date the Unit is mortgaged. A Unit Owner shall notify the Board of Managers in writing of the name and address of his or her mortgagee. If a Unit Owner wishes to sell the Unit, he or she may take back a purchase money mortgage.

Common Charges and Assessments

The Board of Managers shall, from time to time but at least once a year, prepare a budget for the Condominium. The budget may provide for the accumulation of reserves for capital expenditure, but the size of reserves is subject to the veto of the Sponsor, as described in the section entitled "Control by Sponsor." Copies of such budget shall be furnished to the Unit Owners and, if requested, to their mortgagees. The Common Charges to be paid monthly by each Unit Owner in accordance with his or her Unit's proportionate interest in the Common Elements shall be based upon such budget. Incorporated as part of this Offering Plan, as Schedule B, is the proposed budget for the first year of the Condominium operation based on occupancy of substantially all Units. Until all Units are constructed and title thereto has been conveyed, the Board of Managers may reduce the amount of Common Charges allocated to the Units and payable by Unit Owners (including the Sponsor as owner of unsold Units). Any such reduction shall be in proportion to each Unit Owner's percentage of interest in the Common Elements. During its period of control of the Board of Managers, the Sponsor may postpone commencement of the collection of monthly Common Charges to a date during such first year of operation but subsequent to the first closing of title to a Unit.

Each of the financial estimates appearing in Schedule B to this Plan has been prepared by the Sponsor based upon its experience in construction, management and operation of residential properties. The Sponsor believes these estimates to be dependable, but because actual expenditures may differ from the estimated expenditures and because of possible changes in the future income and expenses of the Property, such expenses are not intended nor should they be considered as representations, guarantees or warranties of any kind whatsoever, including without limitation, that the amounts deductible for income tax purposes or the actual expenses

for any period of operation will not vary from the amounts estimated, that the Condominium will not incur additional expenses, or that its Board of Managers will not provide for such additional reserves or other sums not reflected in any such financial Exhibits.

The Sponsor believes that subject to the foregoing contingencies and assumptions, the projected Common Charges are adequate to meet the estimated normal operating expenses enumerated on Schedule B for the first year of operation of the Condominium based upon occupancy of substantially all Units.

The Board of Managers shall be authorized to impose a reasonable late charge for late payment of Common Charges, which shall be added to the Unit Owner's Common Charges due on the first day of the following month, and which shall be a lien upon the Unit Owner's Unit if not paid.

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 permissible transfer by him or her of such Unit, or subsequent to a conveyance of such Unit by him or her with or without consideration to the Board of Managers on behalf of all Unit Owners in accordance with the provisions of the Declaration and By-Laws, provided his or her Unit is free and clear of all liens and encumbrances other than a permissible first mortgage and a statutory lien for Common Charges.

Liens for Nonpayment of Common Charges

Under the provisions of Section 339-z of the Real Property Law of the State of New York, the Board of Managers, on behalf of the Unit Owners, shall have a lien on each Unit for unpaid Common Charges assessed against such Unit by the Board of Managers. Such lien, however, shall be subordinate to liens for taxes on the Units and any sums unpaid on a first mortgage of record on such Unit. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of a notice thereof in the New York County office of the Register of the City of New York and until all sums secured thereby with interest at the highest legal rate thereon shall have been fully paid or six (6) years from the date of filing (unless foreclosure of such lien is commenced and a judgment of foreclosure is entered within such six (6) year period), whichever shall be sooner. Such lien may be foreclosed by a suit brought in the name of the Board of Managers, acting on behalf of the Unit Owners, in like manner as a mortgage of real property, as provided in Section 339-aa of the Real Property Law. Unit Owners against whom proceedings are brought to collect unpaid Common Charges with interest thereon, shall also be responsible for the expenses of the proceeding, including attorneys' fees.

While the Sponsor is in control of the Board of Managers, it will cause the Board to file a lien as provided for in Section 339-aa of the Real Property Law against Units with respect to which the Sponsor is in arrears of Common Charges by more than thirty (30) days.

Collection of Rent from Tenant of Defaulting Unit Owner

The following rights and obligations of Unit Owners and the Board of Managers are pursuant to Section 339-kk of the Real Property Law ("RPL 339-kk").

If a Residential Unit Owner who does not occupy his or her Unit (a "Non-Occupying Unit Owner") rents such Unit to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such Unit within sixty (60) days of the expiration of any grace period after they are due, upon notice from the Board of Managers to the Non-Occupying Unit Owner and the tenant, all rental payments from the tenant shall be directly payable to the Condominium.

Such notice shall provide that, commencing immediately and until such time as all payments for Common Charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the Condominium at the address listed on the notice. Where a majority of the Board of Managers has been elected by and from among the Unit Owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the Condominium. At such time as payments for Common Charges, assessments and late fees from the Non-Occupying Unit Owner are once again current, notice of such fact shall be given within three (3) business days to the tenant and Non-Occupying Unit Owner. Thereafter all rental payments shall be made payable to the Non-Occupying Unit Owner or a designated agent. A Non-Occupying Unit Owner who disputes the Condominium's claim to rental payments shall be entitled to present facts supporting such position at the next scheduled meeting of the Board of Managers, which must be held within thirty (30) days of the date that the Board receives notice that such Unit Owner seeks to dispute such claim.

Nothing in RPL 339-kk shall limit any rights of Unit Owners or of the Board of Manager existing under any other law or agreement.

Payment by a rental tenant to the Condominium made in connection with RPL 339-kk shall relieve that rental tenant from the obligation to pay such rent to the Non-Occupying Unit Owner and shall be an absolute defense in any non-payment proceeding commenced by such Non-Occupying Unit Owner against such tenant for such rent.

Repairs, Maintenance and Replacements

Subject to the terms of the Declaration, each Owner of a Residential Unit and the Commercial Unit Owner each generally has the right, at its own expense and without the requirement of consent of the Board, the other Unit Owners or anyone else, to make non-structural alterations, additions and improvements to the interior of his or its Unit. However, a Unit Owner may not make any structural alterations, additions or improvements, interior or exterior, ordinary or extraordinary in, to and upon the Unit, without obtaining the prior written consent of the Board, which consent shall not be unreasonably withheld or delayed in the event (i) the nature and location of such installation does not interfere materially with the use then being made of any other Unit or any Limited Common Elements, (ii) the integrity of the Building shall not be adversely affected, and (iii) the Unit Owner complies with all laws,

ordinances and regulations of all governmental authorities having jurisdiction; provided that (i) USPS, as long as it owns the Commercial Unit, shall not be required to obtain the consent of the Board, and (ii) the Sponsor is not required to comply with any of the provisions of this paragraph with respect to the construction of the Residential Units and the other portions of the Condominium.

The Board of Managers is obligated under the terms of the Declaration to maintain, repair and replace the General Common Elements, as well as all maintenance, repairs and replacements of any pipes, wires, conduits and public utility lines, any portion of which is located in one Unit and serves another Unit or more than one Unit, and the cost thereof shall be charged to all the Unit Owners as a common expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owners or the Unit Owner's lessees, invitees, licensees or agents, in which case such expense shall be charged to such Unit Owner; provided that (A) the Residential Unit Owners shall be responsible, at their sole cost and expense, for (i) the maintenance and repair of the sidewalk in front of the entrance to the residential portion of the Building, and (ii) the programming of the elevator which services the Commercial Unit so that it stops at the cellar level of the Building, and (B) the Commercial Unit Owner shall be solely responsible for the maintenance and repair of the remaining portion of the sidewalk in front of the Building, at its sole cost and expense.

Limited Common Elements shall be maintained, repaired and replaced at the sole cost and expense of the Owner of the Unit which is benefited by such Limited Common Elements. The Commercial Unit Owner is obligated to maintain the sound attenuation equipment installed by the Sponsor in the Commercial Unit. In the event any repair of any such item or area is performed by the Condominium, all costs thereof shall be assessed against the Commercial Unit Owner. USPS shall maintain the Commercial Unit in the manner in which it had been maintaining the Building prior to the recording of the Original Declaration and in accordance with applicable law.

The approval of the Commercial Unit Owner shall be required with respect to all matters which materially affect (i) the structural integrity of the Building, (ii) the exterior façade of the Commercial Unit, (iii) the Building systems which affect the Commercial Unit, (iv) the monetary contribution of the Commercial Unit Owner, or (v) postal operations of USPS or the use and enjoyment of the Commercial Unit, provided that (1) such approval shall not be unreasonably withheld, conditioned or delayed and (2) the approval of the Commercial Unit Owner shall not be required with respect to (A) an annual increase in Common Charges assessed against the Commercial Unit (1) if such increase, expressed as a percentage of the prior year's Common Charges assessed against the Commercial Unit, is not greater than the CPI Increase (as hereinafter defined), and (2) if such increase, expressed as a percentage of the prior year's Common Charges assessed against the Commercial Unit, is not greater than the aggregate increase in Common Charges assessed against the Residential Units, expressed as a percentage of the prior year's aggregate Common Charges assessed against the Residential Units, and (B) any allocation of funds by the Board of Managers between two or more line items in the Condominium's budget. As used herein, the term "CPI Increase" means the percentage increase in the Consumer Price Index for the first month of the Condominium's then current fiscal year over the Consumer Price Index for the first month of the preceding fiscal year of the

Condominium. As used herein, "Consumer Price Index" means the Consumer Price Index published by the Bureau of Labor Statistics of the U.S. Department of Labor, All Items, New York, New York – Northeastern, N.J., for urban wage earners and clerical workers, or any successor or substitute index appropriately adjusted.

Unit Owners are also generally responsible for the maintenance of Limited Common Elements which are appurtenant to their Units. For example, Unit Owners will be responsible for maintenance and repair of the terraces adjacent to their Units.

All maintenance, repairs and replacements to the Common Elements in the Condominium, including but not limited to exterior walls, stairs, roof and roof members, as well as all maintenance, repairs and replacements of Unit entrance doors and windows, of any pipes, wires, risers, conduits and public utility lines, any portion of which is located in one Unit and serves another Unit or more than one Unit or so much of any pipes, wires, risers, conduits and public utility lines as are located in the Common Elements but serve one or more Units, and maintenance and repair of the sidewalks adjoining the Residential Lobby, will be made by the Board of Managers, and the cost thereof shall be charged to all Residential Unit Owners as a Common Expense. The painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and charged as a Residential Common Expense. However, maintenance, repairs and replacements to the Common Elements shall be charged to a Unit Owner if it can be established that such expense was necessitated by the negligence, misuse or neglect of such Unit Owner or his lessees, invitees, licensees or agents.

The Board of Managers and/or the manager or managing agent, and persons acting at their direction, shall have a right of access to any Residential Unit for the purpose of making any repairs or replacements to any of the Common Elements contained in such Unit or elsewhere in the Condominium, or to remedy any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage covering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof.

Additions, Alterations and Improvements

No Residential Unit Owner (other than the Sponsor or its designee) shall make any structural addition, alteration or improvement in or to his Unit or any Limited Common Element without the prior written approval of the Board of Managers. The Board of Managers shall be required to answer any written request by a Residential Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit within thirty (30) days after receipt of a complete set of documents and information as to the proposed addition, alteration or improvement, including without limitation plans, drawings, specifications and scope of work, and independent architectural review, if necessary, and failure to do so within the stipulated time shall constitute a denial by the Board of Managers of consent to the proposed addition, alteration or improvement.

No Residential Unit Owner (other than the Sponsor or its designee) shall make any addition, alteration or improvement in or to any Unit or any Limited Common Element without

first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its members and officers, and all Unit Owners from and against any liability, cost or expense arising out of or connected to such work, and (4) making appropriate application to and obtaining all necessary permits from those agencies of the City of New York having jurisdiction. In the event the Board of Managers chooses to have the proposed addition, alteration or improvement reviewed by an independent architect or engineer, the Unit Owner shall pay the charges of such architect or engineer. The Residential Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from his alterations, additions or improvements.

The Board of Managers may establish reasonable fees for the processing of applications by Residential Unit Owners for consent to alterations.

Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Residential Unit shall be completed by the Residential Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

These provisions shall not apply to Residential Units owned by the Sponsor until such Units shall have been initially conveyed by the Sponsor to a bona fide purchaser.

All additions, alterations or improvements in or to any Common Elements shall be made by the Board of Managers and the cost and expense thereof shall be charged to all Unit Owners as a Common Expense.

Whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements costing in excess of $75,000 in the aggregate in any calendar year, the making of any such additions, alterations, or improvements and source of funds therefor that exceed such limit must be approved by Unit Owners (including the Sponsor and principals and affiliates of the Sponsor to the extent they own Units) representing a majority of the Common Interests present and voting at a meeting of which a quorum is present. When and if the required approvals of the Unit Owners are received, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing in the aggregate $75,000 or less in any calendar year may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

In addition to the requirements set forth above, no Residential Unit Owner shall make any alterations to his or her Unit without first complying with the following requirements:

(i) until a permanent certificate of occupancy is obtained for the Building, such work or any filing for such work may not include any change that, in the Sponsor's sole discretion, would result in a delay in obtaining a permanent certificate of occupancy for the Building, or any amendment to or extension of a certificate of occupancy which has already been issued;

(ii) such work may not be commenced until the Unit Owner causes all required plans, specifications, notices and/or certifications to be filed with all governmental authorities having jurisdiction, procures all required permits and licenses and delivers copies of all such plans, specifications, notices, certifications, permits and licenses to the Board of Managers;

(iii) such work must be diligently prosecuted to completion in compliance with all plans, specifications, notices and/or certifications and in conformity with all permits and licenses;

(iv) the Board of Managers and its representatives shall be given reasonable opportunity, from time to time, to inspect such work as it progresses;

(v) promptly after the completion of such work, all necessary inspections and approvals of the work shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate governmental authorities and the Board of Manager shall be given a copy of all such inspections, approvals, notices and certifications;

(vi) the Unit Owner shall indemnify and hold all Unit Owners and the Sponsor harmless from any cost, expense, claim, or liability arising, directly or indirectly, from such work, including, without limitation, any cost, expense, claim, or liability incurred or suffered by any of them due to any violation of law or due to any delay in obtaining a permanent certificate of occupancy for the Building (or any amendment to, extension of, a certificate of occupancy which has already been issued) as a result of such work or the failure to make all appropriate governmental filings in connection with same;

(vii) all contractors shall be duly licensed to the extent required by applicable law; and

(viii) the Unit Owner provides evidence of insurance coverage as the Board may request in connection with such alterations.

If any Unit Owner commences any such alterations in violation of the foregoing terms and conditions, the Board of Managers shall be entitled to cause such work by the Unit Owner to be halted, including, without limitation, to cause the Managing Agent to deny access to the Building to the Unit Owner's contractors and suppliers, until the Unit Owner complies with the same.

Restoration After Fire or Other Casualty

In the event of damage to or destruction of the Building as a result of fire or other casualty, the Board shall adjust the claim with the insurance company and arrange for the prompt repair and restoration of the Building; provided that if 75% or more of the Residential Area is destroyed or substantially damaged and (i) the Residential Unit Owners representing more than 80% of the Residential Common Interest do not duly and promptly resolve to proceed with repair or restoration, (ii) the Sponsor's construction lender consents thereto, then (x) the Residential Area will not be repaired and shall be subject to an action for partition at the suit of any Residential Unit Owner or lienor, as if owned in common, (y) except as set forth in the next clause (z), the net proceeds of sale following such partition, together with the net proceeds of insurance policies maintained by the Condominium, shall be paid to the Unit Owners (including the Commercial Unit Owner) in accordance with their respective percentages of the premium paid by the Condominium for such insurance policies after first paying the amount of any unpaid liens on their Units, in the order of the priority of such liens, and (z) if the Commercial Unit remains in existence following such destruction or damage, the insurance proceeds shall first be used to make the Building operable as a commercial building consisting solely of the Commercial Unit. Any cost of such repair and restoration in excess of the net insurance proceeds shall constitute a Common Expense and the Board of Managers shall assess the Unit Owners for such deficit as part of the Common Charges.

Insurance

Under the Declaration, the Board shall obtain and maintain, to the extent available, the following insurance:

(i) "All-risk" or "special form" policy insuring against fire and other hazards, insuring the Building, the Units, the General Common Elements and the Limited Common Elements (the "Property Insurance"). The Property Insurance shall cover the interest of the Condominium, the Board and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to one hundred percent (100%) of the current replacement cost of the General Common Elements of the Building, without deduction for depreciation, with loss payable to the Board as insurance trustee for each Unit Owner and the holder of each Unit's mortgage. The Property Insurance shall also fully and adequately insure against fire and the risks covered by: (A) the "all risk" coverage endorsement (covering, without limitation, terrorism, flood and earthquake); (B) soft costs coverage; (C) demolition and increased cost of construction, due to changes in building laws; (D) full replacement cost coverage endorsement; and (E) all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "special cause of loss form" endorsement. The Property Insurance shall not cover damage to any furniture, fixture or other personal property in a Unit. Each Unit Owner, by accepting delivery of the deed to his or her Unit ("Unit Deed"), appoints the Board as Insurance Trustee (or any Insurance Trustee or Substitute Insurance Trustee designated by the Board) as attorney-in-fact for the purpose of

purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Property Insurance shall provide that the insurance will not be prejudiced by any acts or omissions of individual Unit Owners and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all Unit Owners and mortgagees of Units, and recovery thereunder shall not be affected on account of the availability of proceeds under any polices obtained by individual Unit Owners covering their own Units and shall include a Special Condominium Endorsement (so called) or its equivalent.;

(ii) Worker's compensation insurance if the Board shall have any employees;

(iii) Commercial general liability covering all General Common Elements written on an occurrence basis under which the Board is the named insured party, in the broadest form of such coverage from time to time available. Each such policy shall be non-cancelable and non-amendable with respect to any additional named insured parties without at least thirty (30) days' prior notice to each such party, and a duplicate original or certificate thereof shall be delivered to each such party. As of the date hereof, the minimum limits of liability of such insurance shall not be less than $3,000,000 combined single limit per occurrence and on a per location basis. Such limits of insurance may be satisfied by a combination of Commercial General Liability coverage and Excess Liability coverage. Such liability insurance shall at least cover each of the Members of the Board, the managing agent or the manager, if any, and each Unit Owner, and with cross liability endorsement to cover liabilities of the Condominium to a Unit Owner, and a severability of interest provision precluding the insurer's denial of a Unit Owner's claim because of negligent acts by the Board or other Unit Owners.;

(iv) Fidelity Bonds (the "Fidelity Bonds") in blanket form for all Condominium officers, Board Members and employees of the Condominium and all other persons handling or responsible for funds administered by the Condominium, whether or not they receive compensation for their services. The total amount of fidelity bond coverage shall not be less than the estimated maximum funds, including reserve funds, in the custody of the Board or the management agent, as the case may be, at any given time during the term of such bond, and, in any event, the aggregate amount shall not be less than a sum equal to three (3) months' aggregate assessments on all Units plus reserve funds, or one and one-half (1.5) times the insured's estimated annual operating expenses and reserves, whichever is greater; and

(v) Director's and Officers Liability Insurance for all officers and Board Members, in an amount equal to limits of such liability insurance as are carried by other in

comparable condominiums in New York City, but no less than $1,000,000 per occurrence and $1,000,000 in the aggregate.

All insurance obtained and maintained by the Board shall conform to applicable requirements of Freddie Mac and Fannie Mae so long as Freddie Mac or Fannie Mae holds one or more mortgages on Units in the Condominium or any interest therein.

All policies of Property Insurance shall contain waivers (i) of subrogation (to the extent generally available under a special form or equivalent policy), (ii) of any defense based on co-insurance, (iii) of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners, and (iv) of invalidity arising from any acts of the insured or any Unit Owner, shall contain a New York standard mortgagee clause in favor of each mortgagee, which shall provide that the proceeds thereof shall be paid to such mortgagee as its interest may appear, and shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days prior written notice to the Board and at least thirty (30) days prior written notice to the holders of all mortgages on the Units.

All policies carried by Unit Owners for their own benefit shall contain waivers of subrogation (to the extent generally available under a special form or equivalent policy) against the Condominium and the Board and further provide that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies shall be so endorsed as to state that they will in no way conflict with any insurance carried by the Board of Managers of the Condominium.

For more details regarding these coverages, including deductibles, see footnote 9 of Schedule B.

Prior to the first closing of title to a Unit, the fire insurance coverage on the Condominium shall be at least $35,000,000 and said coverage shall be maintained while the Sponsor and affiliates of the Sponsor control the Board of Managers of the Condominium.

The Board of Managers of the Condominium shall review all insurance carried by it once each year.

Unit Owners are encouraged to carry other insurance for their own benefit, provided that all such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by Unit Owners. It is advisable for insurance obtained by Unit Owners to cover such risks as fire and casualty losses to Unit contents, replacements, additions, upgraded fixtures and improvements and Unit Owner's liability coverage for occurrences within the Unit, or where applicable, on Limited Common Elements.

Restrictions on Occupancy and Use

In order to provide for congenial occupancy of the Condominium, and for the protection of the value of the Units, the use of the Condominium shall be restricted to and shall be in accordance with the following provisions:

(a) The Residential Units shall be used only as a residence, with not more than one family occupying a Unit at one time, except that any Residential Unit may, in addition, be used for any lawful home occupation (as such term is defined in the New York City Zoning Resolution), provided (i) that such use does not violate zoning regulations or the Certificate of Occupancy for the Building, and (ii) the prior consent of the Board of Managers is obtained or, in the case of initial Purchasers from the Sponsor or its designee, written notice of such use is given to the managing agent.

Notwithstanding the foregoing or anything else contained in this Plan, the Sponsor or its designee may, without the permission of the Board of Managers or anyone else, retain ownership of one or more Residential Units for use as models, or sales, leasing, business or administration offices and may place signage of any size and in any location on the Building as it may determine in its sole discretion in connection with the sale or rental of Units in the Condominium.

(b) The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.

(c) No nuisances shall be allowed on the Condominium nor shall any use or practice be allowed which is a source of annoyance to its residents or occupants or which interferes with the peaceful possession or proper use of the Condominium by its residents or occupants.

(d) No immoral, improper, offensive, or unlawful use shall be made of the Condominium or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Condominium shall be complied with, by and at the sole expense of Unit Owners or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Condominium.

(e) No portion of a Residential Unit (other than the entire Unit) may be rented, and no transient tenants may be accommodated therein.

(f) Dogs, cats or other common household pets, not to exceed two (2) per Unit, may be kept in Residential Units, subject to the rules and regulations adopted by the Board of Managers, including any which may pertain to the size of a pet and the permitted level of noise, and subject further to removal by the Board of Managers for reasons such as aggression against people or other animals, quantity limitations, odor, hygiene or the Unit Owner's repeated breach

of the pet rules promulgated by the Board of Managers. In no event shall any dog be permitted in any portion of the Common Elements unless carried or on a leash.

(g) Unit Owners shall be obligated to maintain and repair the interior of the Storage Bin.

Easements

The following easements are granted by the Declaration:

(a) Each Owner of a Residential Unit and the residents thereof shall have a non-exclusive easement for egress over the stairways in the cellar level and first and second floors of the Building.

(b) Each Owner of a Residential Unit and the residents thereof shall have a non-exclusive easement over the areas adjacent to the stairways in the cellar level and first floor of the Building, as shown on the Floor Plans, for the purpose of maintaining mechanical and utility rooms.

(c) The Owner of the Commercial Unit shall have a non-exclusive easement for egress over the stairways on the third, fourth and fifth floors of the Building and on the roof of the Building and over the areas adjacent to the stairways on the third, fourth and fifth floors of the Building, as shown on the Floor Plans, for the purpose of maintaining its HVAC equipment on the roof and the elevator machinery on the fourth floor which services the Commercial Unit.

(d) The Sponsor and its successors and assigns, including without limitation the residents of the Residential Units, shall have a non-exclusive easement over and upon the stairs in the Commercial Unit as fire exits.

(e) Each Unit Owner shall have an easement to inspect, use, maintain, repair, alter, remove and replace the pipes, wires, ducts, conduits and other utility lines and appurtenances serving its Unit wherever on the Property they may be located.

(f) The Board of Managers shall have a right of access to each Unit and Limited Common Element to inspect the same, to remove violations therefrom and to maintain, repair or replace the General Common Elements contained therein or elsewhere in the Building, provided that such right of access shall be exercised so as to minimize disturbance of the Property to the extent reasonably feasible and the affected Unit Owners and their lessees, licensees and other occupants. Such entry shall be permitted on not less than one (1) day's notice, except that no notice will be necessary in the case of an emergency.

(g) 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 each other Unit and the General Common Elements. Each Unit shall have an easement in common with the other Units for ingress and egress through all Units and all General Common Elements as required by an emergency, including without limitation an easement for egress through each lobby and entrance in the

Building and over and through the area between each such entrance and the sidewalk. Each Unit shall further have easements over the General Common Elements as are reasonably necessary to allow use of said Units for the purposes set forth herein.

(h) The Sponsor shall have an easement upon and over the General Common Elements and the Commercial Unit in order to complete construction of the Residential Renovations, including, but not limited to, transportation of construction materials; provided that in no event shall the exercise of said easement have any material adverse affect on the operations of USPS in the Commercial Unit or its rights hereunder.

(i) The Sponsor and USPS each shall have the exclusive right to grant easements over, under, through and across General Common Elements for installation of cable television lines and utilities serving the Residential Units, the Commercial Unit and/or the General Common Elements of the Condominium, and such other equipment as may be necessary for the installation and operation of the same, and the Sponsor has the right to install cable television lines and such other equipment as may be necessary for the installation and operation of the same in any portions of the Building.

(j) The Sponsor and the Commercial Unit Owner each shall have an easement to install risers to connect the utility rooms in the cellar level of the Building serving the Residential Units and the Commercial Unit to said Units or to equipment on the roof of the Building, provided that such connections do not interfere with the operation of USPS in the Commercial Unit or with the occupants of the Residential Units.

(k) In connection with the use and leasing of the Commercial Unit, or parts thereof, and at the sole expense of the Commercial Unit Owner, the Commercial Unit has the right and easement from time to time to install, repair, replace and/or maintain pipes, wires and utilities in any General Common Element located below-grade, on the ground level or second floor and/or to modify or alter as part of such installation or maintenance any utilities or building services which are part of the General Common Elements, provided such installation, maintenance, modification or alteration does not unreasonably interfere with the use of the Residential Unit or the rights appurtenant thereto, or any General Common Element for the purpose intended and is performed in a good and workmanlike manner, in accordance with all applicable legal and warranty requirements and in a manner which is consistent with the architectural integrity and first-class appearance and operation of the Building. In the event any work performed in the Building by the Commercial Unit Owner damages or affects the Building in a detrimental way, the Commercial Unit Owner will repair the damage to the reasonable satisfaction of the Sponsor, provided that the Sponsor owns any Unit, or thereafter the Board, or shall pay for the repair of any damage.

(l) So long as USPS owns the Commercial Unit, all easements and rights of access affecting the Commercial Unit shall be subject to USPS's normal security requirements.

(m) Pursuant to an Easement Agreement made by USPS, dated October 25, 2013 and recorded in the City Register's Office on November 25, 2013 in CRFN 2013000486393, USPS has granted to Unit Owners (collectively, the "Grantee Parties"), a 5.83 foot wide permanent

easement from the Building to West 51st Street upon, over and through such portion of the parcel located at 315 West 51st Street (the "Grantor Parcel"), which is adjacent to the Building, for (a) egress from the Building to West 51st Street, and (b) removal of debris from the Building to West 51st Street. This easement shall terminate at such time as the New York City Building Code no longer requires a second means of egress from the Building cellar level. The easement area shall be kept open and unobstructed for the benefit of the Unit Owners, but USPS or its successors and assigns or any lessee will not be prohibited from utilizing the easement area for installation of utility lines. USPS has no obligation to maintain, illuminate, secure or improve the easement area. The Unit Owners assume all risk and liability for their use of the easement area. Upon USPS's conveyance of the Grantor Parcel, any successor owner of the Grantor Parcel may relocate the easement area, subject to satisfaction of certain conditions, including without limitation the permanent termination of the use of the Grantor Parcel as a parking lot and provision of a proposed new easement area over the Grantor Parcel from the Building to West 51st Street, having a width not less than the width of the original easement area.

Lot Line Windows

The bedroom windows in Units 3A, 4K and 5K, on the east side of the Condominium, and the bedroom windows in Units 3H, 4H and 5H, on the west side of the Condominium, will be lot line windows. The Sponsor's architect has advised the Sponsor that these lot line windows will not be used to satisfy the New York City Building Code requirements for light and air.

In the event of the closure of any such window due to the construction or expansion of a building of sufficient height on an adjoining property, the rooms containing lot line windows would still comply with zoning and code requirements for habitable rooms, since these rooms have other windows which satisfy code requirements for light and air. The current estimated cost for infill with fire rated construction is approximately $1,500 per window, which cost can be expected to increase over time. Although it is the custom in New York City for developers of adjacent buildings to pay for and perform the work to fill lot line windows, if any developer does not do so, the Condominium will be required to perform and pay for that work, and the cost thereof shall be borne by all Unit Owners in the Condominium in accordance with their respective interests in the common elements of the Condominium.

Compliance with Declaration, By-Laws, Rules and Regulations

Pursuant to Section 339-j of the New York Condominium Act, each Unit Owner shall be required to comply with and abide by the Declaration, the By-Laws and the Rules and Regulations of the Condominium made in accordance therewith and to pay the Common Charges levied by the Board of Managers. Failure to comply is grounds for an action for damages or injunctive relief or both. The obligation to pay Common Charges shall also be enforceable by the Board of Managers by suit to collect the same, or by foreclosure of its statutory lien against the Unit for the amount of any such unpaid Common Charges. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law or any provision of the Declaration, shall give the Board of Managers the right to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. A Unit Owner may also be fined for such violations. Failure to comply with the Declaration, By-

Laws and Rules and Regulations of the Condominium issued thereunder or to pay the Common Charges levied by the Board of Managers may be an event of default under the terms of the Unit Owner's mortgage.

Amendments to Condominium Documents

The Declaration or By-Laws of the Condominium may be modified or amended by the vote of 66 2/3% in number and in common interest of all Residential Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or by written amendment, provided that (i) no amendment of the Declaration or By-Laws which adversely affects the rights of the Commercial Unit Owner may be made without the consent of the Commercial Unit Owner, (ii) any amendment which alters the allocation of Common Interest appurtenant to any Unit shall only be made with the consent of the affected Unit Owner, (iii) no amendment which adversely affects the lien of any mortgage may be made without the written consent of the affected mortgagee, and (iv) no amendment may be made without the Sponsor's prior written consent so long as the Sponsor owns Residential Units representing at least twenty-five (25%) of the common interests, but not later than five (5) years from the first closing of title to a Residential Unit, provided that no amendment which is adverse to the Sponsor may be made without the Sponsor's prior written consent so long as the Sponsor owns a Unit, except that the Sponsor's consent to such adverse amendment shall not be necessary if such amendment is required in connection with a Veto-Proof Expense.

Notwithstanding the preceding paragraph, the Sponsor hereby reserves the right to record, or at its request to require the Board of Managers to duly execute and record, in the New York County office of the City Register, an amendment to the Condominium Declaration or By-Laws at any time without the requirement of a vote and without the approval or consent of any Unit Owner or mortgagee when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee or (2) shall be required by (a) an institutional lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Unsold Unit(s), (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of a Unit, or (ii) adversely affect the priority or validity of the lien of any mortgage covering a Unit unless the Owner of such Unit (in the event described in subdivision (i) of this paragraph) or the holder of such mortgage (in the event described in subdivision (ii) of this paragraph) shall consent thereto by joining in the execution of such amendment. Each Unit Owner will be obligated to deliver the Power of Attorney contained in Part II of this Plan, pursuant to which the Sponsor may effect the aforementioned amendment as the attorney-in-fact of all Unit Owners.

No Partition of Common Elements

As provided in Section 339-i(3) of the Real Property Law, the Common Elements shall remain undivided and no right shall exist to partition or divide any portion thereof, except as

otherwise provided therein (and described in this Section of the Plan) in the event of condemnation or termination of the Condominium.

Complete copies of the Condominium Declaration and By-Laws are set forth in Part II of this Plan.

Termination of the Condominium

The Condominium shall continue (unless terminated by condemnation) until such time as the Condominium shall be withdrawn from the provisions of Article 9-B of the Real Property Law of the State of New York as a result of the vote so to do of at least 80% in number and in Common Interest of the Unit Owners, provided that (a) no such vote shall be effective without the consent of the Sponsor so long as it owns a Unit, and (b) such vote shall be subject to the rights of Recognized Mortgagees to consent as set forth in Article XI of the By-Laws. In such event the Condominium shall be subject to an action for partition by any Unit Owner or any lienor, as if owned in common, following which the net proceeds of the sale resulting therefrom shall be divided among all Unit Owners in proportion to their respective interests in the Common Elements, after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his Unit, in order of the priority of such liens. The Sponsor shall not vote its interest to terminate the Condominium unless 80% of Unit Owners other than the Sponsor so vote, but even then the Sponsor will not be obligated to vote.

Sound Attenuation

In conjunction with the Residential Renovations the Sponsor will install sound attenuation equipment (the "Attenuation Equipment") in the Commercial Unit, which the Sponsor shall certify to the USPS and the Board shall be sufficient to permit residential occupancy of the Residential Units in accordance with all applicable laws, ordinances, rules, regulations and codes. The maximum sound level emanating from the Commercial Unit following the installation of the Attenuation Equipment is hereinafter referred to as the "Noise Standard". The Owner of the Commercial Unit shall (i) maintain, repair and replace the Attenuation Equipment at its sole cost and expense, (ii) not make any changes in the operation of the Commercial Unit after the installation of the Attenuation Equipment which would result in a violation of the Noise Standard, and (iii) otherwise limit noise emanating from the Commercial Unit or from outside the Commercial Unit to the extent caused by its employees or invitees in accordance with the Noise Standard. Neither the Sponsor, the Board, the Residential Unit Owners, nor any mortgagee of a Residential Unit shall have any claim against USPS based upon Declarant's operation of a United States Postal Facility in the Commercial Unit or any noise in connection with such operation, all such claims being forever waived, unless such operation is not in accordance with the Noise Standard. A claim that the Commercial Unit Owner has violated the Noise Standard (a "Noise Claim") may be asserted by the Sponsor, the Board or any owner or occupant of any Residential Unit (a "Noise Claimant") by providing to the Commercial Unit Owner reasonable supporting documentation that the noise emanating from the Commercial Unit or from outside the Commercial Unit to the extent caused by the employees or invitees of the Owner of the Commercial Unit violates the Noise Standard. Within thirty (30) days of the

receipt by the Commercial Unit Owner of notice of the Noise Claim, the Commercial Unit Owner shall limit such noise so that the Commercial Unit Owner is in compliance with the Noise Standard, which shall be evidenced by reasonable supporting documentation delivered to the Noise Claimant and, if the Board is not the Noise Claimant, to the Board. If the Commercial Unit Owner fails to comply with the terms of the preceding sentence, the Noise Claimant may seek all available remedies at law and equity.

Certificates of Occupancy.

Prior to the first closing of title to a Unit, the Sponsor will obtain a temporary certificate of occupancy for that Unit and possibly other Units and/or portions in the Building. It will be the obligation of the Sponsor and the Sponsor's principal (as described in the Section of this Plan entitled "Identity of Parties") to obtain a permanent certificate of occupancy for the Building and to obtain renewals of the temporary certificate of occupancy until a permanent certificate of occupancy is obtained.

Purchasers are advised that in New York City condominium units in newly constructed and newly renovated buildings are sometimes offered without the sponsor being obligated to obtain a final certificate of occupancy ("FCO') covering the entire building prior to the first closing of title to a Unit. Rather, the sponsor of those offerings is obligated to obtain a temporary certificate of occupancy ("TCO") prior to the first closing of title to a Unit, with the sponsor obligated to obtain several successive TCOs. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable law, rules and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy may be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units.

NOTWITHSTANDING THE FOREGOING, THE SPONSOR AND THE SPONSOR'S PRINCIPAL ARE OBLIGATED TO PROCURE THE FINAL CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE GOOD FAITH EFFORST TO OBTAIN THE FCO WITHIN TWO YEARS FROM THE DATE OF ISSUANCE OF THE FIRST TCO WHILE KEEPING THE TCO CURRENT. HOWEVER THE SPONSOR MAKES NO REPRESENTATION OR GUARANTEE THAT DOB WILL ISSUE THE FCO WITHIN SUCH TWO YEAR PERIOD. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing the Sponsor in these undertakings.

Furthermore, because the Sponsor and the Condominium By-Laws permit Unit Owners, under certain conditions, to undertake renovations to individual Units prior to the procurement of a FCO, such renovations may cause additional delays in the issuance thereof.

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

It is expected that certain Unit Owners may desire to make substantial alterations to their Units. The By-Laws impose restrictions upon the ability of Unit Owners to perform such alterations so long as a permanent certificate of occupancy has not been issued for the Building.

REAL ESTATE TAXES

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

The value of property for real estate tax purposes is determined annually by the Property Division of the Department of Finance of The City of New York. Each year the Property Division fixes the "actual" assessment of a property based upon its market value. Under Article 18 of the Real Property Assessment Tax Law, changes in a property's actual assessed value from one year to another which are attributable to changes in its market value other than those due to new construction or alteration are phased in over five years in equal annual increments or decrements of 20 percent per year, resulting in a "transitional" assessment for the property which is also determined each year. For any given year, taxes are based on the lower of the "actual" or "transitional" assessed value. However, increases in assessed value due to alterations, as is partially the case here, are not phased in. Rather, these increases are fully taxable in the year they are recognized by the City of New York.

The projection of real estate taxes that will be payable by each of the Residential Units during the projected first year of the Condominium operation (January 1, 2017 – December 31, 2017) is based upon an estimate that the aggregate real estate taxes for the Residential Units for such first year will be approximately $523,125. This estimate was in turn based upon a letter from Tuchman, Korngold, Weiss, Liebman & Gelles, LLP, dated February 16, 2015, estimating that (i) the assessed value that will be applicable to the Residential Units for the period January 1 to June 30, 2017 will be $3,000,000, (ii) the assessed value that will be applicable to the Residential Units for the period July 1 to December 31, 2017 will be $4,750,000, and (iii) the tax rate in effect for the 2017 calendar year will be 13.5%.

Schedule A allocates the projected real estate taxes payable by Unit Owners according to each Unit's percentage of interest in the Common Elements. However, it is possible that the tax assessor of the City of New York may allocate assessments on a basis that differs from the allocation of interests in the Common Elements.

Separate Assessment of Units

It is intended that Units shall be separately assessed on their Closing Date for the then current tax year, but this may not have been done, depending on the Closing Date of the Unit. In the event that Units have not been separately assessed for real estate tax purposes prior to the first closing of title to a Unit, the Sponsor will place in escrow an amount equal to the unpaid real estate taxes which will be levied against the Units for the next ensuing six (6) month tax period. The real estate taxes for such period shall be paid from this escrow account when they become due and payable, and the Sponsor shall receive reimbursement from Unit Owners at closing of title, until the Units are separately assessed. Such reimbursement shall include the amount remaining in the escrow fund which is allocable to the particular Unit's percentage interest in the Common Elements.

To provide for the possibility that Units may still not be separately assessed for real estate tax purposes at the end of the six (6) month period referred to above, Unit Owners are required by the Declaration to deliver to the Condominium, within ten (10) days after request therefor by the Board of Managers, a check payable to the appropriate taxing authority in the amount necessary to cover the Purchaser's portion of taxes due after the six (6) month period and prior to separate assessment. The Board's request shall contain a copy of the relevant tax bill, and the calculation of the Purchaser's portion.

There are no tax certiorari proceedings pending with respect to the Property as of the date of this Plan.

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

The Sponsor has been advised by Romer Debbas LLP that each Unit Owner in the Condominium who itemizes deductions will be entitled under present law to deduct for Federal and New York State income tax purposes the real estate taxes assessed against his or her Unit and paid by him or her, and the amount paid by the Unit Owner on account of interest on any mortgage indebtedness covering the Unit if the Unit is his or her primary or secondary residence. The deductions are subject to certain exceptions and limitations which are more particularly discussed in the Opinion of Counsel which follows.

In addition, the Sponsor has been advised by counsel that, under present law, persons who become Unit Owners and who are veterans of the United States Armed Forces may be entitled to Veterans' Exemptions covering part of the real estate taxes otherwise assessed on their respective Units.

Section 528 of the Internal Revenue Code provides that a "condominium management association" may elect to be treated as a "homeowners association" and thereby cause membership dues, fees and assessments received from Unit Owners to be exempt from Federal income tax otherwise payable by the "condominium management association". However, as more fully set forth in the Tax Opinion of Counsel following this Section, counsel for the Sponsor believes that the Condominium will not qualify as a "homeowners association" under Section 528.

Therefore, the Condominium will be required to file income tax returns and will be subject to the regular Federal, State and local corporate taxes on its income. For these purposes, the Condominium's taxable income would be the excess of its gross income over its deductible expenses. Gross income would include, among other things, any rental income or investment income received by the Condominium and all Common Charges paid by Unit Owners. Deductible expenses would generally include the Condominium's Common Expenses other than capital expenditures.

If the Condominium is required to pay taxes, the amount thereof will be additional Common Expenses, assessed to all Unit Owners as part of the Common Charges.

Schedule A contains estimates of the amount of real estate taxes which a Unit Owner may be entitled to deduct for Federal and New York State income tax purposes under present law. In calculating individual tax deductions, each Purchaser should add to that the deduction, if applicable, for the interest portion of his monthly mortgage payment.

No warranties are made that either the Internal Revenue Service or the New York State Department of Taxation and Finance will continue to allow the aforementioned deductions for real estate taxes and/or mortgage interest to Unit Owners. The Sponsor and Romer Debbas LLP shall in no event be liable if it is determined that Unit Owners are no longer entitled to such income tax deductions for real estate taxes and/or mortgage interest, as aforesaid, by reason of changes in fact or statutory or decisional law or amendment to any law which could not be

foreseen or expected to be foreseen. The opinion of Romer Debbas LLP is limited to the state of the law existing on the date this Plan was filed with the Department of Law.

ROMER DEBBAS LLP

August 13, 2015

RC 51 Development LLC
c/o Cadence Property Group LLC
65 W. 13th Street
New York, NY 10011

Re: The Sorting House Condominium, 318-322 West 52nd Street, New York, New York

Ladies and Gentlemen:

We are serving as special counsel to you, the Sponsor of the proposed condominium to be known as The Sorting House Condominium (the "Condominium"). You have requested our opinion concerning (i) the availability of income tax deductions for purchasers of Residential Units in the Condominium, (ii) the tax consequences to the Condominium of the collection of assessments from Unit Owners and (iii) compliance with Section 339-i of the Real Property Law of the State of New York with respect to the allocation of common interests to each Unit in the Condominium.

We have reviewed the Condominium Offering Plan (the "Plan") and the documents set forth therein, including the Declaration of Condominium, as amended. We note that Schedule A to the Plan discloses that the approximate area of the Commercial Unit, which is currently used as a United States Postal Services facility, is 42,723 square feet, or 55.59% of the square footage of all Units in the Condominium. We have also reviewed Article 9-B of the New York Real Property Law (the "New York Condominium Act") and in particular Section 339-i thereof, the relevant sections of the Internal Revenue Code of 1986 as amended (the "Code"), the regulations and decisions issued in connection therewith, the New York State Tax Law, and the New York City Administrative Code. We have also reviewed the opinion of FirstService Residential New York Inc., dated February 9, 2015, regarding the method of allocation of common interests to each Unit in the Condominium.

Based upon our review of the foregoing and assuming the Condominium is validly created pursuant to said Article 9-B, we are of the opinion that under present law each Residential Unit Owner of the Condominium who itemizes deductions on his or her income tax return may deduct for both Federal and New York State Income Tax purposes all real estate taxes assessed against the Unit and paid by him or her in the year in which such taxes are paid and may likewise deduct all "qualified residence interest" paid by him or her on any mortgage indebtedness covering the Residential Unit in the year in which such interest is paid. (Sections 163 and 164 of the Code; Rev. Rul. 64-31, 1964-1 C.B. (Part I) 300; Sections 615 and 623(b) of the New York State Tax Law; Section T46-115.0 of the New York City Administrative Code.) "Qualified residence interest" is (1) interest on debt incurred to purchase, construct or improve a "qualified residence" (the taxpayer's principal residence plus one other residence) ("Acquisition Indebtedness") and that is secured by such residence, and (2) interest on debt (other than

Acquisition Indebtedness) secured by a qualified residence to the extent that the aggregate amount of such debt does not exceed the fair market value of the qualified residence reduced by the amount of Acquisition Indebtedness ("Home Equity Indebtedness"). The amount of debt treated as Acquisition Indebtedness may not exceed $1,000,000 ($500,000 for a married person filing separately) and the amount of debt treated as Home Equity Indebtedness may not exceed $100,000 ($50,000 for a married person filing separately).

In addition, if any of the Residential Unit Owners are Veterans of the United States Armed Forces, they may be entitled to Veterans' Exemptions covering part of the real estate taxes assessed against their respective Residential Units.

It should be noted that under Section 55 of the Code a noncorporate taxpayer may be subject to an alternative minimum tax ("AMT") on his or her alternative minimum taxable income ("AMTI") in lieu of the regular income tax. AMTI means the taxpayer's adjusted gross income for the taxable year, plus tax preference items described in Section 57 of the Code, and minus certain specified deductions including, but not limited to, qualified housing interest (generally, "qualified residence interest"), but excluding certain deductions allowed with respect to the regular income tax, such as real estate taxes. The AMT is payable if the resulting tax is greater than (and is payable in lieu of) the taxpayer's regular income tax (net of all tax credits) for the year. The AMT is imposed on the excess of AMTI over an "exemption amount" of $53,600 for persons filing single returns, $83,400 for joint returns or a surviving spouse, or $41,700 for married persons filing separately, $23,800 for estates and trusts; these exemption amounts are phased out as the taxpayer's AMTI increases. The AMT rate is 26% on the first $185,400 of AMTI that exceeds the exemption amount, and 28% of the AMTI above $185,400 that exceeds the exemption amount. (For married individuals filing separately, the $185,400 is reduced to $92,700.)

New York State also imposes a minimum tax based on certain Federal tax preference items, including "adjusted itemized deductions". See Sections 601-A and 622 of the Tax Law of the State of New York.

Section 528 of the Code provides that a Condominium Management Association (an "Association") may elect to be exempt from federal income tax on assessments collected from unit owners if it meets certain requirements set forth in said section of the Code. Those requirements are:

1. The Association must be organized and operated to provide for the acquisition, construction, management, maintenance and care of Association property, which includes property held by the Association and property commonly held by the members of the Association;

2. 60% or more of the Association's gross income must consist of membership dues, fees or assessments from residential unit owners ("exempt function income");

3. 90% or more of the Association's expenditures must be for the acquisition, construction, management, maintenance and care of the Association property;

4. No part of the net earnings can inure to the benefit of any private shareholder or individuals; and

5. Substantially all units (i.e., at least 85% of the total square footage of all units) must be used by individuals for residences.

The qualification of the Condominium to elect to be exempt from tax pursuant to Section 528 of the Code involves factual issues that can be determined only on a year-by-year basis. Based upon our review of the Plan and, specifically, the projected aggregate square foot area of the Residential Units relative to the project square foot area of all Units as set forth on Schedule A to the Plan), it appears that all of the requirements for electing under Section 528 will not be met for the first year of operation of the Condominium. Unless and until a sufficient portion of the Commercial Unit is used by individuals for residences such that at least 85% of the total square footage of all Units is used by individuals for residences, it appears that all of the requirements for electing under Section 528 will not be met for subsequent years of operation of the Condominium.

In any year in which a Section 528 exemption is not available, the status of the Condominium for Federal income tax purposes (and accordingly for New York State and New York City income tax purposes) as an aggregation of Unit Owners or as an entity for income tax purposes is not clear, and accordingly we express no opinion with respect to this matter.

If the Condominium is treated for tax purposes simply as an aggregation of the Unit Owners, the income received by the Board of Managers (such as rents on any Units owned and leased by the Board of Managers or interest earned on the Condominium's funds) and the expenses incurred by the Board of Managers on behalf of the Unit Owners in deriving such income, would be deemed to be income and expenses of the Unit Owners in proportion to their respective Common Interests (as defined in the Plan), and the amount of such income less such expenses would be taxable to the Unit Owner. In such a case, however, the Common Charges (as defined in the Plan) would not be considered income to the Unit Owners, and the expenditures incurred in maintaining the Common Elements would not be deductible by the Unit Owners.

If, on the other hand, the Condominium is treated as an entity for income tax purposes, then under Treasury regulations dealing with the classification of entities for income tax purposes, the Condominium would be classified as a partnership for such purposes absent an election to classify the entity as a corporation. As a partnership, the Condominium itself would not be subject to income tax (other than possibly the New York City unincorporated business tax). Instead, the taxable income or loss of the Condominium would be passed through to the Unit Owners, each of whom would be required to report such Unit Owner's distributive share of such income on such Unit Owner's income tax return. The manner in which such income or loss would be computed is not entirely clear, but it would presumably be computed in a manner similar to that described below for a condominium electing to be classified as a corporation for income tax purposes.

However, it is anticipated that the Condominium will treat itself as an entity for income tax purposes and will make an election to be classified as a corporation for such purposes, although no assurance can be given in this regard. The remainder of this discussion assumes that the Condominium will be classified as a corporation for income tax purposes. In such event, the Condominium would be subject to Federal corporate income tax (as well as to the New York State and New York City corporate franchise (income) tax) on its taxable income. See Rev. Rul. 74-99, 1974-1 C.B. 131. For these purposes, the Condominium's taxable income would be the excess of its gross income over its deductible expenses. Gross income would include, among other things, any rental income or investment income received by the Condominium and all Common Charges paid by Unit Owners. However, any portion of the Common Charges segregated and used to finance specified capital expenditures or reserves for such capital expenditures should generally not be required to be included in gross income. See Rev. Rul. 75-371, 1975-2 C.B. 52; Rev. Rul. 75-370, 1975-2 C.B. 25; Rev. Rul. 74-563, 1974-2 C.B. 38. Deductible expenses would generally include the Condominium's Common Expenses other than capital expenditures.

If the Condominium is required to pay taxes, the amount thereof will be additional Common Expenses, assessed to all Unit Owners as part of the Common Charges.

No warranties are made that either the United States Treasury Department or the New York State Department of Taxation and Finance will allow the aforementioned deductions for real estate taxes and/or mortgage interest to Residential Unit Owners or that the tax laws, regulations and rulings upon which this opinion is based will not change. The undersigned will in no event be liable if it is determined that the Condominium does not meet, or at any future time ceases to meet, the requirements of the Internal Revenue Code of 1986, as amended, or the New York State Tax Law, or any amendment of either thereof, by reason of changes in fact or statutory or decisional law or amendment to any law that could not be foreseen or expected to be foreseen. Moreover, no opinion is expressed nor is any representation or warranty made with

respect to the tax consequences of the Plan or any other matter (including, without limitation, the tax consequences of ownership of Residential Units offered under the Plan) except as herein expressly set forth.

Based upon our review of the Plan, including the Declaration of Condominium, as amended, the aforementioned opinion of FirstService Residential New York, Inc. and Section 339-i of the Real Property Law, we are of the opinion that the allocation of common interests to each Residential Unit in the Condominium, assuming, as set forth in the aforementioned opinion of FirstService Residential New York, Inc., that it has been based upon method (iv) of Section 339-i(1) of the Real Property Law, that is, 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, complies with Section 339-i of the Real Property Law.

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

IRS CIRCULAR 230 DISCLOSURE

To ensure compliance with requirements imposed by the IRS, we inform you that (i) any U.S. federal tax advice contained in this letter is not intended or written by the undersigned to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code; (ii) this letter was written to support the promotion or marketing of the Units; and (iii) each prospective Unit Owner should seek advice based on his or her particular circumstances from his or her independent tax advisor.

Very truly yours,

ROMER DEBBAS LLP

By:_____
Louis Sherman, Partner

RESERVE FUND FOR CAPITAL EXPENDITURES

Schedule B provides for a $63,307 reserve fund during the first year of operation of the Condominium. The reserve fund may be used only for capital expenditures. The Sponsor anticipates that the reserve fund, as it grows during each subsequent year of operation as part of the Common Charges, will be sufficient to pay for the replacement of capital items likely to be needed within the first five (5) years of condominium operation.

There are no restrictions on the Condominium Board's right to accumulate available funds for reserves. Common Charges may also be assessed for this purpose, provided, however, that so long as the Sponsor shall own Residential Units representing at least 25% of the Common Interest, but not later than the fifth anniversary of the first closing of title to a Residential Unit, the Sponsor's prior consent is necessary in order to assess Common Charges or special assessments to create, add to or replace a reserve, emergency or surplus fund in excess of the amounts of such funds, if any, set forth in Schedule B.

So long as the Sponsor controls the Board of Managers, the Reserve Fund may not be used to reduce projected Common Charges as set forth in Schedule B to this Plan.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED OR IS REQUIRED TO PASS UPON THE ADEQUACY OF SUCH RESERVE FUND FOR CAPITAL EXPENDITURES.

WORKING CAPITAL FUND

In addition to regular monthly payments of Common Charges, at each closing the Purchaser of a Unit shall be required to pay to the Condominium Board of Managers a non-refundable sum equal to two (2) months estimated Common Charges as set forth in Schedule A. These funds will be accumulated to provide the Condominium with working capital for capital items and/or repairs, emergencies and other appropriate purposes as determined by the Board of Managers. At the level of Common Charges set forth in Schedule A, the sale of all 30 Residential Units would result in a Working Capital Fund of approximately $92,263. Except for closing adjustments in favor of the Sponsor and emergency and working capital expenditures, it is anticipated that the balance of the fund will be turned over intact by the Sponsor to the first Board of Managers controlled by Unit Owners, to be used as said Board shall determine.

So long as the Sponsor controls the Board of Managers, the Working Capital Fund may not be used to reduce projected Common Charges as set forth in Schedule B to this Plan.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED OR IS REQUIRED TO PASS UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

The Condominium will enter into a one (1) year (the "Initial Term") management agreement (the "Management Agreement") with First Service Residential (the "Managing Agent"), with offices at 622 Third Avenue, New York, New York 10017, effective as of the date of the first closing of title to a Unit. The Management Agreement will automatically renew for one (1) year periods unless it is terminated as described below. The Managing Agent will receive a fee of $30,000 during the Initial Term, payable in monthly installments of $2,500. The management fee will increase by four (4%) percent during each subsequent year. All expenses incurred by the Managing Agent in performance of its duties to the Condominium will also be reimbursed to the Managing Agent. See the Budget for the First Year of Condominium Operation (Schedule B). The Management Agreement provides that the books and records held by the Managing Agent shall be returned to the Condominium upon termination. After the Initial Term, the Management Agreement may be terminated by either party, with or without cause, at the end of any calendar month upon at least sixty (60) days' notice to the other party.

The Managing Agent will, among other things:

(a) cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the Common Elements, all of whom shall be the Condominium's employees;

(b) cause the Common Elements to be maintained in such condition as may be deemed advisable by the Board of Managers, provided that ordinary repairs or alterations involving an expenditure of over $2,500 for any one item which is not part of a previously approved operating or capital budget shall be made only with the prior approval of the Condominium, although emergency repairs, i.e., those immediately necessary for the preservation and safety of the Common Elements or for the safety of Unit Owners or other persons, or required to avoid the suspension of any necessary service to the Condominium may be made by the Managing Agent without prior approval irrespective of the cost thereof. Notwithstanding the foregoing, the Managing Agent will receive an additional fee in an amount to be agreed upon by the parties in connection with the supervision of, or consultation with respect to, alterations, repairs, reconstruction, decoration or capital improvements which are beyond the scope of ordinary repairs;

(c) enter into contracts for any necessary services and supplies;

(d) maintain insurance with coverages and amounts specified by the Board of Managers;

(e) review all bills received for services, work, and supplies ordered in connection with maintaining and operating the Common Elements, and pay or cause to be paid all such bills from funds in the Condominium's account;

(f) bill or cause to be billed Unit Owners for Common Charges, late charges and other charges, collect such Common Charges and other charges, and deposit the same promptly in the Condominium's segregated account;

(g) cause to be prepared and filed all payroll and payroll-related forms, including unemployment insurance, withholding and social security taxes and all other tax and other forms relating to employment of the Condominium's employees;

(h) deliver to the Board of Managers regular monthly financial summaries;

(i) set up and keep in good order a separate, accurate and full set of receipts and disbursements, and maintain files containing all documents pertaining to the Condominium, maintain accurate and complete accounting records and a checkbook on the Condominium's bank account;

(j) cooperate with the Condominium's accountants and auditors in regard to the annual audit of the books of account of the Condominium and in the preparation of tax returns and the annual report of the operations of the Condominium for the year then ended;

(k) prepare and submit annually to the Board of Managers an operating budget setting forth the anticipated income and expenses for the Condominium for the ensuing year, and notify the Unit Owners of all assessments determined by the Board;

(l) prepare and send out all notices of meetings of the Board of Managers and of the annual Unit Owners' meeting, and other letters, notices or reports reasonably requested by the Condominium;

(m) attend not more than twelve (12) Board meetings annually and the annual Unit Owner's meeting; and

(n) institute, in the name and with the consent of the Board, actions and proceedings for the collection of common charges or other amounts due from Unit Owners, or to foreclose the lien of the Condominium with respect to any unpaid common charges or other amounts due from Unit Owners.

Additionally, the Managing Agent shall receive a $840 fee for processing applications for waivers of the Board's right of first refusal with respect to the sale or rental of Residential Units.

Pursuant to the Management Agreement, the Board of Managers will indemnify the Managing Agent and its affiliates, their respective shareholders, directors, officers, partners, employees, representatives, assigns and agents (the "Indemnified Parties") against any liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees) arising out of (i) claims of personal injury or property damage sustained in the Condominium, unless such injury or damage shall be finally adjudicated to have been caused by the Managing Agent's own negligence or willful misconduct, (ii) claims relating to the proper performance by the Managing Agent under the Management Agreement, (iii) any claims arising out of, resulting from, or being

in any way connected with any liens filed by or on behalf of any architects, contractors, engineers, or others against the Property, the Owner, the Board, or the Indemnified Parties, (iv) any claims that may arise based on the Managing Agent's status as a managing agent of the Property, (v) any claims for any act or omission of an employee of Owner; or (vi) any claims based on events that either occurred prior to the Managing Agent's appointment as managing agent for the Property or occur after the termination of the Management Agreement.

The Managing Agent shall maintain, at its expense: (i) general and umbrella liability insurance with limits of not less than $25,000,000 per occurrence and in the aggregate, which liability insurance shall cover the Managing Agent's activities at its offices and not at the Property and which insurance shall be secondary to the similar insurance maintained by the Condominium, (ii) fidelity/crime insurance in an amount of not less than $1,000,000; (iii) workers' compensation and employer's liability insurance covering the Managing Agent's employees; and (iv) professional liability coverage in the amount of at least $1,000,000 per claim.

In the event that the Condominium Board elects to employ a different managing agent, any additional cost thereof shall be added to the annual budget and become part of the Common Charges assessed against all of the Unit Owners. No representation is made by the Sponsor as to cost, terms or availability of such management services.

Insurance

Prior to the first closing of title to a Residential Unit, the Sponsor will cause the Condominium Board to obtain the insurance coverage described in the Section of the Plan entitled "Rights and Obligations of the Unit Owners and the Condominium Board of Managers".

Service Contracts

There are no existing service or maintenance contracts which will be binding on the Condominium after the first closing of title to a Residential Unit.

IDENTITY OF PARTIES

Sponsor

The Sponsor of this Plan is RC 51 Development LLC, a New York limited liability company. The managing member of the Sponsor and the owner of a 98.5% interest in the Sponsor is HMG B Investors LLC ("HMG B"), a Delaware limited liability company. The managing member of HMG B is HMG Development LLC ("HMG"), a Delaware limited liability company. The managing member of HMG is Howard Glatzer. The office of the Sponsor and each of its constituent entities is at c/o Cadence Property Group LLC, 65 W. 13th Street, New York, New York 10011. Mr. Glatzer was the Chief Operating Officer of 40 North Properties, where he was responsible for co-managing all aspects of the firm's real estate investment business. Prior to launching 40 North Properties, Mr. Glatzer was Co-Managing Principal of Latus Partners, the manager of a real estate private equity fund in New York City, sharing primary oversight and investment responsibilities for the firm. Prior to joining Latus, Mr. Glatzer was a managing director and co-head of acquisitions at The City Investment Fund ("CIF"), a real estate opportunity fund co-sponsored by Fisher Brothers and Morgan Stanley which invested exclusively within the five boroughs of New York City. Prior to joining CIF, Mr. Glatzer served for over seven years as managing director at Blackacre Capital Management, the real estate arm of the hedge fund Cerberus Partners. Prior to Blackacre, Mr. Glatzer led and executed transactional and advisory assignments for Rockwood Realty, a real estate investment banking and brokerage firm. He began his career at KG Land, a subsidiary of Tokyo-based Kumagai Gumi, as an investment manager restructuring KG's New York investments. He earned an M.B.A. in Finance from Cornell's Johnson Graduate School of Business, and a B.S. in Neurobiology from Cornell University.

Neither the Sponsor, any of its constituent entities nor Mr. Glatzer (a) has been involved in any prior public offerings of cooperative interests in realty, or (b) owns 10% or more of the unsold shares in a cooperative or unsold units in a condominium.

There are no prior felony convictions of the Sponsor and/or the principals of the Sponsor, and there are no prior bankruptcies, convictions, injunctions or judgments against the Sponsor, any principals of the Sponsor, and/or entities in which principals of the Sponsor were principals, that may be material to this Plan or to an offering of securities generally and that occurred within the fifteen (15) years prior to the submission of this Plan to the Department of Law.

The Selling Agent

Halstead Property Development Marketing LLC ("Halstead"), with offices at 445 Park Avenue, 12th Floor, New York, New York 10022, is the Selling Agent in connection with the offering of Units. Halstead is a licensed real estate brokerage firm which has served as selling agent for many condominium projects in New York City, including the following:

The Langston – 68 Bradhurst Avenue, New York, NY;
Northside Piers Condominiums – North 5th Street, Brooklyn, NY;
111 Central Park North, New York, NY; and

Halstead shall be paid fees by the Sponsor in connection with the sale of Units under this Plan.

There are no prior felony convictions of the Selling Agent and/or the principals of the Selling Agent, and there are no prior bankruptcies, convictions, injunctions or judgments against the Selling Agent, any principals of the Selling Agent, and/or entities in which principals of the Selling Agent were principals, that may be material to this Plan or to an offering of securities generally and that occurred within the fifteen (15) years prior to the submission of this Plan to the Department of Law.

Managing Agent

FirstService Residential ("FirstService"), with offices at 622 Third Avenue, New York, New York 10017, will be the Managing Agent of the Condominium. FirstService currently manages a portfolio consisting of over 250 rental, cooperative and condominium properties.

There are no prior felony convictions of the Managing Agent and/or the principals of the Managing Agent, and there are no prior bankruptcies, convictions, injunctions or judgments against the Managing Agent, any principals of the Managing Agent, and/or entities in which principals of the Managing Agent were principals, that may be material to this Plan or to an offering of securities generally and that occurred within the fifteen (15) years prior to the submission of this Plan to the Department of Law.

Attorneys for Sponsor

The Sponsor has retained the law firm of Romer Debbas LLP, with offices at 275 Madison Avenue, New York, New York 10016, to represent it in connection with this Offering Plan. This firm has prepared this Plan, the Declaration, the By-Laws, the form of Purchase Agreement, the form of Deed and the related Exhibits referred to herein. Romer Debbas LLP has not undertaken any responsibility for the business or financial terms of this Plan. Louis Sherman at Romer Debbas LLP prepared this Plan.

The Sponsor has retained the law firm of Romer Debbas LLP to render the Opinion of Counsel contained in Part I of this Plan.

Architect

The Sponsor has retained the firm of Architecture Outfit, 211-215 Centre Street, New York, New York 10013, to prepare the Site Plan, Floor Plans and Architect's Report contained in Part II of this Plan. The principal of Architecture Outfit has prepared floor plans and/or architect's reports for the following condominium or cooperative projects:

One 7th Avenue South, New York, NY
3rd and Bond, Brooklyn, NY
350 W. Broadway, New York, NY

Neither the Sponsor nor its principals have any prior relationship with the Selling Agent, the Managing Agent, the Architect or any other person or firm who shall provide services to the Condominium subsequent to the commencement of Condominium operation.

REPORTS TO UNIT OWNERS

All Unit Owners will be entitled to receive annually from the Condominium, at the expense of the Condominium, copies of the following:

(a) annual financial statements of the Condominium, prepared by independent certified public accountants, to be received within six (6) months after the end of the fiscal year, which statements shall be certified while the Sponsor is in control of the Board of Managers;

(b) notices of the holding of the annual meetings of the Unit Owners, to be sent not less than ten (10) nor more than forty (40) days in advance of the meeting, stating the purpose thereof as well as the time and place where it is to be held; and

(c) a copy of the proposed annual budget of the Condominium, to be received not less than ten (10) days prior to the date set for adoption thereof by the Board of Managers. While the Sponsor is in control of the Condominium Board, this budget will be certified in accordance with Section 20.4(d) of the Attorney General's Regulations.

DOCUMENTS ON FILE

The Condominium Declaration and the By-Laws will be recorded in the New York County office of the Register of the City of New York prior to the first conveyance of title to a Residential Unit. In addition, a set of floor plans for the Building showing the layout, location and approximate dimensions of the Units and the Unit designations, certified by the Surveyor's Office of the City of New York as conforming to the official tax lot number for each such Unit, and an Architect's statement required by Section 339-p of Article 9-B of the Real Property Law of the State of New York certifying that the floor plans fully and fairly depict the layout, location, Unit designations and approximate dimensions of the particular Unit or Units, will be filed in said City Register's office.

Pursuant to Section 352-e(9) of the General Business Law, copies of this Plan, all Exhibits or documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of the Plan are and will be kept on file at the office of the Sponsor set forth on the cover page hereof for six (6) years from the first closing of title to a Unit for examination without charge and copying at a reasonable charge, during normal business hours and upon reasonable notice, by prospective Purchasers and any person who has purchased a Condominium interest offered by this Plan or who has otherwise participated in this offering.

The Sponsor will deliver to the Condominium Board of Managers at the first closing of title to a Residential Unit a copy of all documents filed with the City Register.

GENERAL

A. There are no lawsuits, administrative proceedings or other legal proceedings now pending, the outcome of which could materially affect this offering, the Property, the Sponsor's capacity to perform all of its obligations under this Plan, the Condominium or the operation thereof.

B. The Property is not and has never been the subject of any prior offerings. The Property was the subject of a market test pursuant to a CPS-1 application that was granted by the Department of Law as of April 22, 2015 (CP15-0020). As of the date of the Plan, neither the Sponsor nor any representative or agent thereof has raised funds from, made any preliminary offering to or made any binding agreement with prospective purchasers with respect to the Units.

C. It is hereby represented that the Sponsor and its agents will 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.

D. The Sponsor reserves the right, from time to time, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Units are sold, including changes affecting the rights, obligations and liabilities of the Condominium, Purchasers and/or prospective Purchasers under this Plan. All material revisions will be contained in a duly filed amendment to this Plan. In the event of a material revision adversely affecting the rights, or increasing the obligations or liabilities, of then existing Purchasers or the Condominium, or reducing the undertakings or obligations of the Sponsor, such Purchasers will be given the right, for fifteen (15) days after the presentation date of the amendment, to rescind their Purchase Agreements and have all monies paid thereunder (with interest earned on their Down Payment) refunded, provided such persons comply in all respects with any procedure for rescission set forth in an amendment to this Plan.

E. This Plan contains an accurate summary of the pertinent provisions of the various documents referred to herein and copies thereof are on file with the Sponsor for inspection purposes. Any information, data, or representation not referred to in this Plan and not contained in the various documents mentioned herein must not be relied upon. This Plan does not intentionally omit any material fact or contain any untrue statement of a material fact. No person has been authorized by the Sponsor to make any representation which is not expressly contained herein.

F. No binding obligation between the Sponsor and a Purchaser shall arise unless and until a Purchase Agreement, executed by both the Purchaser and the Sponsor, has been exchanged.

G. All of the Units offered under this Plan are vacant.

H. The Sponsor shall not construct any additional Units or phases after completion of construction of the Condominium, except pursuant to plans approved by the New York City Department of Buildings.

I. This Plan may not be changed or modified orally.

EXCESS DEVELOPMENT RIGHTS

The Declaration provides that the Rooftop Terrace Unit shall include all "Excess Floor Area Development Rights" (as hereinafter defined) pertaining to the Land. As used herein, the term Excess Floor Area Development Rights means all "Floor Area Development Rights" in excess of "Retained Floor Area Development Rights" (as said terms are hereinafter defined). As used herein, the term Floor Area Development Rights means the rights, as determined in accordance with the Zoning Resolution of the City of New York, effective as of December 15, 1961, as amended from time to time (the "Zoning Resolution"), which are appurtenant to a zoning lot, to develop such zoning lot by erecting thereon a structure or structures with a total floor area determined by (i) multiplying the area of the zoning lot by the maximum allowable floor area ratio for structures in the zoning district or districts in which such zoning lot is located, and (ii) any bulk and density rights permitted under the Zoning Resolution and which may be authorized to be developed by the appropriate agency of the City of New York from time to time. As used herein, the term Retained Floor Area Development Rights means all Floor Area Development Rights pertaining to the Land that are utilized in the Building and other improvements to be constructed thereon as shown on the Floor Plans.

The Sponsor is reserving the right to transfer to one or more other properties any and all air or developmental rights that now or may hereafter exist with respect to the Property after construction of the Building. Following such transfer, no expansion of the Building will be possible. As of the date of this Plan, the Sponsor estimates that 258 square feet of air or developmental rights will be available for transfer after construction of the Building. Properties that receive air or developmental rights from the Property may also receive air or developmental rights from other properties.

SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION

The Sponsor adopts the Description of Property prepared by Architecture Outfit (the "Report"), which is set forth in Part II of this Plan, and has relied solely on that Report. The Sponsor represents that it does not know of any material defect or need for major repairs except as set forth in the Report.

Dated: New York, New York
_____, 2015

RC 51 DEVELOPMENT LLC

Sponsor

PART II

PURCHASE AGREEMENT

(This Document will be called the "Agreement")

INFORMATION SECTION

Date of this Agreement:_____

Seller: RC 51 Development LLC

Address: c/o Cadence Property Group LLC
65 West 13th Street
New York, New York 10011

Purchaser(s): _____

_____

Address: _____

_____

Telephone No.: **(Home)** _____ **(Office)** _____

Social Security No.(s): _____

Fed. Id. No.:_____

Selling Agent: Halstead Property Development Marketing LLC

Telephone No.: 212-381-4222

Additional Broker: _____

Unit Number:_____ **Common Interest:**_____%

Total Purchase Price. . . . . $_____
Less Down Payment (10%) . . . . $_____
Balance Due . . . . . $_____

Date Offering
Plan Received by
Purchaser:_____

PURCHASE AGREEMENT

1. **The Agreement; Purchase Price.** The undersigned Seller ("we" or "us") agrees to sell and the undersigned Purchaser ("you") agrees to purchase Unit number ___ (the "Unit") in the proposed condominium to be known as The Sorting House Condominium (the "Condominium") located at 318 West 52nd Street in the County of New York, City and State of New York (the "Property"), together with an undivided interest in the Common Elements of the Condominium as shown on the face page of this Agreement. The Down Payment, receipt of which is hereby acknowledged, is equal to ten (10%) percent of the total Purchase Price. The balance due at closing must be paid by good certified or official bank check or cashier's check drawn on a bank which is a member of the New York Clearinghouse Association, to the order of the Seller, or as the Seller may otherwise direct.

2. **The Plan.** The Unit is the same premises referred to by the same Unit number in the Floor Plans filed or to be filed in the New York County office of the Register of the City of New York and in the Declaration, By-Laws and Offering Plan for the Condominium (the "Plan") and in the schedules and exhibits annexed to the Plan (collectively, the "Condominium Documents"). You hereby acknowledge receipt of the Condominium Documents, which are incorporated into this Agreement.

*3A. **Receipt of the Plan**. You represent that you have received and read the Plan at least three (3) business days prior to signing this Agreement.

or

*3B. **Rescission Period**. You shall have seven (7) days after the Date of this Agreement, as set forth in the Informational Section on the face page of this Agreement, to rescind this Agreement and have your Down Payment refunded to you, without interest.

4. **No Guarantee of Mortgage**. You understand that your obligations under this Agreement are not conditioned upon your obtaining financing, and that no warranties or representations have been made in the Plan, or by us or anyone else, as to your ability to secure a mortgage loan from any lending institution or other lender. In the event that you are unable to obtain a mortgage loan, we will in no way be liable for your inability to secure same.

5. **Effectiveness of Plan.** This Agreement is contingent upon the Plan being declared effective, and the Plan shall not be declared effective except as provided therein. We will give you prompt written notice when the Plan either becomes effective or is abandoned. Should the Plan not be declared effective and be abandoned as provided in the Condominium Documents, this Agreement will be cancelled, all monies paid by you to us or to the Selling Agent or the Escrow Agent will be refunded, with interest if any has been earned, and we will have no further liability to you.

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*Delete whichever subsection is inapplicable.

6. **Closing Date.** The Closing of Title shall be held at the offices of Romer Debbas, LLP, 275 Madison Avenue, Suite 801, New York, New York (or such other place in the City and State of New York as we may designate to you) and on such date and hour as we may designate to you on not less than thirty (30) days prior written notice ("Initial Closing Notice"). After the Initial Closing Notice, we may, from time to time, adjourn and reschedule the date and hour for closing on not less than five (5) business days' notice to you, which new closing notice shall fix a new date, hour and place for the Closing of Title and which date shall not be earlier than the date set forth in the Initial Closing Notice. The term "Closing Date", "Closing", "Closing of Title" or words of similar import shall mean the date on which the deed to the Unit is delivered to you.

7. **Inspection and Completion of Unit.**

(a) Prior to the scheduled Closing Date, you will be notified by the Selling Agent of a date and time that you may inspect the Unit. You may not inspect the Unit until you have received the aforesaid notice from the Selling Agent. You may attend an inspection only with our authorized representative, and shall, at the inspection, together with our representative, complete, date and sign an inspection statement (the "Inspection Statement"). The Inspection Statement will serve as an acknowledgment of your acceptance of the Unit in accordance with the terms of the Plan, or, if you find that certain minor construction items remain open, and if our representative agrees with this finding, the Inspection Statement shall list those "punchlist items" to be completed by us post-closing (or post-occupancy in those instances where Purchaser takes occupancy under an Interim Lease), subject to force majeure.

(b) Your failure to attend an inspection on the date specified in the Selling Agent's notice, and/or your failure to sign and deliver an Inspection Statement, shall not excuse you from closing on the Closing Date, and shall constitute your full and unconditional acceptance of the Unit "as is" on the Closing Date.

(c) The fact that an Inspection Statement containing punchlist items has been executed shall not be grounds for your delay of the Closing Date, for your refusal to close, for a credit against the Purchase Price or for an escrow from the sales proceeds. You shall be obligated to close notwithstanding incomplete construction of (i) minor details in the Unit (provided the Building is covered by at least a temporary Certificate of Occupancy), (ii) other Units in the Building or (iii) the common areas of the Building.

(d) Your failure to permit us or our contractors, agents or employees access to the Unit to complete punchlist items on the Inspection Statement shall constitute your waiver of the punchlist items, and shall cause our obligation to complete the punchlist items to be deemed satisfied.

(e) You agree that no discussion of incomplete items is to take place on the Closing Date.

(f) We shall not have any obligation to complete or cause to be completed any work in the Unit not specifically itemized on an Inspection Statement, except work required to be

completed to obtain a permanent Certificate of Occupancy, if one is yet to be obtained as of the Closing Date.

(g) The provisions of this paragraph shall survive closing of title and delivery of the Deed.

8. **Delivery of Certificate of Occupancy.** We agree to deliver at the closing of title a copy of either the temporary Certificate of Occupancy with respect to the Unit and possibly other units and/or floors in the Building or a permanent Certificate of Occupancy for the Building. It will be our obligation to obtain a permanent Certificate of Occupancy for the Building and to obtain renewals of the temporary Certificate of Occupancy until a permanent Certificate of Occupancy is obtained. We are obligated to perform all work in the common areas of the Building which is necessary for a permanent Certificate of Occupancy for the Building to be issued.

9. **Construction Obligations.**

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

(b) The construction of the Building and the Unit as described in the Plan, and the correction of any defects in construction to the extent required thereunder, are the full extent of our construction obligations under this Agreement. You acknowledge and agree that we will not be liable for, and will have no obligation to correct, certain variations from the Plan and the plans and specifications as indicated in the section of the Plan entitled "Rights and Obligations of the Sponsor", and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in such section of the Plan.

10. **Construction Delays.**

The actual date for the first closing of title to a unit, as set forth in the Plan (the "First Closing"), is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites recited in the Section of the Plan entitled "Terms of Sale." You acknowledge that construction may be delayed by late delivery of material or equipment, labor difficulties, unavailability of building trades, casualty, inclement weather and other events beyond our control. You further acknowledge that the units in the Condominium 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 our discretion. You acknowledge that except as otherwise provided in the Plan, you shall not be excused from paying

the full Purchase Price, without credit or set-off, and shall have no claim against us for damages or losses, in the event that the First Closing occurs substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by us.

11. **Closing Costs**. At closing you will execute a bond or note, mortgage, and any other documents that your lending institution or other lender, if any, may request. You will pay the closing costs listed in the Plan, including, but not limited to, New York State Real Estate Transfer Tax (deed stamps), New York City Real Property Transfer Tax and filing fee therefor, New York State Mansion Tax (if applicable), recording fees for the deed and power of attorney, adjustments as described in Paragraph 13 hereof and the premium for title insurance insuring your title, if you order title insurance. If you are obtaining a mortgage, you will pay the costs listed in Paragraph 12, any escrow deposits the lending institution or other lender requires and mortgage interest from the date of closing to the end of the month. You will also pay to the Board of Managers of the Condominium a non-refundable amount equal to two (2) months' estimated Common Charges, to be used for working capital and future contingencies of the Condominium. This sum is in addition to the Common Charges you will be required to pay each month to the Board of Managers for the ongoing operation of the Condominium. Finally, you will pay our attorneys' fees for preparation of the closing documents and attendance at the closing in the amounts set forth in the Section of the Plan entitled "Unit Closing Costs and Adjustments".

If we have advanced any of these payments on your behalf, you will reimburse us at closing for the amounts so paid.

12. **Mortgage Closing Costs.** If you are obtaining a mortgage loan to purchase your Unit, you must, at closing, pay all costs related to the mortgage loan, which may include the following:

(a) Application fee;

(b) Mortgage origination fee of the lender, or "points";

(c) Cost of appraisal;

(d) Cost of Credit Report;

(e) Premium for mortgage title insurance to protect the lender;

(f) Private mortgage insurance initial premium, if applicable;

(g) Mortgage tax, currently at the rate of 1.75% of the mortgage amount for those mortgages securing a loan of less than $500,000.00, and 1.875% of the mortgage amount for those mortgages securing a loan of $500,000.00 or more, less $25 (we will benefit from any partial mortgage tax credit pursuant to Section 339-ee(2) of the New York Condominium Act);

(h) Recording fee for your mortgage;

(i) Any escrow deposits required by the lender; and

(j) Legal fees of the lender.

If we have advanced any of these payments on your behalf, you will reimburse us at closing for the amounts so paid.

13. **Closing Adjustments: Taxes and Assessments, Common Charges and Insurance. Closing Adjournment and Penalty for Adjournment.**

(a) Real estate taxes and assessments for the tax year in which title closes, the Unit's share of the insurance premium for the Condominium's policy and estimated Common Charges for the month in which title closes shall be apportioned as of the Closing Date.

In the event that units have not been separately assessed for real estate tax purposes prior to the first closing of title to a unit, we will (i) place in escrow in the name of the Board of Managers of the Condominium an amount equal to the unpaid real estate taxes which will be levied against the Condominium for the six (6) month period following the first closing of title, (ii) pay the real estate taxes from this escrow account when they become due and payable, and (iii) receive reimbursement from purchasers at closing of title based upon the percentage of the Common Elements appurtenant to the unit. If the Unit has been separately assessed by the Closing Date but a tax rate has not yet been established for the then current tax fiscal year, the apportionment of real estate taxes shall be based upon the then current assessment and the tax rate for the prior year. When the tax rate is thereafter established, the parties shall promptly correct the prior adjustment, if necessary. However, any assessments imposed after the delivery of the Deed or any installments of any assessment which are payable after the delivery of the deed shall be paid by you. This provision shall survive closing of title and delivery of the Deed.

(b) If you are not ready to close title on the date and at the time fixed pursuant to the terms and conditions of this Agreement, and we do not elect to cancel this Agreement as provided in Paragraph 19 of this Agreement, and the closing thereafter occurs on a later date, then (i) all adjustments shall be made as of the date originally scheduled for the closing of title, and (ii) you shall pay us (for interest expenses incurred and/or loss of earning on the Purchase Price as a result of your delay) an amount equal to 16% per annum of the Purchase Price for each day's delay starting with the day originally scheduled for closing and including the day immediately prior to the actual Closing Date. Nothing contained herein shall be construed to require us to grant any adjournment.

14. **Title Defect; Termination of Agreement.** If on the Closing Date (as the same may be adjourned in accordance with the terms hereof) we are unable to convey title in accordance with the terms hereof, we shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of our obligations set forth in the Plan in order to cure such inability. If we are not so obligated under the Plan and we notify you of our election not to cure such title defect or our inability to cure such title defect, and if you are not in default hereunder, your remedy shall be to either (a) take title to the Unit subject to such title defect (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against us for damages or otherwise) or (b) terminate this Agreement. If you so elect to

terminate this Agreement, this Agreement shall be deemed terminated on the date set forth in that notice (which date shall not be less than thirty (30) days following the date of delivery of such notice) unless we are ready, willing and able to convey title in accordance with the terms of this Agreement by such date. If you choose to terminate this Agreement, all monies you have paid under this Agreement will be returned to you (other than monies paid toward changes, optional extras and custom work ordered by you, if any, and the costs of installation), with interest if any has been earned. Upon termination and the making of such refund, this Agreement shall wholly cease and terminate and be of no further force and effect, and neither you nor we shall have any further claim against each other by reason of this Agreement. You may not reject our title, however, without further having given us a reasonable opportunity to render it marketable as provided in the Plan.

15. **Acceptance of Purchaser.** This Agreement shall not be binding until you, as Purchaser, shall be accepted, such acceptance to be indicated by our execution of this Agreement. A fully signed copy thereof shall be delivered to you within ten (10) days after acceptance. If this Agreement shall not be accepted by us within twenty (20) days after our receipt of it, this Agreement shall be deemed to be rejected and cancelled, your Down Payment shall be refunded to you within twenty (20) days thereafter, without interest, and neither of us shall have any further liability to the other.

16. **Escrow Account.**

(a) The Escrow Agent. The law firm of Romer Debbas, LLP, with an address at 275 Madison Avenue, Suite 801, New York, New York 10016, telephone number (212) 888-3100, shall serve as escrow agent ("Escrow Agent") for the Sponsor, the Seller and the Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Michael J. Romer, Pierre Debbas, Louis Sherman, Sharon M. Zimmer and Matthew G. Melnick. Messrs. Romer and Debbas are members of the firm of Escrow Agent. 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) The Escrow Account. The Escrow Agent has established the escrow account at Valley National Bank, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "Romer Debbas – 318 W. 52nd Street Escrow Account" ("Escrow Account") The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit. Any deposit in excess of $250,000 will not be insured.

All Down Payments and other deposits received from the Purchaser (collectively, the "Deposits") shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of Romer Debbas, LLP, as Escrow Agent.

Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance with the terms of a written agreement between the Purchaser and Seller.

The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts, which is currently .15%. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to or credited to the Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.

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

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

(d) Release of Funds. All Deposits, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by the Seller, as per General Business Law § 352-h.

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

The Escrow Agent shall release the Deposits if so directed:

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

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

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

If the Escrow Agent is not directed to release the Deposits pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the Deposits, then the Escrow Agent must give both the Purchaser and the Seller prior written notice of not fewer than thirty (30) days before releasing the Deposits. If the Escrow Agent has not received notice of objection to the release of the Deposits prior to the expiration of the thirty (30) day period, the Deposits 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 Deposits within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposits 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 Deposits 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.

The Sponsor and the Seller shall not object to the release of the Deposits to:

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

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

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

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

(f) Liability of Escrow Agent.

(i) The Escrow Agent is acting as an accommodation to the Sponsor and the Seller and shall not be liable to them for any action taken or omitted under the Plan or this Agreement except for its negligence or willful misconduct. It shall incur no liability to the Sponsor or the Seller with respect to any action taken or suffered by it in reliance upon any notice, direction, instruction, consent, statement or other paper or document reasonably believed by it to be genuine. Upon payment of funds in accordance with the terms of this Agreement and the Plan, the Escrow Agent will be discharged from liability by the Sponsor and the Seller.

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

(g) Responsibilities of Escrow Agent.

(i) Escrow Agent shall not be bound by any modification, cancellation or rescission of this Agreement unless in writing and signed by both parties and delivered to it.

(ii) Escrow Agent shall not be liable or responsible for the collection of any check deposited into an account under its supervision as Escrow Agent.

(iii) Escrow Agent may act only upon instructions from either party to this Agreement or their attorney, or in the event of a dispute, upon the instructions of the Attorney General.

(iv) In the event there is a dispute as to the disposition of the Deposits, Escrow Agent may bring an appropriate action or proceeding for leave to deposit the Deposits into a court of competent jurisdiction with notice to both Seller and Purchaser. Escrow Agent shall be reimbursed by the Sponsor for all costs and expenses of such action or proceeding including, without limitation, reasonable attorneys' fees and disbursements. Escrow Agent shall have no further liability to any party if the funds are delivered in the manner provided for in this paragraph.

In accordance with the Plan, we reserve the right to provide a bond or letter of credit to secure any monies paid by you hereunder. If we do so, the monies held in our escrow account shall be released to us after this Agreement has been executed by you and by us, and after the bond or letter of credit has been obtained and the original letter of credit or a copy of the bond has been delivered to the Escrow Agent.

You understand and acknowledge that in the event a conflict should arise over the disposition of the escrow funds, the Escrow Agent may represent us in such dispute. You hereby also authorize the Escrow Agent to disburse your payments held in the escrow account to us or at our direction at closing. The Escrow Agent is only responsible for the duties assigned to it in the Plan.

17. **The Deed.**

(a) At closing we will deliver to you and you will accept a bargain and sale deed with covenants against grantor's acts (the "Deed"), containing the covenant required by Section 13 of the Lien Law. The Deed will convey a good and marketable title to the Unit and an undivided interest in the Common Elements to you, subject only to the exceptions disclosed in the Condominium Documents, and to any mortgage you may be obtaining. The closing deed shall contain such a description of the premises as shall be accepted and/or approved by the lending institution or the title company insuring the lender. We shall give and you shall accept a title such as a reputable title company, a member of the New York Board of Title Underwriters, will approve and insure, subject to the exceptions contained in the Condominium Documents. We will satisfy all mortgages or liens now on or to be placed on the Unit prior to closing, or obtain releases for your Unit from same before title closes. The existence of unpaid taxes or liens of any kind at the time of closing shall not constitute an objection to title provided we deposit a sufficient amount with a title company so that said company shall be willing to insure against collection of same from the property herein described.

(b) If, subsequent to the Closing of Title, you claim that we did not convey title to the Unit in accordance with the Plan, you must first seek recovery against your title insurance company before proceeding against us. You and we agree that our liability will be limited to any loss or damage not covered by your title insurance company. If you did not obtain title insurance at the Closing, for purposes of this subparagraph the amount and coverage which you could have obtained from your title insurance company shall be deducted from the loss or damage collectable against us. Nothing contained in this subparagraph shall be construed to waive any of your rights or abrogate any of our obligations under the Plan or Article 23-A of the General Business Law.

18. **Power of Attorney.** On the Closing Date you shall sign a Power of Attorney. The Power of Attorney shall be in the same form as contained in the Condominium Documents. You will deliver counterparts of it to us and to the title company present at the closing.

19. **Your Default; Liquidated Damages.**

(a) The following shall constitute "Events of Default" hereunder:

(i) your failure to pay the Balance of the Purchase Price, or any closing adjustment or closing cost required to be paid by you as set forth in the Plan or in this Agreement, or the dishonor of any check given by you to us; or

(ii) your failure to pay, perform or observe any of your other obligations under this Agreement or the Plan; or

(iii) if you are permitted to become the tenant or occupant of the Unit, your failure to pay rent or to otherwise comply with such other lease or occupancy obligation; or

(iv) your assignment of any of your property for the benefit of creditors, or your filing a voluntary petition in bankruptcy; or

(v) if a non-bankruptcy trustee or receiver is appointed over you or your property, or an involuntary petition in bankruptcy is filed against you; or

(vi) if a judgment or tax lien is filed against you and you do not pay or bond the judgment or lien within thirty (30) days thereafter; or

(vii) your assignment of this Agreement without our prior written consent; or

(viii) prior to the Closing, your listing the Unit for resale or rental with any broker or advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or rental without our prior written consent; or

(ix) an Event of Default by you beyond any applicable grace period under a Purchase Agreement between you and us for another unit in the Condominium.

(b) **TIME IS OF THE ESSENCE** with respect to your obligations to pay the Balance of the Purchase Price and to pay, perform or comply with your other obligations under this Agreement. In addition to any other remedies which we may have, following an Event of Default we may give you notice of intent to cancel this Agreement if you do not cure such Event of Default within thirty (30) days after we have given you notice. If you do not cure such Event of Default within such thirty (30) day period, we shall be entitled to retain as liquidated damages all payments you have made to us up to 10% of the Purchase Price, plus interest if any has been earned, plus any amount actually paid to us for any changes, optional extras and certain work ordered by you and any installation costs connected therewith, if any (hereinafter called the "Liquidated Damages Amount"). We will retain any other remedy we may have against you so that if you paid us less than ten (10%) percent of the Purchase Price of your Unit before you defaulted, we may collect, also as our liquidated damages, the difference between what you had paid and ten (10%) percent of the Purchase Price. It is specifically recognized by you that the Unit which you are agreeing to purchase is a part of a larger and complex condominium which requires substantial administrative and promotional expenses, that its sales are and will be, in part, seasonal and that it will be extremely difficult if not impossible to determine actual damages incurred by us due to your breach. Therefore, those provisions with regard to damages are an attempt by the parties to liquidate the same rather than provide for a penalty and the same shall not be considered a penalty.

20. **Release from Liability.** If we cancel the Agreement, we will have no further liability to you. We may then sell the Unit to anyone else. We will have no obligation to give you any part of the proceeds of the sale.

21. **Possession by You.** You will not enter possession of the Unit or do any work or install any material thereon prior to the time of delivery of the Deed to the Unit and performance of your obligations at closing. Any violation of this paragraph is a breach of this Agreement, for which you will be held in default hereof. In such case, we are authorized to remove you from the Unit by summary proceedings or otherwise, and all work done and materials installed shall become

our property. The use of summary proceedings will not be a waiver of any other rights and remedies which we may have against you. It is further understood and agreed that we shall not be responsible for any damage or loss to any property belonging to you which has been delivered to the Unit, our office, or to any of our employees or subcontractors either before or after the closing of title. This provision shall survive closing of title and delivery of the Deed.

22. **Delivery of Deed**. You agree that our delivery and your acceptance of the Deed at closing shall be considered full performance and discharge of every obligation to be performed by us pursuant to the provisions of this Agreement, except for those provisions which are expressly stated herein to survive closing of title or which according to the Plan are represented as surviving closing of title.

23. **Representations and Warranties.** Except for the representations and warranties in the Condominium Documents, the Exhibits submitted to the Department of Law with the Condominium Documents, this Agreement and the Building plans and specifications, you agree that we have made no representations and warranties to you. You acknowledge that in executing, delivering and performing this Agreement, you are not relying upon any statement and/or information made or given, directly or indirectly, verbally or in writing by advertisement, brochure or otherwise, regarding, without limitation, the size, dimensions or other physical characteristics of the Unit or as to financial data or estimated income tax deductions, by us, our agents or employees or any individual or corporation except as specifically contained in the documents specified in this paragraph. You acknowledge that you have had full opportunity to examine all documents referred to herein. You also represent that you have examined and investigated the Unit to your own full satisfaction.

24. **Risk of Loss.** We assume the risk of loss or damage to the Unit until the earlier of your possession of the Unit or the closing of title. In the event that all or a substantial part of the Unit is damaged or destroyed by fire or other casualty prior to the Closing Date, we may elect to terminate this Agreement and refund the down payment to you, with interest if earned, by notice to you delivered within ninety (90) days after such damage or destruction. If we do not elect to terminate this Agreement, or if less than a substantial part of the Unit is damaged or destroyed, this Agreement will remain in full force and effect, we shall restore the Unit to its condition existing immediately before such damage or destruction, and you shall not have the right to reject title or receive credit against or abatement in the Purchase Price. In such event, we shall be entitled to a reasonable period of time within which to complete said repairs or replacement.

25. **Dimensions Approximate.** The sizes, dimensions and layouts of the Units stated in the Condominium Documents are approximations within reasonable tolerances. It is your responsibility to check these Condominium Documents. After you sign this Agreement, immaterial variations in the sizes or dimensions of the Unit will not give you the right to rescind this Agreement.

26. **Necessary Alterations; Construction of the Unit.** We reserve the right to make such changes and/or substitutions of materials and construction which may be required, authorized and/or approved by the lending institution or by government agencies having jurisdiction thereof, provided same are of equal or better quality. The construction of the Unit shall be in substantial accordance with the plans as filed with the Building Department of the City of New York, and

with the requirements as to materials and workmanship of the above mentioned Building Department.

27. **Displays and Models.** All furniture, furnishings, appliances, flooring, decorative fixtures, electrical fixtures, wallpaper, mirrors, built-ins, shelves, carpeting and other options and equipment exhibited in any model Units or sales office are for display purposes only and are not included in the sale of the Unit.

28. **Entire Agreement; Written Modification.** The Condominium Documents and this Agreement are the entire agreement between you and us. No oral statement may be part of our agreement. This Agreement may only be modified or terminated by a written agreement signed by you and us.

29. **Waiver of Jury Trial.** You waive your right to a jury trial in any action, proceeding, or counterclaim arising out of this Agreement.

30. **Offering Plan Governs.** Any inconsistency between this Agreement and the Plan will be resolved in favor of the Plan.

31. **Corrections.** Any errors or omissions in computing apportionments at closing shall be corrected. Payment shall be made promptly to the party owed. This provision shall survive closing of title and delivery of the Deed.

32. **Post-Closing Municipal Filings.** In the event you perform any work in the Unit after the Closing which requires any filing with or permit or approval from any agency or department of the City of New York, you shall retain the services of the architectural and engineering firm and expediter designated by us for the purpose of making any such filing or obtaining any such permit or approval, and you shall be solely responsible for the fees and expenses of such architectural and engineering firm and expediter. As set forth in the Section of the Plan entitled "Rights and Obligations of the Unit Owners and the Board of Managers",

(i) until a permanent certificate of occupancy is obtained for the Building, such work or any filing for such work may not include any change that would result in a delay in obtaining a permanent certificate of occupancy for the Building, or any amendment to or extension of a certificate of occupancy which has already been issued;

(ii) such work may not be commenced until you cause all required plans, specifications, notices and/or certifications to be filed with all governmental authorities having jurisdiction, procure all required permits and licenses and deliver copies of all such plans, specifications, notices, certifications, permits and licenses to the Board of Managers;

(iii) such work must be diligently prosecuted to completion in compliance with all plans, specifications, notices and/or certifications and in conformity with all permits and licenses;

(iv) the Board of Managers and its representatives shall be given reasonable opportunity, from time to time, to inspect such work as it progresses;

(v) promptly after the completion of such work, all necessary inspections and approvals of the work shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate governmental authorities and the Board of Manager shall be given a copy of all such inspections, approvals, notices and certifications;

(vi) you shall indemnify and hold all Unit Owners and us harmless from any cost, expense, claim, or liability arising, directly or indirectly, from such work, including, without limitation, any cost, expense, claim, or liability incurred or suffered by any of them due to any violation of law or due to any delay in obtaining a permanent certificate of occupancy for the Building (or any amendment to, or extension of, a certificate of occupancy which has already been issued) as a result of such work or the failure to make all appropriate governmental filings in connection with same;

(vii) all contractors shall be duly licensed to the extent required by applicable law; and

(viii) you shall provide evidence of insurance coverage as the Board may request in connection with such alterations.

If you commence any such alterations in violation of the foregoing terms and conditions, the Board of Managers shall be entitled to cause such work to be halted, including, without limitation, to cause the Managing Agent to deny access to the Building to your contractors and suppliers, until you comply with the same. You acknowledge that the intent of this paragraph is to prevent any confusion or delay which might otherwise result from multiple filings by different Unit Owners. The terms of this paragraph shall survive the Closing.

33. **Prohibition Against Advertising.** Prior to the Closing of Title, you agree not to list the Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease, without our prior written consent, which consent may be unreasonably withheld or delayed. Any listing of the Unit or form of advertising, promotion or publicizing of the Unit by you prior to Closing of Title shall be a default by you, entitling us to the default remedies set forth in this Agreement.

34. **Notices.** Any notices permitted or required to be given hereunder shall be in writing and delivered personally or sent by certified or registered mail, return receipt requested and postage prepaid, or by reputable overnight courier, to the parties at the addresses listed on the front page of this Agreement or to such other addresses as either of us may hereafter designate to the other in writing pursuant hereto. Any notice sent by personal delivery or by reputable overnight courier shall be deemed to have been received on the date of delivery. Any notice sent by mail shall be deemed received three (3) business days after being deposited in the U. S. Postal Service. Notices sent by attorneys for the parties shall be valid notices if given in accordance with the terms of this paragraph.

35. **Broker.** You represent to us that you have dealt with no broker other than the Selling Agent and the additional broker, if any, listed on the Informational Page of this Agreement in connection with this transaction. You agree that should any claim be made against us for commissions by any other broker on account of any of your acts or the acts of your representatives,

you will indemnify and hold us harmless from any and all liabilities and expenses in connection therewith, including reasonable legal fees and expenses. This provision shall survive closing of title and delivery of the Deed.

36. **Assignment.** You may not assign this Agreement to anyone else without our written consent.

37. **New York Law.** The parties hereto agree that this Agreement and all of its terms and provisions shall be construed in accordance with the laws of the State of New York.

38. **Binding Effect.** This Agreement shall be binding upon you and your heirs, executors, administrators, successors and assigns, and if more than one person joins in the execution of this Agreement, the covenants and agreements hereof shall be their joint and several obligations, and if any other than the masculine sex, the relative words herein shall be read as if written in the plural and/or such other gender accordingly as the case may be.

39. **Limited Warranty.** WE MAKE NO HOUSING MERCHANT IMPLIED WARRANTY OR ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE PURCHASE AGREEMENT OR UNIT AND ALL SUCH WARRANTIES ARE EXCLUDED, EXCEPT AS PROVIDED IN THE LIMITED WARRANTY ANNEXED HERETO AS EXHIBIT A. THE TERMS OF THE LIMITED WARRANTY ARE HEREBY INCORPORATED INTO THIS PURCHASE AGREEMENT AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE THEREOF. YOU HEREBY ACKNOWLEDGE THAT A WRITTEN COPY OF THE TERMS OF THE ANNEXED LIMITED WARRANTY HAS BEEN PROVIDED BY US TO YOU FOR EXAMINATION AND THAT A REASONABLE PERIOD OF TIME FOR ITS EXAMINATION HAS BEEN AFFORDED TO YOU PRIOR TO THE TIME OF YOUR EXECUTION OF THE PURCHASE AGREEMENT. YOU UNDERSTAND AND ACCEPT THE ANNEXED WARRANTY TO THE PURCHASE AGREEMENT IN LIEU OF ANY OTHER EXPRESS OR IMPLIED WARRANTIES IN CONNECTION WITH THIS TRANSACTION. THE ANNEXED WARRANTY WILL BE FULLY EFFECTIVE WITHOUT THE EXECUTION OF ANY OTHER DOCUMENT BY EITHER YOU OR US ON THE DATE THAT YOU OR A MEMBER OF YOUR FAMILY SHALL FIRST OCCUPY THE UNIT AS A RESIDENTIAL HOME OR THE DATE THAT THE DEED TO SUCH UNIT SHALL BE DELIVERED TO YOU, WHICHEVER OCCURS FIRST. IN ADDITION TO THE ANNEXED LIMITED WARRANTY, YOU WILL RECEIVE ANY MANUFACTURERS' WARRANTIES APPLICABLE TO THE APPLIANCES INSTALLED IN THE UNIT.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto.

_____
Purchaser

_____
Purchaser

This Agreement is not binding on Seller
until signed by

RC 51 DEVELOPMENT LLC

By: HMG B Investors LLC, Managing Member

By: HMG Development LLC, its Managing Member

By:_____
Name: Howard Glatzer
Title: Managing Member

ESCROW AGENT:

ROMER DEBBAS, LLP

By:_____
Name:
Title: Partner

EXHIBIT A TO PURCHASE AGREEMENT

HOUSING MERCHANT IMPLIED WARRANTY
LIMITED WARRANTY

NAME OF PURCHASER(S): _____

_____

ADDRESS OF PURCHASER(S): _____

_____

_____

UNIT DESIGNATION: _____

WARRANTOR: RC 51 Development LLC
c/o Cadence Property Group LLC
65 W. 13th Street
New York, New York 10011

WARRANTY DATE: _____

WARRANTOR'S LIMIT
OF TOTAL LIABILITY: $_____
[75% of the Purchase Price of the Unit, less any insurance proceeds received by Purchaser]

THIS LIMITED WARRANTY EXCLUDES ALL CONSEQUENTIAL AND INCIDENTAL DAMAGES, EXCEPT AS REQUIRED BY NEW YORK STATE LAW.

THIS LIMITED WARRANTY IS IN LIEU OF AND REPLACES ALL OTHER WARRANTIES ON THE CONSTRUCTION AND SALE OF THE UNIT AND ITS COMPONENTS, BOTH EXPRESS AND IMPLIED (INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE). THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE FACE HEREOF. THE PURPOSE OF THIS LIMITED WARRANTY IS TO IDENTIFY THE WARRANTOR'S RESPONSIBILITIES FOR CONSTRUCTION DEFECTS OF A LATENT OR HIDDEN NATURE THAT COULD NOT HAVE BEEN FOUND OR DISCLOSED ON FINAL INSPECTION OF THE UNIT.

1. TO WHOM GIVEN: This Limited Warranty is extended to the Purchaser named on page 1, while the Purchaser owns the Unit. It does not extend to subsequent owners, mortgagees in possession or tenants of the Unit, anyone who may succeed to the rights of the Purchaser or any other persons.

2. BY WHOM MADE: This Limited Warranty is made exclusively by the Warrantor whose name and address appears on page 1.

3. LIMITED WARRANTY: This Limited Warranty excludes all other warranties on the construction and sale of the Unit and its components, both express and implied. There are no warranties which extend beyond the face hereof.

4. WARRANTY COVERAGE AND PERIODS: The Warranty Period for all coverages begins on the Warranty Date shown on page 1. (This Warranty Date is the date that the Purchaser, or member of the Purchaser's family, takes title to the Unit or any person begins residential occupancy of the Unit, whichever date is earlier.) It ends at the expiration of the coverages shown below:

   (a) FIRST YEAR BASIC COVERAGE: For one year from the Warranty Date, the Unit will be free from latent defects that constitute:

      (i) defective workmanship performed by the Warrantor or an agent, employee or subcontractor of the Warrantor; or

      (ii) defective materials provided by the Warrantor or an agent, employee or subcontractor of the Warrantor; or

      (iii) defective design, provided by an architect, engineer, surveyor, or other design professional engaged exclusively by the Warrantor.

   Warrantor under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Warrantor's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

   (b) TWO YEAR MAJOR SYSTEM COVERAGE: For two years from the Warranty Date, the plumbing, electrical, heating, cooling and ventilation systems of the Unit which have been installed by the Warrantor are warranted to be free from latent defects resulting from defective installation by the Warrantor.

   The plumbing system means the following to the extent they exist within the Unit: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; and water, gas and sewer service piping.

   The electrical systems mean the following to the extent they exist within the Unit: all wiring, electrical boxes, switches, outlets and connections.

The heating, cooling and ventilation system means the following to the extent they exist within the Unit: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

Warrantor under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Warrantor's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

All systems are exclusive of appliances, fixtures and items of equipment.

(c) SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: For six years from the Warranty Date, the Unit will be free from latent defects that are Major Structural Defects, as defined below, that result from:

(i) defective workmanship performed by the Warrantor or an agent, employee or subcontractor of the Warrantor; or

(ii) defective materials provided by the Warrantor or an agent, employee or subcontractor of the Warrantor; or

(iii) defective design provided by an architect, engineer, or other design professional engaged exclusively by the Warrantor.

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions of the Unit which affects their load-bearing functions to the extent that the Unit becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems. Damage to the following portions of the Unit do not constitute a Material Defect for the Material Defect coverage; roofing and sheathing, drywall and plaster; exterior siding; brick, stone and stucco veneer; floor covering materials; wall tile and other wall coverings; non-load bearing walls and partitions; electrical, plumbing, heating, cooling and ventilation systems; appliances, fixtures and items of equipment; paint, doors and windows; trim, cabinets; hardware; insulation.

Warrantor under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Warrantor's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

In all coverages under this Paragraph 4, workmanship, materials, design and installation will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York City Building Code in effect on the date that the building permit for the Unit was issued, as modified by the annexed building standards and procedures.

5. EXCLUSIONS FROM ALL COVERAGES. The following are excluded from the Basic Coverage, Major System Coverage, and Major Structural Defect Coverage:

(a) loss or damage caused by workmanship performed by any person other than (i) the Warrantor, (ii) an agent of the Warrantor, (iii) a subcontractor of the Warrantor;

(b) loss or damage caused by defective materials supplied by any person other than (i) the Warrantor, (ii) an agent of the Warrantor, or (iii) a subcontractor of the Warrantor;

(c) loss or damage caused by defective design provided by any person other than a design professional retained exclusively by the Warrantor;

(d) patent defects including defects shown on the Inspection Statement (as defined in the Purchase Agreement) and defects which an examination of the Unit prior to acceptance of the deed or occupancy of the Unit ought to have revealed;

(e) defects in improvements that are not a part of the Unit itself;

(f) any damage to the extent that it is caused or made worse by:

(i) negligence, improper maintenance, or improper operation by anyone other than the Warrantor, its employees, agents or subcontractors; or

(ii) failure by the Purchaser or anyone other than the Warrantor, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment; or

(iii) failure of the Purchaser to give notice to the Warrantor of any defects or damage within a reasonable time; or

(iv) changes, alterations or additions made to the Unit by anyone after the Warranty Date; or

(v) dampness or condensation due to failure of the Purchaser or occupant to maintain adequate ventilation;

(g) any condition which does not result in actual physical damage to the Unit;

(h) defects either inherent in the appliances or resulting from the installation thereof if such installation was performed by someone other than the Warrantor or the Warrantor's agent;

(i) loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of

God, lightning, windstorm, hail, flood, mud-slide, earthquake, volcanic eruption, or wind-driven water;

(j) loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect;

(k) any damage which the Unit Owner has not taken timely action to minimize;

(l) normal wear and tear and normal deterioration;

(m) insect damage;

(n) bodily injury or damage to personal property;

(o) failure of the Warrantor to complete construction of the Unit;

(p) loss or damage which arises while the Unit is being used primarily for nonresidential purposes;

(q) loss or damage due to abnormal loading on floors by the Unit Owner which exceeds design loads as mandated by the New York City Building Code;

(r) costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair;

(s) consequential damages (except where required by state law);

(t) nail pops, slight ridging on sheet rock walls, slight lumber shrinkage, door or window sticking due to weather, slight door warpage (including, without limitation, warpage of the main entrance door) within reasonable tolerances of doors of similar size, weight and quality, slight scratches in formica or porcelain surfaces, tile grouting, adjustment of bi-fold doors, walls not square, electrical plates not straight, slight discoloration or shrinkage, slight separation between base and floor, ceiling imperfections, slight painting defects, slight misalignment of finishes, air infiltration from windows, normal plumbing, heating and air conditioning noises, normal floor noises and creaking, slight variations in width, length, or tone or wood floors, slight variation in floor levels, slight chips, scratches, mars, 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, slight variations in tone or color of marble used in bathrooms, slight variations in tone or color of vanity tops or in marble aggregate surfaces, salting or color variation in exterior colored mortar and deep colored brick, cracks in concrete roof pavers or concrete cracks that do not impair the structural soundness of the Unit, slight floor discoloring and cracks in pressure

treated wood used or intended for use outdoors and ponding and/or controlled drainage on the roof surface;

(u) any claim not filed in a manner set forth below in paragraph 7, "Step by Step Claims Procedures";

(v) APPLIANCES AND EQUIPMENT ARE NOT COVERED. At closing, the Warrantor will deliver to the Purchaser any applicable warranties that are extended to the Purchaser by the manufacturers or suppliers of "Appliances and Equipment" installed in the Unit by the Warrantor. "Appliances and Equipment" include air conditioners, cooking stoves, ovens, dishwashers, ranges, cooktops, grills, refrigerators, freezers, disposals, compactors, hot water heaters, water softeners, furnaces, boilers, heat pumps, compressors, condensers, circulators, fans, hoods, space and area heaters, washers, dryers, whirlpool tubs and, in general, all appliances and all heating, ventilating and cooling equipment.

Warrantor's only responsibility is to install any Appliances and Equipment in a skillful manner. The Warrantor makes no other warranties of any kind concerning the Appliances and Equipment. The Warrantor will not be responsible for defects in the Appliances and Equipment, or if the Appliances and Equipment prove unfit or unsuitable.

6. WARRANTOR'S OBLIGATIONS: If a defect occurs in an item covered by this Limited Warranty, the Warrantor will repair, replace or pay the Purchaser the reasonable cost of repairing or replacing the defective item(s) within a reasonable time after the Warrantor's inspection or testing discloses the problem, subject to weather conditions, acts of god, availability of materials, and other events beyond Warrantor's control. The choice among repair, replacement or payment is solely that of the Warrantor. In making any repairs or replacements, Warrantor shall have the right to select the method and materials to be used in performing such repairs or replacements. Repair of damage to the load-bearing portions of the Unit will be limited to that which is necessary to restore their load-bearing function. Repair of other Major Structural Defects will be limited to repair of those defects that made the Unit unsafe, unsanitary or otherwise unlivable.

In no event will the Warrantor's total liability for defects under the Limited Warranty exceed the Warrantor's Limit of Total Liability.

Repair, replacement or payment of reasonable cost for any Major Structural Defect is further limited to (i) the repair of damage to the load-bearing portions of the Unit themselves which is necessary to restore their load-bearing function; and (ii) the repair of those items of the Unit damaged by the Major Structural Defect which made the Unit unsafe, unsanitary or otherwise unlivable.

When the Warrantor finishes repairing or replacing the defect or pays the reasonable cost of doing so, a full release of all legal obligations with respect to the defect must be signed and delivered to the Warrantor.

For all purposes of this Limited Warranty, the prevailing local customs and practices of the construction industry, as determined by the Warrantor's general contractor, architect, or engineer, shall govern whether and when any defect shall be considered to have been corrected by the Warrantor.

7. STEP BY STEP CLAIMS PROCEDURES:

(a) Written notice of any warranty claim must be made on the attached "Notice of Warranty Claim Form" and must be received by the Warrantor no later than thirty (30) days following the first to occur of (1) the day the Purchaser first becomes aware or should have become aware of the defective condition which is the subject of such claim or (2) the last day of the warranty period which applies to such defective condition. Such Notice of Warranty Claim must set forth in reasonable detail the defective condition which forms the basis of such claim.

If this Notice of Warranty Claim is not properly completed and received by the Warrantor by that deadline, the Warrantor will have no duty to respond to any complaint or demand, and any or all claims may be rejected. NOTICE OF WARRANTY CLAIM IS NECESSARY TO PROTECT RIGHTS TO WARRANTY PERFORMANCE UNDER THIS LIMITED WARRANTY.

(b) No steps taken by the Warrantor, the Purchaser or any other person to inspect, test or correct defects will extend any time period under this Limited Warranty. The Warrantor's response to any complaint or request, other than a timely and properly completed Notice of Warranty Claim, will not impair, prejudice or otherwise affect any right of the Warrantor, including but not limited to the Warrantor's right to receive a timely and properly completed Notice of Warranty Claim

(c) In response to a Notice of Warranty Claim, or any other complaint or request of the Purchaser, the Warrantor and the Warrantor's agents will have the right to inspect and test the portion of the Unit to which the claim, complaint or request relates. The Purchaser and occupants of the Unit must provide reasonable access to the Warrantor and the Warrantor's agents during normal business hours to complete inspection, testing and repair or replacement. Failure by Purchaser to provide such access shall invalidate this warranty with respect to the defect(s) set forth on the Notice of Warranty Claim.

(d) The Warrantor will complete inspection and testing within a reasonable time under the circumstances, not to exceed thirty (30) days after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, the Warrantor will determine whether to accept or reject the claim. If the Warrantor rejects the claim, the Warrantor will give written notice of the decision to the claimant at the address shown on the Notice of Claim Form. If the Warrantor accepts the claim, the Warrantor will take corrective action within a reasonable time under the circumstances and, upon completion, will give written notice of completion to the claimant at the address shown on the

Notice of Claim Form. The Warrantor will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects necessarily are subject to weather conditions, Acts of God, availability of materials, and other events beyond the Warrantor's control.

8. LEGAL ACTIONS:

(a) No claim or cause of action under this Limited Warranty may be commenced or asserted in any suit, action, or other legal proceeding against the Warrantor in any court or forum unless notice of the claim has been received by the Warrantor in a timely and properly completed Notice of Warranty Claim Form as provided in paragraph 7 above.

(b) No suit, action and proceeding against the Warrantor under this Limited Warranty may be commenced in any court or forum after the later of: (i) ninety (90) calendar days following the timely service of a proper Notice of Warranty Claim on the Warrantor; or (ii) ninety (90) calendar days after the Warrantor has given written notice of rejection of claim or completion of corrective action as provided in clause 7(d) above.

9. GENERAL PROVISIONS:

(a) This Limited Warranty may not be changed or amended in any way without the Warrantor's prior written consent.

(b) Should any provision of the Limited Warranty be deemed unenforceable by a court of competent jurisdiction, the determination will not affect the enforceability of the remaining provisions.

(c) Use of one gender in this Limited Warranty includes all other genders, and use of the plural includes the singular, as may be appropriate.

(d) This Limited Warranty is to be governed in accordance with the laws of New York State.

10. THE PURCHASER HEREBY ACKNOWLEDGES THAT A COPY OF THIS LIMITED WARRANTY HAS BEEN PROVIDED TO THE PURCHASER FOR EXAMINATION PRIOR TO THE TIME OF THE PURCHASER'S EXECUTION OF THE PURCHASE AGREEMENT.

PURCHASER(S):

Initials: _____

_____

Date: _____

NOTICE OF WARRANTY CLAIM FORM

UNIT OWNER'S
NAME: _____

_____

UNIT NUMBER:_____

DATE OF FIRST
OCCUPANCY OF UNIT:_____

CLOSING DATE:_____

HOME PHONE:_____

OFFICE PHONE:_____

CELL PHONE:_____

EMAIL:_____

SET FORTH BELOW ARE DEFECTS IN MY/OUR UNIT AND THE APPROXIMATE DATE THE DEFECTS OCCURRED OR WERE FIRST OBSERVED BY ME/US:

DESCRIPTION OF DEFECT	DATE OCCURRED OR FIRST OBSERVED

It is understood that this is a request for determination of warrantability of the above items. The determination to initiate certain repairs will be based on the Limited Warranty in effect at the time you closed on your Unit. It is understood that should repair work be required, such work will take place during normal working hours (8AM – 3PM, Monday through Friday). Arrangement must be made during normal business hours by the Unit Owner to allow a service representative onto the premises to inspect and initiate repairs.

UNIT OWNER'S SIGNATURE:_____ DATE:_____

_____

This completed and signed form must be sent to Warrantor at its address listed on the first page of the Warranty by certified or express mail, return receipt requested.

ACCEPTED BUILDING STANDARDS

The Performance Standards, which have been amended by the Sponsor, list specific items (defects) within each separate area of coverage. The first section covers Workmanship and Materials; the second section covers Systems. The standards are expressed in terms of performance criteria. For easy comprehension, the format is designed as follows:

1. POSSIBLE DEFICIENCY - a brief statement, in simple terms, of problems that may be encountered.

2. PERFORMANCE STANDARD - a performance standard relating to a specific deficiency.

3. RESPONSIBILITY - a statement of the corrective action required of the Builder to repair the deficiency or a statement of the Homeowner's maintenance responsibilities.

References in these standards to "Builder" shall mean "Warrantor," and references to "Homeowner" shall mean "Purchaser."

References in these standards to the "Home" shall mean the "Apartment."

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PERFORMANCE STANDARDS

1. Site Work:
Coverage 1st Year Only, Workmanship and Materials

A. Site Grading

1. POSSIBLE DEFICIENCY: Setting of ground around foundation, utility trenches or other areas.

   PERFORMANCE STANDARD: Settling of ground around foundation walls, utility trenches or other filled areas shall not interfere with water drainage away from the Home.

   RESPONSIBILITY: If the Builder has provided final grading upon request by the Homeowner, Builder shall fill settled areas affecting proper drainage, one time only, during the first year of the limited warranty period.

B. Site Drainage

1. POSSIBLE DEFICIENCY: Improper drainage of the site.

   PERFORMANCE STANDARD: The necessary grades and swales shall have been established by the Builder to insure proper drainage away from the Home. Standing or pounding water shall not remain for extended periods in the immediate area after a rain generally no more than 24 hours), except that in swales which drain other areas, or in areas where sump pumps discharge, a longer period can be anticipated generally no more than 48 hours). The possibility of standing water after an unusually heavy rainfall should be anticipated. No grading determination shall be made while there is frost or snow on the ground, or while the ground is saturated.

   RESPONSIBILITY: The Builder is responsible only for initially establishing the proper grades and swales. The Apartment Corporation is responsible for maintaining such grades and swales once they have been properly established.

2. Concrete:
Coverage 1st Year Only, Workmanship and Materials

A. Expansion and Contraction Joints

1. POSSIBLE DEFICIENCY: Separation or movement of concrete slabs within the structure at expansion and contraction joints.

   PERFORMANCE STANDARD: Concrete slabs within the structure are designed to move at expansion and contraction joints.

   RESPONSIBILITY: None.

B. Cast-in-Place Concrete

1. POSSIBLE DEFICIENCY: Basement or foundation wall cracks.

   PERFORMANCE STANDARD: Shrinkage cracks are not unusual in concrete foundation walls. Such cracks greater than 1/8 inch in width shall be repaired.

   RESPONSIBILITY: Builder will repair cracks in excess of 1/8 inch wide.

2. POSSIBLE DEFICIENCY: Cracking of basement floor.

   PERFORMANCE STANDARD: Minor cracks in basement floors are normal. Cracks exceeding 3/16 inch in width or 1/8 inch in vertical displacement shall be repaired.

   RESPONSIBILITY: Builder will repair cracks exceeding maximum tolerances by surface patching or other methods as required.

3. POSSIBLE DEFICIENCY: Uneven concrete floors or slabs.

   PERFORMANCE STANDARD: Except for basement floors or where a floor or portion of floor has been designed for specific drainage purposes, concrete floors in rooms designed for habitability shall not have pits, depressions, or areas of unevenness exceeding 1/4 inch in 32 inches.

   RESPONSIBILITY: Builder will correct or repair to meet the Performance Standard.

4. POSSIBLE DEFICIENCY: Cracks in concrete slab-on-grade floors with finish flooring.

   PERFORMANCE STANDARD: Cracks which rupture the finish flooring material shall be repaired.

RESPONSIBILITY: Builder will repair cracks, as necessary, so as not to be readily apparent when the finish flooring material is in place. (See also Performance Standard 7, "Finishes".)

5. POSSIBLE DEFICIENCY: Pitting, scaling or spalling of concrete work covered by this Limited Warranty.

PERFORMANCE STANDARD: Concrete surfaces shall not disintegrate to the extent that the aggregate is exposed and loosened under normal conditions of weathering and use.

RESPONSIBILITY: Builder will take whatever corrective action is necessary to repair or replace defective concrete surfaces. Builder is not responsible for deterioration caused by salt, chemicals, mechanical implements and other factors beyond its control.

6. POSSIBLE DEFICIENCY: Settling, heaving or separating of stoops, steps or garage floors.

PERFORMANCE STANDARD: Stoops, steps or garage floors shall not settle, heave or separate in excess of 1 inch from the house structures.

RESPONSIBILITY: Builder will take whatever corrective action is required to meet the Performance Standard.

7. POSSIBLE DEFICIENCY: Standing water on stoops.

PERFORMANCE STANDARD: Water should drain from outdoor stoops and steps. The possibility of minor water standing on stoops for a short period after rain can be anticipated.

RESPONSIBILITY: Builder shall take corrective action to assure drainage of steps and stoops.

3. Masonry:
Coverage 1st Year Only, Workmanship and Materials

A. Unit Masonry

1. POSSIBLE DEFICIENCY: Basement or foundation wall cracks.

PERFORMANCE STANDARD: Small cracks not affecting structural stability are not unusual in mortar joints of masonry foundation walls. Cracks greater than 1/8 inch in width shall be repaired.

RESPONSIBILITY: Builder will repair cracks in excess of 1/8 inch by pointing or patching. These deficiencies shall be reported and repairs made during the first year of the Limited Warranty period.

2. POSSIBLE DEFICIENCY: Cracks in masonry wall or veneer.

PERFORMANCE STANDARD: Small hairline cracks due to shrinkage are common in mortar joints in masonry construction. Cracks greater than 3/8 inch in width are considered excessive.

RESPONSIBILITY: Builder will repair cracks in excess of Performance Standard by pointing or patching. These repairs shall be made during the first year of the Limited Warranty period. Builder will not be responsible for color variation between old and new mortar.

4. Wood and Plastic:
Coverage 1st Year Only, Workmanship and Materials

A. Rough Carpentry

1. POSSIBLE DEFICIENCY: Floors squeak or subfloor appears loose.

PERFORMANCE STANDARD: Floor squeaks and loose subfloor are often temporary conditions common to new construction, and a squeak-proof floor cannot be guaranteed.

RESPONSIBILITY: Builder will correct the problem only if caused by an underlying construction defect.

2. POSSIBLE DEFICIENCY: Uneven wood floors.

PERFORMANCE STANDARD: Floors shall not have more than 1/4 inch ridge or depression within any 32 inch measurement when measured parallel to the joists. Allowable floor and ceiling joist deflections are governed by the applicable building code.

RESPONSIBILITY: Builder will correct or repair to meet Performance Standard.

3. POSSIBLE DEFICIENCY: Bowed walls.

PERFORMANCE STANDARD: All interior and exterior walls have slight variances on their finished surfaces. Bowing of wall should not detract from or blemish the wall's finished surface. Walls should not bow more than 1/4 inch out of line within any 32-inch horizontal or vertical measurement.

RESPONSIBILITY: Builder will repair to meet Performance Standard.

4. POSSIBLE DEFICIENCY: Out-of-plumb walls.

PERFORMANCE STANDARD: Walls should not be more than 1/4 inch out of plumb for any 32 inch vertical measurement.

RESPONSIBILITY: Builder will repair to meet the Performance Standard.

B. Finish Carpentry (Interior)

1. POSSIBLE DEFICIENCY: Poor quality of interior trim workmanship.

PERFORMANCE STANDARD: Joints in moldings or joint between moldings and adjacent surface shall not result in open joints exceeding 3/8 inch in width.

RESPONSIBILITY: Builder will repair defective joints, as defined. Caulking is acceptable.

C. Finish Carpentry (Exterior)

1. POSSIBLE DEFICIENCY: Poor quality of exterior trim workmanship.

PERFORMANCE STANDARD: Joints between exterior trim elements, including siding and masonry, shall not result in open joints in excess of 3/8 inch. In all cases, the exterior trim, masonry and siding shall be capable of performing its function to exclude the elements.

RESPONSIBILITY: Builder will repair open joints, as defined. Caulking is acceptable.

5. Thermal and Moisture:
Coverage 1st Year Only, Workmanship and Materials

A. Waterproofing

1. POSSIBLE DEFICIENCY: Leaks in basement.

PERFORMANCE STANDARD: Leaks resulting in actual trickling of water shall be repaired. Leaks caused by improper landscaping or failure to maintain proper grades are not covered by this Limited Warranty. Dampness of the walls or floors may occur in new construction and is not considered a deficiency.

RESPONSIBILITY: Builder will take such action as necessary to correct basement leaks except where the cause is determined to result from Homeowner action or negligence.

B. Insulation

1. POSSIBLE DEFICIENCY: Insufficient insulation.

   PERFORMANCE STANDARD: Insulation shall be installed in accordance with applicable energy and building code requirements.

   RESPONSIBILITY: Builder will install insulation in sufficient amounts to meet Performance Standard.

C. Louvers and Vents

1. POSSIBLE DEFICIENCY: Leaks due to snow or rain driven into the attic through louvers or vents.

   PERFORMANCE STANDARD: Attic vents and/or louvers must be provided for proper ventilation of the attic space of the structure.

   RESPONSIBILITY: None

D. Roofing and Siding

1. POSSIBLE DEFICIENCY: Ice build-up on roof.

   PERFORMANCE STANDARD: During prolonged cold spells, ice build-up is likely to occur at the eaves of a roof. This condition occurs when snow and ice accumulate and gutters and downspouts freeze up.

   RESPONSIBILITY: Prevention of ice build-up on the roof is an Apartment Corporation maintenance item.

2. POSSIBLE DEFICIENCY: Roof or flashing leaks.

   PERFORMANCE STANDARD: Roofs or flashing shall not leak under normally anticipated conditions, except where cause is determined to result from ice build-up or Apartment Corporation action or negligence.

   RESPONSIBILITY: Builder will repair any verified roof or flashing leaks not caused by ice build-up or Apartment Corporation action or negligence.

3. POSSIBLE DEFICIENCY: Standing water on flat roof.

PERFORMANCE STANDARD: Water shall drain from flat roof except for minor ponding immediately following rainfall or when the roof is specifically designed for water retention.

RESPONSIBILITY: Builder will take corrective action to assure proper drainage of roof.

4. POSSIBLE DEFICIENCY: Delamination of veneer siding or joint separation.

PERFORMANCE STANDARD: All siding shall be installed according to the manufacturer's and industry's accepted standards. Separations and delaminations shall be repaired or replaced.

RESPONSIBILITY: Builder will repair or replace siding as needed unless caused by the Apartment Corporation's neglect to maintain siding properly. Repaired area may not match in color and/or texture. For surfaces requiring paint, Builder will paint only the new materials. The Apartment Corporation can expect that the newly painted surface may not match original surface in color.

E. Sheet Metal

1. POSSIBLE DEFICIENCY: Gutters and/or downspouts leak.

PERFORMANCE STANDARD: Gutters and downspouts shall not leak but gutters may overflow during heavy rain.

RESPONSIBILITY: Builder will repair leaks. It is an Apartment Corporation responsibility to keep gutters and downspouts free of leaves and debris that could cause overflow.

2. POSSIBLE DEFICIENCY: Water standing in gutters.

PERFORMANCE STANDARD: When gutter is unobstructed by debris, the water level shall not exceed one (1) inch in depth. Industry practice is to install gutters approximately level. Consequently, it is entirely possible that small amounts of water will stand in certain sections of gutter immediately after a rain.

RESPONSIBILITY: Builder will correct to meet Performance Standard.

F. Sealants

1. POSSIBLE DEFICIENCY: Leaks in exterior wall due to inadequate caulking.

PERFORMANCE STANDARD: Joints and cracks in exterior wall surfaces and around openings shall be properly caulked to exclude the entry of water.

RESPONSIBILITY: Builder will repair and/or caulk joints or cracks in exterior wall surfaces as required to correct deficiencies once, during the first year of the Limited Warranty period. Even properly installed caulking will shrink and must be maintained during the life of the Home.

6. Doors and Windows:
Coverage 1st Year Only, Workmanship and Materials

A. Wood and Plastic Doors

1. POSSIBLE DEFICIENCY: Warpage of exterior doors.

   PERFORMANCE STANDARD: Exterior doors will warp to some degree due to temperature differential on inside and outside surfaces. However, they shall not warp to the extent that they become inoperable or cease to be weather resistant or exceed National Woodwork Manufacturers Association Standards (1/4 inch, measured diagonally from corner to corner).

   RESPONSIBILITY: Builder will correct or replace and refinish defective doors, during the first year of the Limited Warranty period.

2. POSSIBLE DEFICIENCY: Warpage of interior passage and closet doors.

   PERFORMANCE STANDARD: Interior doors (full openings) shall not warp in excess of National Woodwork Manufacturers Association Standards (1/4 inch measured diagonally from corner to corner.).

   RESPONSIBILITY: Builder will correct or replace and refinish defective doors to match existing doors as nearly as possible, during the first year of the Limited Warranty period.

3. POSSIBLE DEFICIENCY: Shrinkage of insert panels show raw wood edges.

   PERFORMANCE STANDARD: Panels will shrink and expand and may expose unpainted surface.

   RESPONSIBILITY: None.

4. POSSIBLE DEFICIENCY: Split in door panel.

PERFORMANCE STANDARD: Split panels shall not allow light to be visible through the door.

RESPONSIBILITY: Builder will, if light is visible, fill split and match paint or stain as closely as possible, one time in first year of the Limited Warranty period.

B. Glass

1. POSSIBLE DEFICIENCY: Broken glass.

PERFORMANCE STANDARD: None.

RESPONSIBILITY: Broken glass not reported to Builder prior to closing is the Homeowner's or the Apartment Corporation's responsibility.

C. Wood, Plastic and Metal Windows

1. POSSIBLE DEFICIENCY: Malfunction of windows.

PERFORMANCE STANDARD: Windows shall operate with reasonable ease, as designed.

RESPONSIBILITY: Builder will correct or repair as required.

2. POSSIBLE DEFICIENCY: Condensation and/or frost on windows.

PERFORMANCE STANDARD: Windows will collect condensation on interior surfaces when extreme temperature differences and high humidity levels are present. Condensation is usually the result of climatic/humidity conditions, created by the Homeowner.

RESPONSIBILITY: Unless directly attributed to faulty installation, window condensation is a result of conditions beyond the Builder's control. No corrective action required.

D. Weather-stripping and Seals

1. POSSIBLE DEFICIENCY: Air infiltration around doors and windows.

PERFORMANCE STANDARD: Some infiltration is normally noticeable around doors and windows, especially during high winds. Poorly-fitted weather-stripping shall be adjusted or replaced. It may be necessary for the Homeowner or the Apartment Corporation to have storm doors and windows installed to provide satisfactory solutions in high wind areas.

RESPONSIBILITY: Builder will adjust or correct poorly fitted doors, windows and poorly fitted weather-stripping.

7. Finishes:
Coverage 1st Year Only, Workmanship and Materials

A. Lath and Plaster

1. POSSIBLE DEFICIENCY: Cracks in interior wall and ceiling surfaces.

   PERFORMANCE STANDARD: Hairline cracks are not unusual in interior wall and ceiling surfaces. Cracks greater than 1/8 inch in width shall be repaired.

   RESPONSIBILITY: Builder will repair cracks exceeding 1/8 inch in width as required one time only, during the first year of the Limited Warranty period. (See also Performance Standard 7.F, "Painting.")

B. Gypsum Wallboard

1. POSSIBLE DEFICIENCY: Defects that appear during first year of the Limited Warranty such as nail pops, blisters in tape, or other blemishes.

   PERFORMANCE STANDARD: Slight "imperfections" such as nail pops, seam lines and cracks not exceeding 1/8 inch in width are common in gypsum wallboard installations and are considered acceptable.

   RESPONSIBILITY: Builder will repair only cracks exceeding 1/8 inch in width, one time only, during the first year of the Limited warranty period. (See also Performance Standard 7.F, "Painting.")

C. Ceramic Tile

1. POSSIBLE DEFICIENCY: Ceramic tile cracks or becomes loose.

   PERFORMANCE STANDARD: Ceramic tile shall not crack or become loose.

   RESPONSIBILITY: Builder will replace cracked tiles and re-secure loose tiles unless the defects were caused by the Homeowner's action or negligence. Builder will not be responsible for discontinued patterns or color variations in ceramic tiles.

2. POSSIBLE DEFICIENCY: Cracks appear in grouting of ceramic tile joints or at junctions with other materials such as a bathtub.

PERFORMANCE STANDARD: Cracks in grouting of ceramic tile joints are commonly due to normal shrinkage conditions.

RESPONSIBILITY: Builder will repair grouting if necessary one time only, during the first year of the Limited Warranty period. Builder will not be responsible for color variations or discontinued colored grout. Regrouting of these cracks is a maintenance responsibility of the Homeowner within the life of the Home.

D. Finished Wood Flooring

1. POSSIBLE DEFICIENCY: Cracks developing between floorboards.

PERFORMANCE STANDARD: Cracks in excess of 1/8 inch in width shall be corrected.

RESPONSIBILITY: Builder will repair cracks in excess of 1/8 inch within the first year of the Limited Warranty period, by filling or replacing, at Builder's option.

E. Resilient Flooring

1. POSSIBLE DEFICIENCY: Nail pops appear on the surface of resilient flooring.

PERFORMANCE STANDARD: Readily apparent nail pops shall be repaired.

RESPONSIBILITY: Builder will correct nail pops that have broken the surface. Builder will repair or replace, at Builder's sole option, resilient floor covering in the affected area with similar material. Builder will not be responsible for discontinued patterns or color variations in the floor covering.

2. POSSIBLE DEFICIENCY: Depressions or ridges appear in the resilient flooring due to subfloor irregularities.

PERFORMANCE STANDARD: Readily apparent depressions or ridges exceeding 1/8 inch shall be repaired. The ridge or depression measurement is taken as the gap created at one end of a six-inch straightedge placed over the depression or ridge with three inches of the straightedge on one side of the defect, held tightly to the floor.

RESPONSIBILITY: Builder will take corrective action as necessary, to bring the defect within acceptable tolerance so that the affected area is not readily visible. Builder will not be responsible for discontinued patterns or variations in floor covering.

3. POSSIBLE DEFICIENCY: Resilient flooring loses adhesion.

PERFORMANCE STANDARD: Resilient flooring shall not lift, bubble or become unglued.

RESPONSIBILITY: Builder will repair or replace, at Builder's sole option, the affected resilient flooring as required. Builder will not be responsible for discontinued patterns or color variation of floor covering, or for problems caused by Homeowner neglect or abuse.

4. POSSIBLE DEFICIENCY: Seams or shrinkage gaps show at resilient flooring joints.

PERFORMANCE STANDARD: Gaps shall not exceed 1/16 inch in width in resilient floor covering joints. Where dissimilar materials abut, a gap not to exceed 1/8 inch is permissible.

RESPONSIBILITY: Builder will repair or replace, at Builder's sole option, the affected resilient flooring as required. Builder will not be responsible for discontinued patterns or color variation of floor covering, or for problems caused by Homeowner neglect or abuse.

F. Painting

1. POSSIBLE DEFICIENCY: Exterior paints or stain peels, deteriorates or fades.

PERFORMANCE STANDARD: Exterior paints or stains should not fail during the first year of the Limited Warranty period. However, fading is normal and the degree is dependent on climatic conditions.

RESPONSIBILITY: If paint or stain is defective, Builder will properly prepare and refinish affected areas, matching color as close as possible. Where finish deterioration affects the majority of the wall area, the whole area will be refinished.

2. POSSIBLE DEFICIENCY: Painting required as corollary repair because of other work.

PERFORMANCE STANDARD: Repairs required under this Limited Warranty should be finished to match surrounding areas as closely as practicable.

RESPONSIBILITY: Builder will finish repair areas as indicated.

3. POSSIBLE DEFICIENCY: Deterioration of varnish or lacquer.

PERFORMANCE STANDARD: Natural finishes on interior woodwork shall not deteriorate during the first year of the Limited Warranty period. However, varnish type finishes used on the exterior will deteriorate rapidly and are not covered by the Limited Warranty.

RESPONSIBILITY: Builder will retouch affected areas of natural finish interior woodwork, matching the color as closely as possible.

4. POSSIBLE DEFICIENCY: Mildew or fungus on painted surfaces.

PERFORMANCE STANDARD: Mildew or fungus will form on a painted surface if the structure is subject to abnormal exposure (i.e., rainfall, ocean, lake or river front).

RESPONSIBILITY: Mildew or fungus formation is a condition the Builder cannot control and is a Homeowner maintenance item unless it is a result of noncompliance with other sections of the Performance Standard.

G. Wall Covering

1. POSSIBLE DEFICIENCY: Peeling of wall covering.

PERFORMANCE STANDARD: Peeling of wall covering shall not occur.

RESPONSIBILITY: Builder will repair or replace defective wall covering applications.

2. POSSIBLE DEFICIENCY: Edge mismatching in pattern of wall covering.

PERFORMANCE STANDARD: None.

RESPONSIBILITY: None.

H. Carpeting

1. POSSIBLE DEFICIENCY: Open carpet seams.

PERFORMANCE STANDARD: Carpet seams will show. However, no visible gap is acceptable.

RESPONSIBILITY: Builder will correct.

2. POSSIBLE DEFICIENCY: Carpeting becomes loose, seams separate or stretching occurs.

PERFORMANCE STANDARD: Wall-to-wall carpeting, installed as the primary floor covering, when stretched and secured properly shall not come up, become loose, or separate from its point of attachment.

RESPONSIBILITY: Builder will restretch or re-secure carpeting as needed, if original installation was performed by Builder.

3. POSSIBLE DEFICIENCY: Spots on carpet, minor fading.

PERFORMANCE STANDARD: Exposure to light may cause spots on carpet and/or minor fading.

RESPONSIBILITY: None.

I. Special Coatings

1. POSSIBLE DEFICIENCY: Cracks in exterior stucco wall surfaces.

PERFORMANCE STANDARD: Cracks are not unusual in exterior stucco wall surfaces. Cracks greater than 1/8 inch in width shall be repaired.

RESPONSIBILITY: Builder will repair cracks exceeding 1/8 inch in width, one time only, during the first year of the Limited Warranty period.

8. Specialties:
Coverage 1st Year Only, Workmanship and Materials

A. Louvers and Vents

1. POSSIBLE DEFICIENCY: Inadequate ventilation of attics and crawl spaces.

PERFORMANCE STANDARD: Attic and crawl spaces shall be ventilated as required by the approved building code.

RESPONSIBILITY: The Builder shall provide for adequate ventilation. Builder will not be responsible for alterations to the original system.

9. Equipment:
Coverage 1st Year Only, Workmanship and Materials

A. Residential Equipment

1. POSSIBLE DEFICIENCY: Surface cracks, point delaminations and chips in high-pressure laminates on vanity and kitchen cabinet countertops.

   PERFORMANCE STANDARD: Countertops fabricated with high-pressure laminate coverings shall not delaminate.

   RESPONSIBILITY: Builder will replace delaminated coverings to meet specified criteria. Builder will not be responsible for chips and cracks noted following first occupancy.

2. POSSIBLE DEFICIENCY: Kitchen cabinet malfunctions.

   PERFORMANCE STANDARD: Warpage not to exceed 1/4 inch as measured from face frame to point of furthermost warpage with door or drawer front in closed position.

   RESPONSIBILITY: Builder will correct or replace doors or drawer fronts.

3. POSSIBLE DEFICIENCY: Gaps between cabinets, ceiling or walls.

   PERFORMANCE STANDARD: Acceptable tolerance 1/4 inch in width.

   RESPONSIBILITY: Builder will correct to meet Performance Standard.

10. Plumbing:
Coverage 1st Year Only, Workmanship and Materials

A. Water Supply System

1. POSSIBLE DEFICIENCY: Plumbing pipes freeze and burst.

   PERFORMANCE STANDARD: Drain, waste and vent, and water pipes shall be adequately protected, as required by applicable code, during normally anticipated cold weather, and as defined in accordance with ASHRAE design temperatures, to prevent freezing.

   RESPONSIBILITY: Builder will correct situations not meeting the code. It is the Apartment Corporation's responsibility to drain or otherwise protect lines and exterior faucets exposed to freezing temperatures.

B. Plumbing System

1. POSSIBLE DEFICIENCY: Faucet or valve leak.

   PERFORMANCE STANDARD: No valve or faucet shall leak due to defects in workmanship and materials.

   RESPONSIBILITY: Builder will repair or replace the leaking faucet or valve. Building is not responsible for routine washer, seat and o-ring replacement.

2. POSSIBLE DEFICIENCY: Defective plumbing fixtures, appliances or trim fittings.

   PERFORMANCE STANDARD: Fixtures, appliances or fittings shall comply with their manufacturer's standards.

   RESPONSIBILITY: Builder will replace any defective fixture or fitting which does not meet acceptable standards, as defined by manufacturer.

3. POSSIBLE DEFICIENCY: Noisy water pipes.

   PERFORMANCE STANDARD: There will be some noise emitting from the water pipe system, due to the flow of water. However, water hammer shall be eliminated.

   RESPONSIBILITY: Builder cannot remove all noises due to water flow and pipe expansion. Builder will correct to eliminate "water hammer."

4. POSSIBLE DEFICIENCY: Cracking or chipping of porcelain or fiberglass surfaces.

   PERFORMANCE STANDARD: Chips and cracks on surfaces of bathtubs and kitchen sinks can occur when surface is hit with sharp or heavy objects.

   RESPONSIBILITY: Builder will not be responsible for repairs unless damage has been reported to Builder prior to first occupancy.

11. Heating and Cooling:
Coverage 1st Year Only, Workmanship and Materials

A. Heating

1. POSSIBLE DEFICIENCY: Inadequate heating.

PERFORMANCE STANDARD: Heating system shall be capable of producing an inside temperature of 70° F, as measured in the center of each room at a height of 5 feet above the floor, under local outdoor winter design conditions as specified in ASHRAE handbook. Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted.

RESPONSIBILITY: Builder will correct heating system to provide the required temperatures. However, the Homeowner shall be responsible for balancing dampers, registers and other adjustments.

12. Electrical:

Coverage 1st Year Only, Workmanship and Materials

A. Electrical Conductors, Fuses, and Circuit Breakers

1. POSSIBLE DEFICIENCY: Fuses blow or circuit breakers (excluding ground fault interrupters) "kick out."

   PERFORMANCE STANDARD: Fuses and circuit breakers shall not activate under normal usage.

   RESPONSIBILITY: Builder will check wiring circuits for conformity with local, state, or approved national electrical code requirements. Builder will correct circuitry not conforming to code specifications.

B. Outlets, Switches and Fixtures

1. POSSIBLE DEFICIENCY: Drafts from electrical outlets.

   PERFORMANCE STANDARD: Electrical junction boxes on exterior wall may produce airflow whereby the cold air can be drawn through the outlet into a room. The problem is normal in new home construction.

   RESPONSIBILITY: None.

2. POSSIBLE DEFICIENCY: Malfunction of electrical outlets, switches or fixtures.

   PERFORMANCE STANDARD: All switches, fixtures and outlets shall operate as intended.

   RESPONSIBILITY: Builder will repair or replace defective switches, fixtures and outlets.

C. Service and Distribution

1. POSSIBLE DEFICIENCY: Ground fault interrupter trips frequently.

PERFORMANCE STANDARD: Ground fault interrupters are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These sensitive devices can be tripped very easily.

RESPONSIBILITY: Builder shall install ground fault interrupter in accordance with approved electrical code. Tripping is to be expected and is not covered, unless due to a construction defects.

SYSTEMS: FIRST AND SECOND YEARS

13. Plumbing System:
Coverage 1st and 2nd Year, Systems

A. Water Supply

1. POSSIBLE DEFICIENCY: Water supply system fails to deliver water.

PERFORMANCE STANDARD: All on-site service connections to municipal water main and private water supply shall be the Builder's responsibility.

RESPONSIBILITY: Builder will repair if failure is the result of defective workmanship or materials. If conditions beyond Builder's control disrupt or eliminate the sources of the supply, the Builder has no responsibility.

B. Piping

1. POSSIBLE DEFICIENCY: Leakage from any pipe.

PERFORMANCE STANDARD: No leaks of any kind shall exist in any soil, waste, vent, or water pipe. Condensation on piping does not constitute leakage, and is not covered.

RESPONSIBILITY: Builder will make repairs to eliminate leakage.

2. POSSIBLE DEFICIENCY: Stopped up sewers, fixtures and drains.

PERFORMANCE STANDARD: Sewers, fixtures and drains shall operate properly.

RESPONSIBILITY: Builder will not be responsible for sewers, fixtures and drains that are clogged through the Homeowner's negligence. If a problem occurs, the Homeowner should consult Builder for a proper course of action. Where defective construction is shown to be the cause, Builder will assume the cost of the repair; where Homeowner negligence is shown to be the cause, the Homeowner shall assume all repair costs.

14. Electrical System:
Coverage 1st and 2nd Year, Systems

A. Wiring

1. POSSIBLE DEFICIENCY: Failure of wiring to carry its designed load.

PERFORMANCE STANDARD: Wiring should be capable of carrying the designed load for normal residential use.

RESPONSIBILITY: Builder will check wiring for conformity with local, state, or approved national electrical code requirements. Builder will repair wiring not conforming to code specifications.

PERFORMANCE STANDARDS

15. Major Structure:
Coverage through 6th Year, Material Defects

A. Load-bearing Portions of the Home

1. POSSIBLE DEFICIENCY: The failure of any of the following load bearing portions of the home: foundation systems and footings, beams, girders, lintels, columns, structural walls and partitions, floor systems, and roof framing systems. (Note: load-bearing portions do not include, for example, roofing and sheathing, drywall and plaster, exterior siding, brick or stone or stucco veneer, floor covering material, wall tile or other wall coverings, non-load bearing walls and partitions, electrical systems, plumbing systems, heating or cooling systems, ventilation systems, appliances, fixtures and items of equipment, paint, doors and windows, trim, cabinets, hardware or insulation.)

PERFORMANCE STANDARD: The failure of these load-bearing portions of the home shall not affect their load bearing functions, making the home unsafe, unsanitary or unlivable.

RESPONSIBILITY: The Builder will repair or replace the defective item(s), or will pay the Homeowner the reasonable cost of such repair or replacement. The Builder's total liability is limited to the amount specified in the Limited Warranty. The choice as to repair, replacement or payment is solely that of the Builder.

Repair of defective item(s) is limited to (1) the repair of damage to the load-bearing portions of the Home which are necessary to restore their load-bearing function; and (2) the repair of those items of the Home damaged by the Material defect which make the Home unsafe, unsanitary or otherwise unlivable.

EXHIBIT B

POWER OF ATTORNEY

The undersigned, , residing at , the owner of Unit No. in the Condominium known as The Sorting House Condominium (the "Condominium"), located at 318 West 52nd Street, New York, New York 10019, consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration of Condominium dated September 6, 2013, and recorded in the New York County office of the Register of the City of New York (the "City Register's Office"), on January 16, 2014 as CRFN #2014000021977, as amended and restated by the Amended and Restated Declaration of Condominium dated _____, 201_ and recorded in the City Register's Office on _____, 201_ as CRFN _____ (as so amended, the "Declaration"), such Unit being also designated as Unit in the Declaration and on the Floor Plans on file in said office as Map No. , do hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of the Condominium jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, (i) to do all acts and things on behalf of the Condominium except those which by law, by the Declaration or the By-Laws of the Condominium (the "By-Laws") may not be delegated to the Board of Managers by the Unit Owners, including but not limited to the powers and duties specifically enumerated in said Declaration and By-Laws; (ii) to apply on behalf of the undersigned to the Tax Commission of the City of New York, institute proceedings in the New York Supreme Court and prosecute or settle the same relating to reduction in the assessed valuation of the undersigned's Unit as part of a single application on behalf of all Unit Owners, and in connection therewith to pay all costs incurred in such proceedings; (iii) to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all owners of Units in said property, in accordance with their common interests, any Unit whose owner desires to surrender or sell the same, the undivided interest in the common elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale or lease thereof, if any, and the rights and privileges appurtenant thereto, and the interest of such Unit Owner in all other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests"), or any Unit, together with the Appurtenant Interests, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose owner desires to rent the same, at such price or at such rental, as the case may be, and on such terms as said attorneys-in-fact shall deem proper (except in the case of a sale or lease of Units by the Sponsor, Sponsor's designee or a mortgagee acquiring title in foreclosure or by deed in lieu of foreclosure) and thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired by them, or to sublease any Unit so leased by them on such terms as said attorneys-in-fact may determine, and (iv) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Board of Managers 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

Condominium or (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Board of Managers deems necessary or appropriate,

granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present.

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

The undersigned hereby irrevocably nominates, constitutes and appoints RC 51 Development LLC (hereinafter referred to as "Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time said Declaration, By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance the Declaration or (2) shall be required by (a) an institutional lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Unsold Unit(s), (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, or (ii) adversely affect the priority or validity of the lien of any mortgage covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) of this paragraph) or the holder of such mortgage (in the event described in subdivision (ii) of this paragraph) shall consent thereto by joining in the execution of such amendment,

granting to such attorney-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present. The terms, conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as Sponsor or its designees shall cease to own any of the Units in the Condominium.

Terms not otherwise defined herein shall have the meanings ascribed to them in the Declaration.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this _____ day of _____, 201_.

_____

_____

State of New York)
)ss.:
County of New York)

On the _____ day of _____ in the year 201_ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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

Block 1042
Lot

RECORD AND RETURN TO:

Louis Sherman, Esq.
Romer Debbas, LLP
275 Madison Avenue, Suite 801
New York, New York 10016

EXHIBIT C

DEED

THIS INDENTURE made the _____ day of _____ 201_, between RC 51 DEVELOPMENT LLC, a New York limited liability company having an office at _____ West 52nd Street, New York, New York ("Grantor"), and _____ residing at _____, _____ ("Grantee"),

WITNESSETH:

That the Grantor, in consideration of Ten ($10.00) Dollars and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The Unit known as Unit No. _____ in the condominium known as The Sorting House Condominium (the "Condominium"), located in the City of New York, County of New York and State of New York, said Unit being designated and described as Unit No. _____ in that certain Declaration of Condominium made by the Grantor under the Condominium Act of the State of New York (Article 9-B of the Real Property Law of the State of New York), dated September 6, 2013, and recorded in the New York County office of the Register of the City of New York (the "City Register's Office"), on the 16th day of January, 2014, as CRFN 2014000021977, as amended and restated by the Amended and Restated Declaration of Condominium dated _____, 201_ and recorded in the City Register's Office on _____, 201_ as CRFN _____ (as so amended, the "Declaration"), which Unit is also designated as Tax Lot No. ____ in Block 1042 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 the Building, certified by Architecture Outfit on November 25, 2013 and filed with the Real Property Assessment Department of the City of New York on December 27, 2013 as Condominium Plan No. 2417, and also filed in the City Register's Office on January 16, 2014 as CRFN 2014000021978, as amended by amended floor plans of the Building, certified by Architecture Outfit on _____, 201_ and filed with the Real Property Assessment Department of the City of New York on _____, 201_ and also filed in the City Register's Office on _____, 201_ as CRFN _____ (hereinafter called the "Unit").

TOGETHER with an undivided ___% interest in the Common Elements (as such term is defined in the Declaration).

The land area of the Building in which the Unit is located is described as follows:

PARCEL 1:

ALL that certain plot, piece or parcel of land situate, lying and being in the Borough of Manhattan, County, City and State of New York, being more particularly described as follows:

BEGINNING at a point on the southerly side of West 52nd Street distant, 266 feet, 4 inches westerly from the corner formed by the intersection of the southerly side of West 52nd Street and the westerly side of 8th Avenue;

RUNNING THENCE southerly and parallel with 8th Avenue part of the distance through a party wall, 100 feet 5 inches to the center line of the block;

THENCE westerly along the center line of the block and parallel with the southerly side of West 52nd Street, 133 feet 8 inches;

THENCE northerly and parallel with the westerly side of 8th Avenue, 100 feet 5 inches to the southerly side of West 52nd Street;

THENCE easterly along the southerly side of West 52nd Street, 133 feet 8 inches to the point or place of BEGINNING.

PARCEL 2:

ALL that certain plot, piece or parcel of land situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, being more particularly described as follows:

BEGINNING at a point on the southerly side of 52nd Street, distant 216 feet 8 inches westerly from the corner formed by the intersection of the southerly side of 52nd Street and the westerly side of Eighth Avenue;

RUNNING THENCE southerly parallel with Eighth Avenue and part of the distance through a party wall, 100 feet 5 inches;

THENCE westerly parallel with 52nd Street, 49 feet 8 inches;

THENCE northerly parallel with Eighth Avenue and part of the distance through another party wall, 100 feet 5 inches to the southerly side of 52nd Street;

THENCE easterly along the said southerly side of 52nd Street, 49 feet 8 inches to the point or place of BEGINNING.

TOGETHER with an easement for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or the Unit after damage or

destruction by fire or other casualty, or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand;

TOGETHER with an easement in common with the owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere in the Condominium, and serving the Unit;

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

TOGETHER with a right of way through the Common Elements to the public streets;

TOGETHER with and SUBJECT to all easements of necessity in favor of the Unit or in favor of other Units or the Common Elements;

SUBJECT to easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or of any adjoining Unit or of the Common Elements, after damage or destruction by fire or other casualty, or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand;

SUBJECT also to an easement in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines and other Common Elements located in the Unit or elsewhere in the Condominium and serving such other Units;

SUBJECT also to the rights of other Units through the Common Elements to the public streets;

SUBJECT to the provisions of the Declaration and of the By-Laws and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the City Register's Office, which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited and stipulated at length herein;

SUBJECT to the deed from The United States Postal Service to RC 51 DEVELOPMENT LLC, dated as of June 27, 2014 and recorded in the City Register's Office on July 17, 2014 in CRFN 2014000239737;

SUBJECT to the Easement Agreement between the United States Postal Service, and the United States Postal Service, dated October 25, 2013 and recorded in the City Register's Office on November 25, 2013 in CRFN 2013000486393;

SUBJECT to the Zoning Lot Description and Ownership Statement made by Horizon Land Services, LLC dated December 6, 2013 and recorded in the City Register's Office on December 18, 2013 in CRFN 2013000517996;

SUBJECT to the Certificate Pursuant to Zoning Lot Subdivision C made by Horizon Land Services, LLC, an authorized agent for First American Title Insurance Company, dated as of October 31, 2013 and recorded in the City Register's Office on December 18, 2013 in CRFN 2013000517997;

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

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

The use for which the Unit is intended is for residential purposes, except that (a) the Unit may in addition be used for any lawful home occupation (as such term is defined in the New York City Zoning Resolution), provided (i) such use does not violate zoning regulations or the Certificate of Occupancy for the Building, and (ii) the prior consent of the Board of Managers of the Condominium is obtained, or in the case of the Grantee, written notice of such use is given to the managing agent for the Condominium, and (b) if the Unit was used for non-residential purposes on the date of recording of the Declaration, it may continue to be used for non-residential purposes.

The Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvements and will apply the same first to the payment of the cost of the improvements before using any part of the same for any other purpose.

The Grantor covenants that the Grantor has not done or suffered anything whereby the premises have been encumbered in any way whatever, except as aforesaid. This covenant is for the personal benefit of the Grantee only and cannot be assigned to or exercised by, and shall not inure to the benefit of, any other person or entity, including, but not limited to, any insurer of the Grantee's title or any successor to the Grantee's interest.

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

IN WITNESS WHEREOF, the parties have duly executed this deed the day and year first above written.

GRANTOR:
RC 51 DEVELOPMENT LLC

By: HMG B Investors LLC, Managing Member

By: HMG Development LLC, its Managing Member

By:_____
Name: Howard Glatzer
Title: Managing Member

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the _____ day of _____ in the year 201_ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

GRANTEE:

_____

_____

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

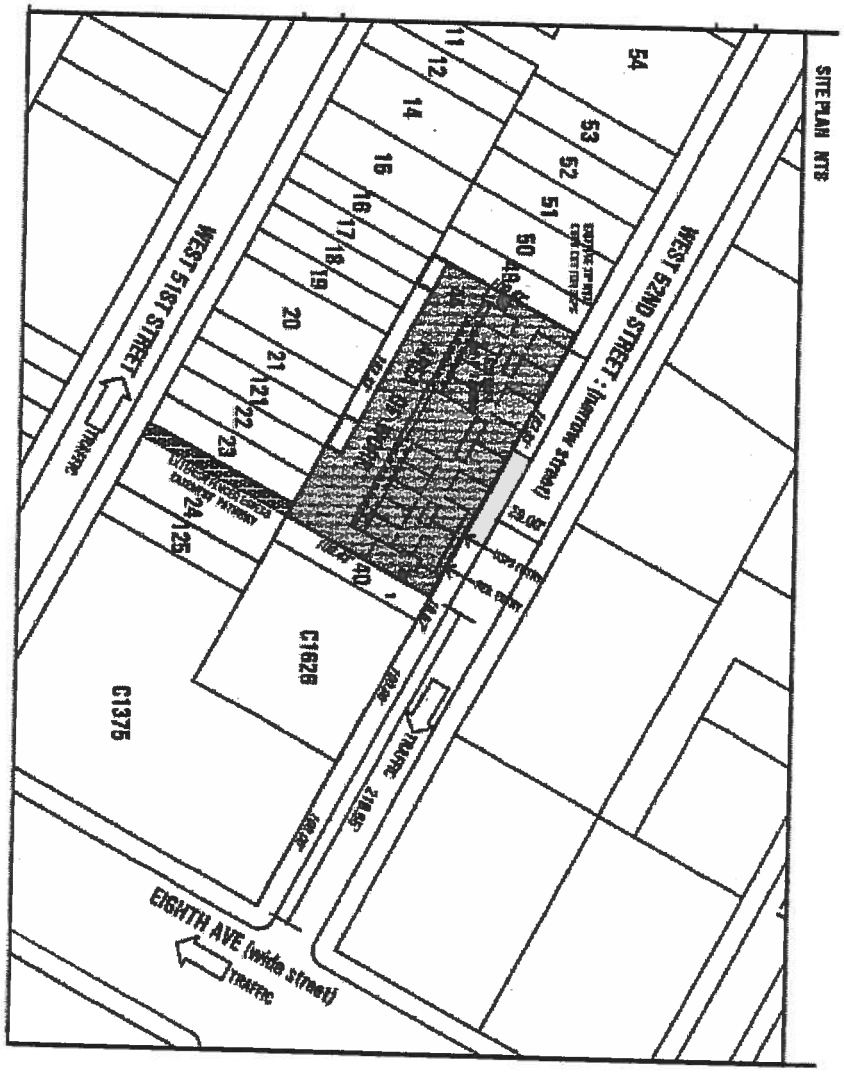
On the _____ day of _____ in the year 201_ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, 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

Block: 1042
Lot: ___

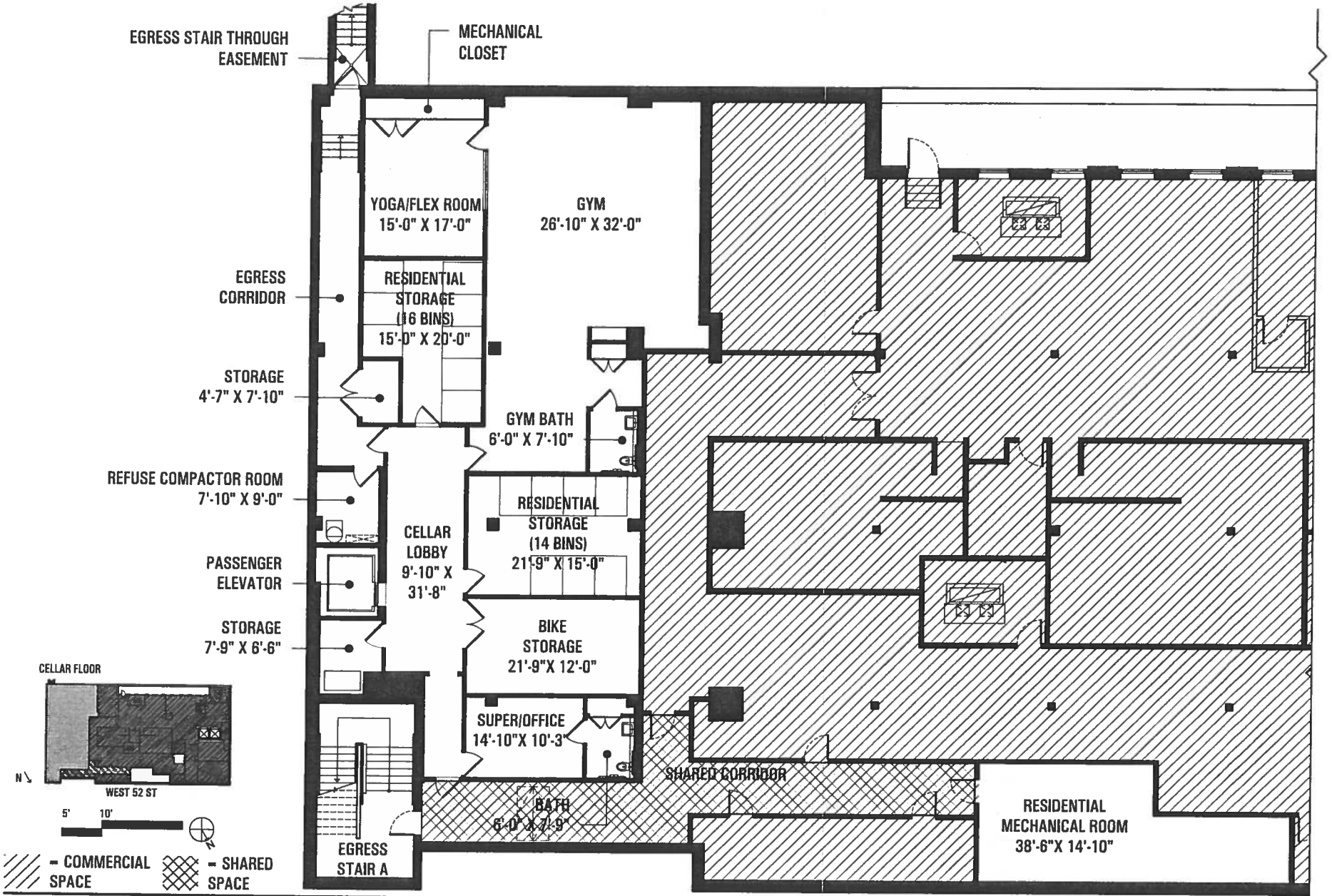
RECORD AND RETURN TO:

EXHIBIT D-1



The Sorting House – Site Plan

75% CD PROGRESS SET - FOR REVIEW (NOT FOR CONSTRUCTION)
DEC 18, 2014



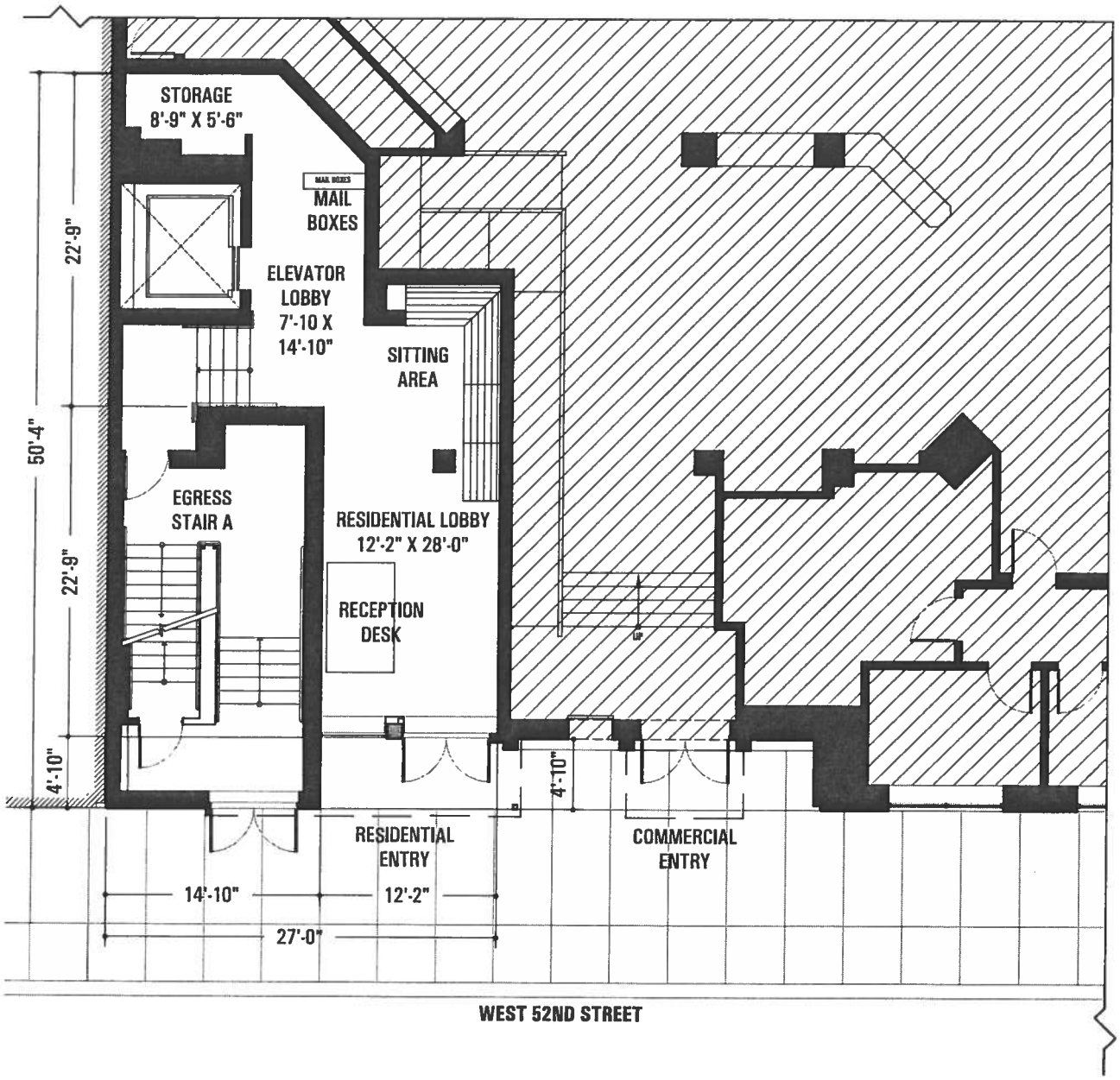
CELLAR PLAN

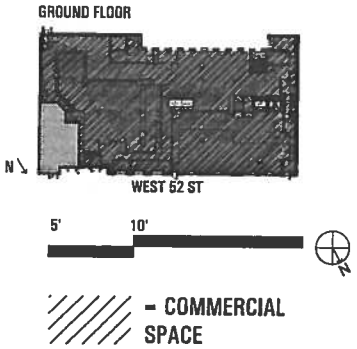
DATE: MAY 19, 2015
NOT TO SCALE

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MEASURED FROM FINISH SURFACE TO FINISH SURFACE. DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOOR

THE SORTING HOUSE CONDOMINIUM

ADDRESS:
318 WEST 52ND STREET
NEW YORK, NY 10019





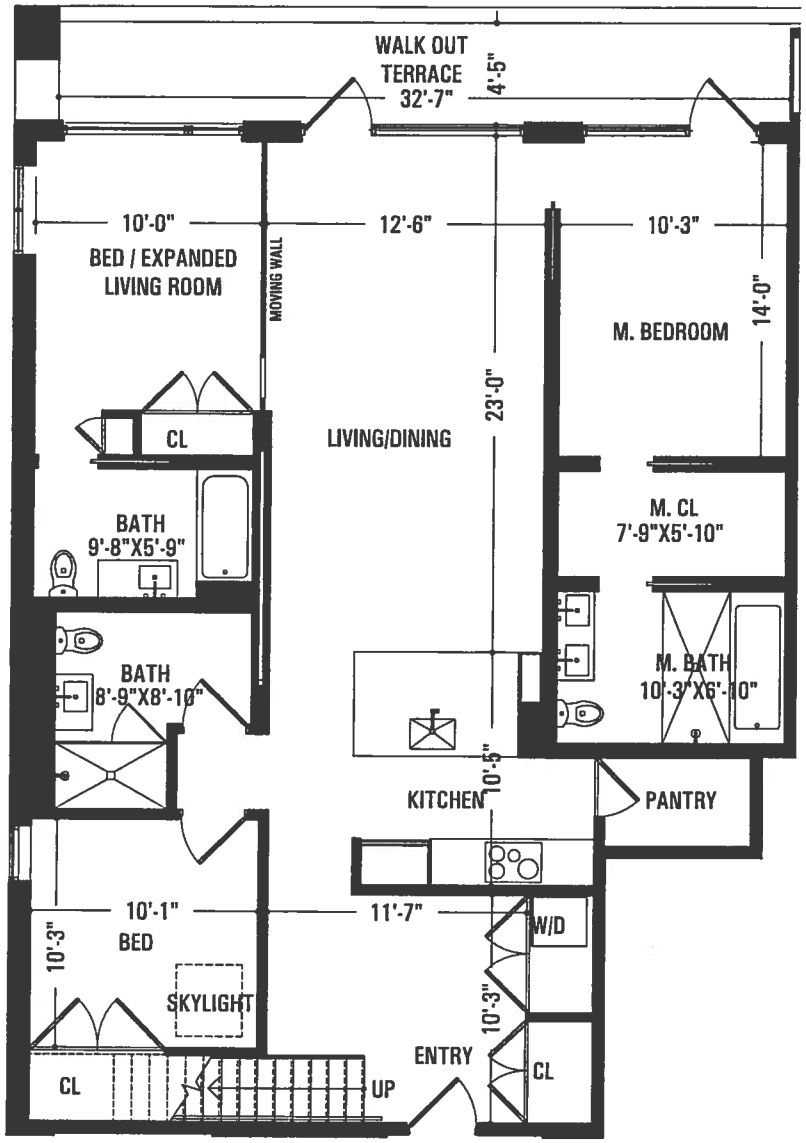
GROUND FLOOR PLAN

DATE: MAY 19, 2015
NOT TO SCALE

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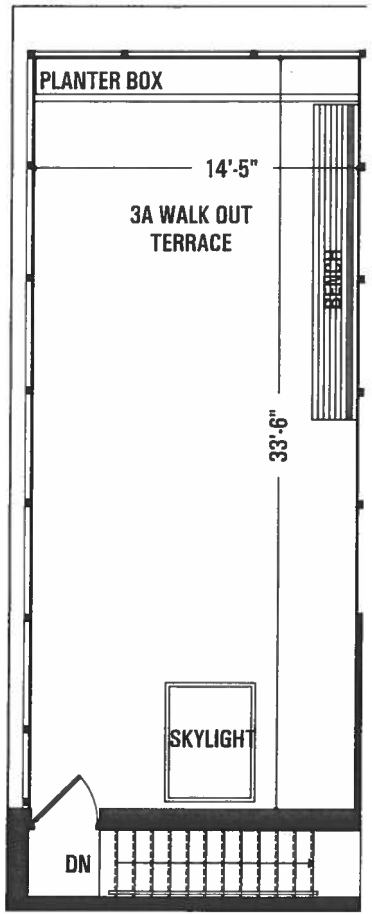
THE SORTING HOUSE CONDOMINIUM

ADDRESS:
318 WEST 52ND STREET
NEW YORK, NY 10019



1 UNIT 3A
AREA: 1,448 S.F.
AREA: WALK OUT TERRACE (AT 3RD FLOOR) - 173 S.F.

2' 5'
1/8" = 1'-0"



2 WALK OUT TERRACE @ 4TH FLOOR
AREA: 541 S.F. (AT 4TH FLOOR)

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

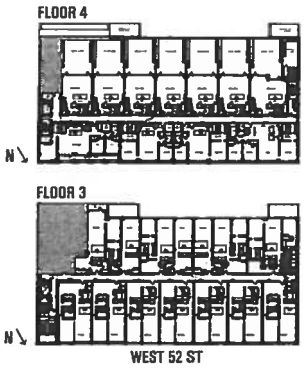
ADDRESS:
318 WEST 52ND STREET
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DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOOR

DATE:
MAY 05, 2015

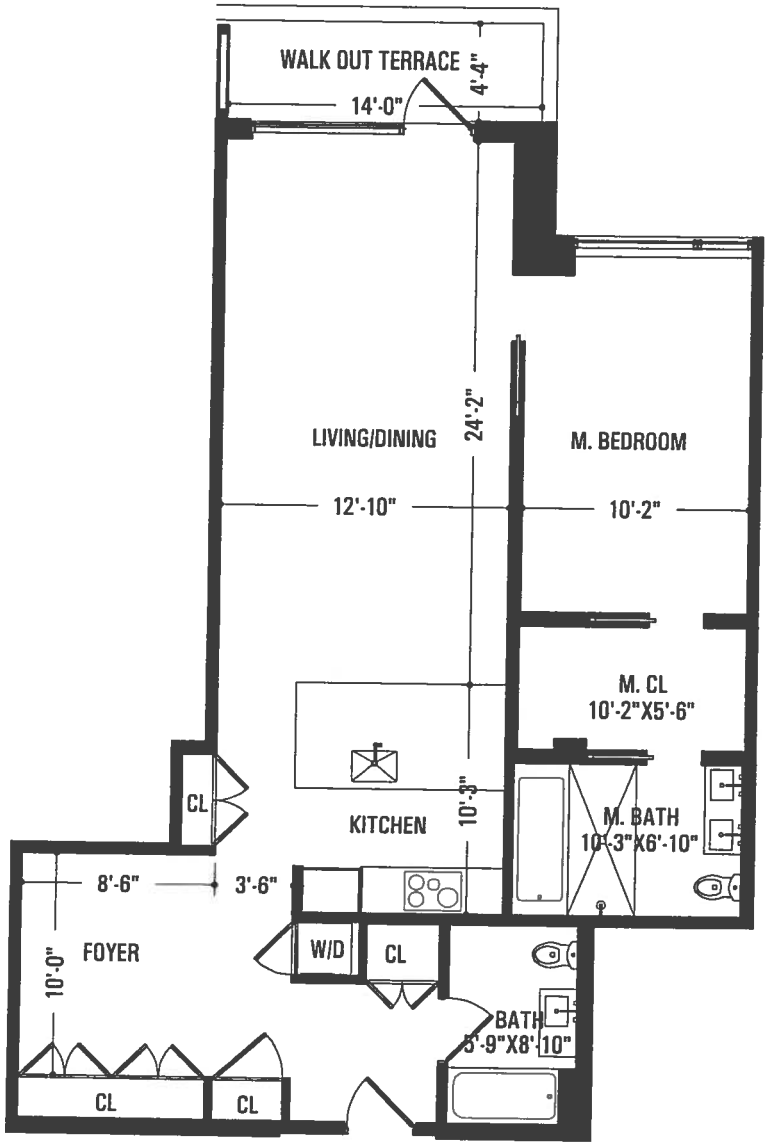
KEY PLAN:



UNIT:

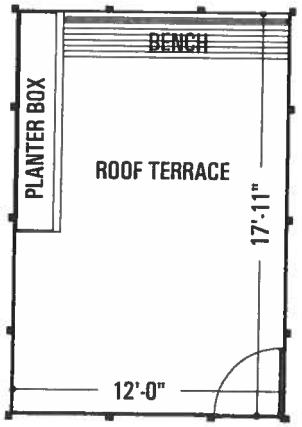
3A

1,448 S.F. (UNIT)
714 S.F. (WALK OUT TERRACE)



1 UNIT 3B
AREA: 1,081 S.F.
AREA: WALK OUT TERRACE (AT 3RD FLOOR) - 75 S.F.

2' 5'
1/8" = 1'-0"



2 ROOF TERRACE 9
AREA: 228 S.F.

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

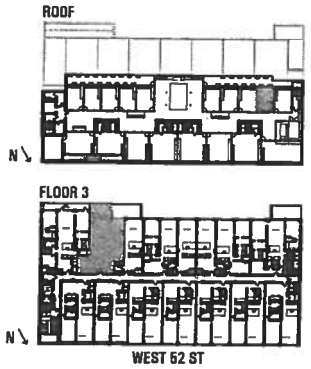
ADDRESS:
318 WEST 52ND STREET
NEW YORK, NY 10019

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DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOOR

DATE:
MAY 05, 2015

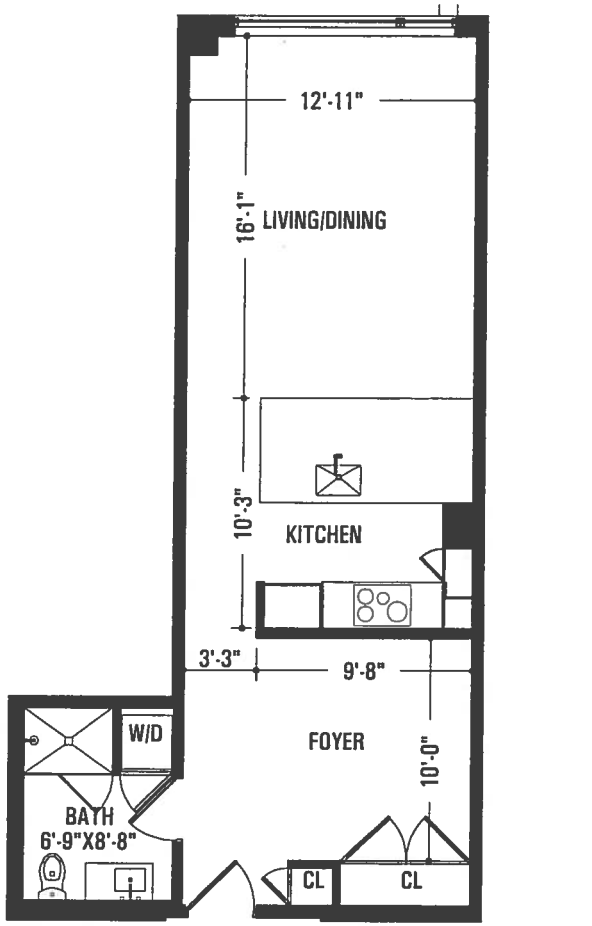
KEY PLAN:



UNIT:

3B

601 S.F. (UNIT)
365 S.F.(ROOF & WALK OUT TERRACE-9)



1 UNIT 3C
AREA: 605 S.F.

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

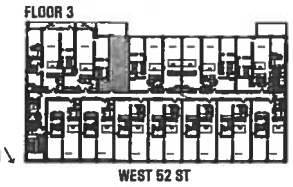
ADDRESS:
318 WEST 52ND STREET
NEW YORK, NY 10019

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DATE:
MAY 05, 2015

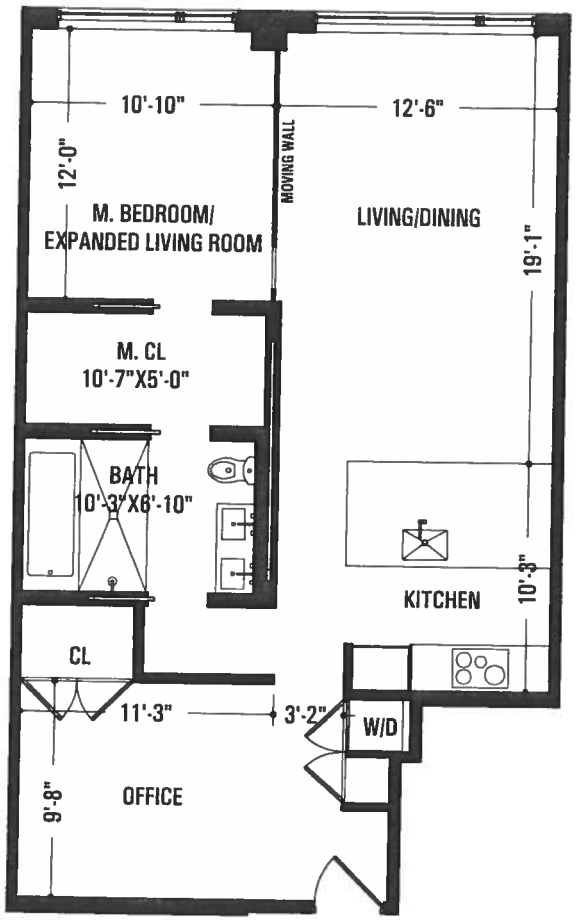
KEY PLAN:



UNIT:

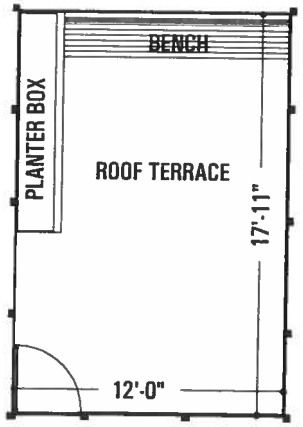
3C

605 S.F. (UNIT)



1 UNIT 3D
AREA: 896 S.F.

2' 5'
1/8" = 1'-0"



2 ROOF TERRACE 6
AREA: 228 S.F.

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

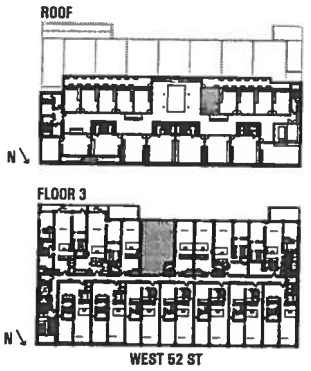
ADDRESS:
318 WEST 52ND STREET
NEW YORK, NY 10019

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DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOOR

DATE:
MAY 05, 2015

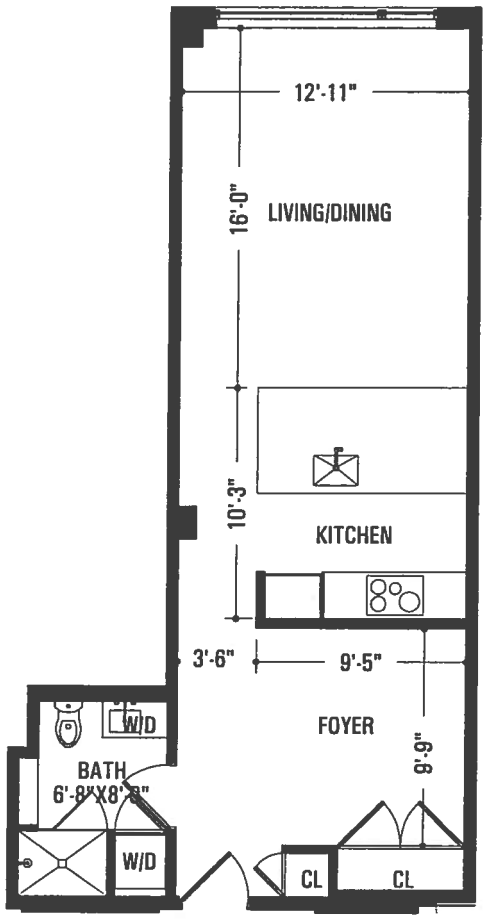
KEY PLAN:



UNIT:

3D

896 S.F. (UNIT)
228 S.F. (ROOF TERRACE - 6)



1 UNIT 3E
AREA: 601 S.F.

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

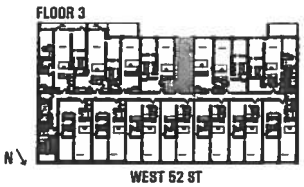
ADDRESS:
318 WEST 52ND STREET
NEW YORK, NY 10019

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DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOOR

DATE:
MAY 05, 2015

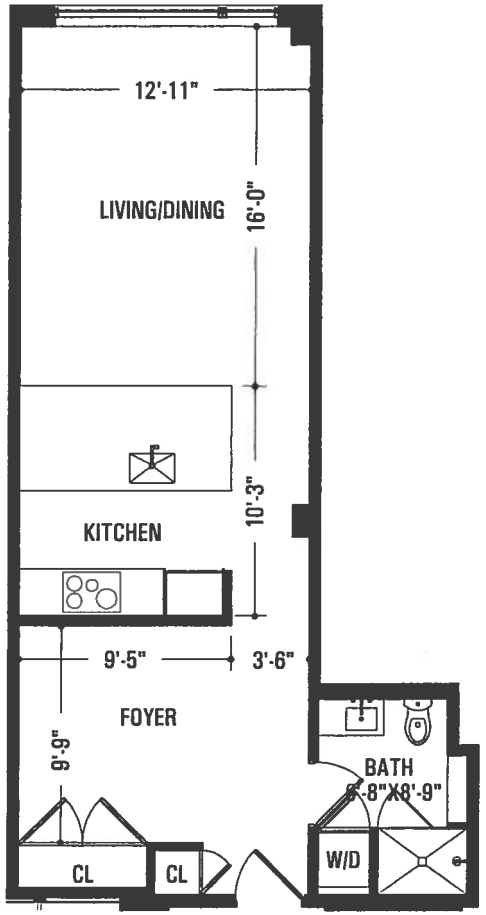
KEY PLAN:



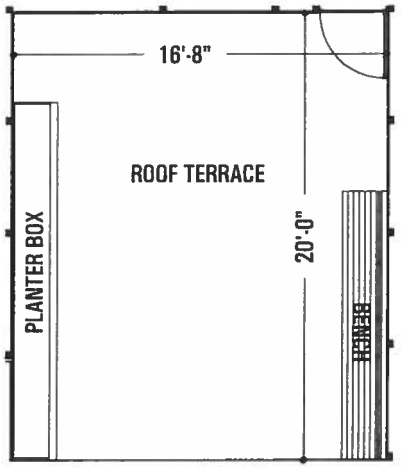
UNIT:

3E

601 S.F. (UNIT)



1 UNIT 3F
AREA: 601 S.F.
2' 5'
1/8" = 1'-0"



2 ROOF TERRACE 16
AREA: 365 S.F.
2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

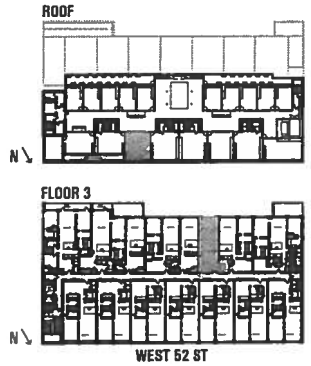
ADDRESS:
318 WEST 52ND STREET
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DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOOR

DATE:
MAY 05, 2015

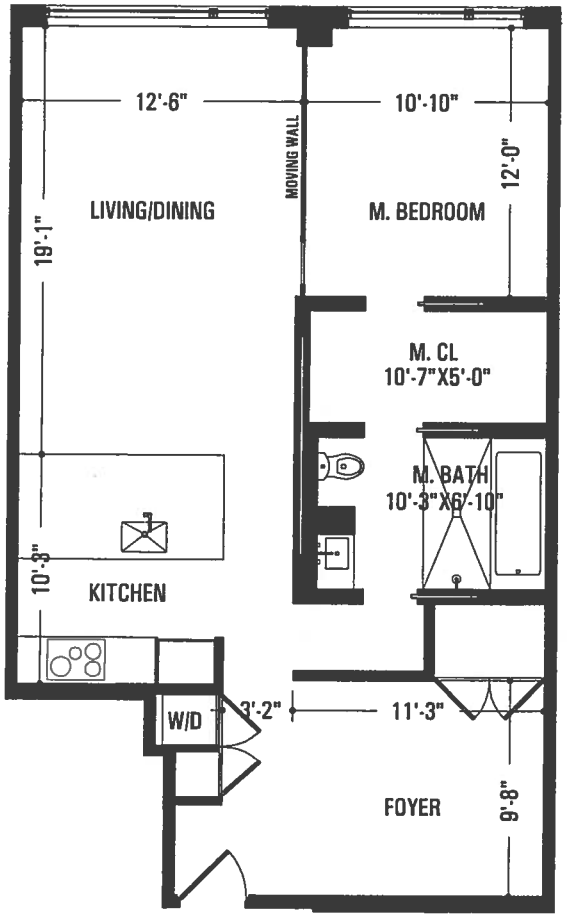
KEY PLAN:



UNIT:

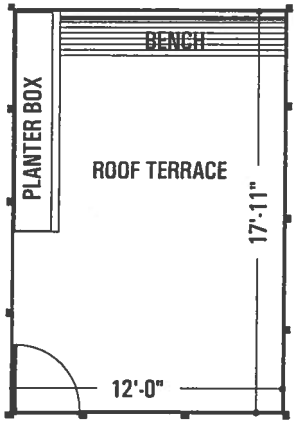
3F

601 S.F. (UNIT)
365 S.F. (ROOF TERRACE - 16)



1 UNIT 3G
AREA: 898 S.F.

2' 5'
1/8" = 1'-0"



2 ROOF TERRACE 4
AREA: 228 S.F.

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

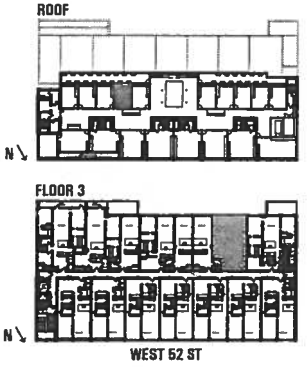
ADDRESS:
318 WEST 52ND STREET
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DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOOR

DATE:
MAY 05, 2015

KEY PLAN:

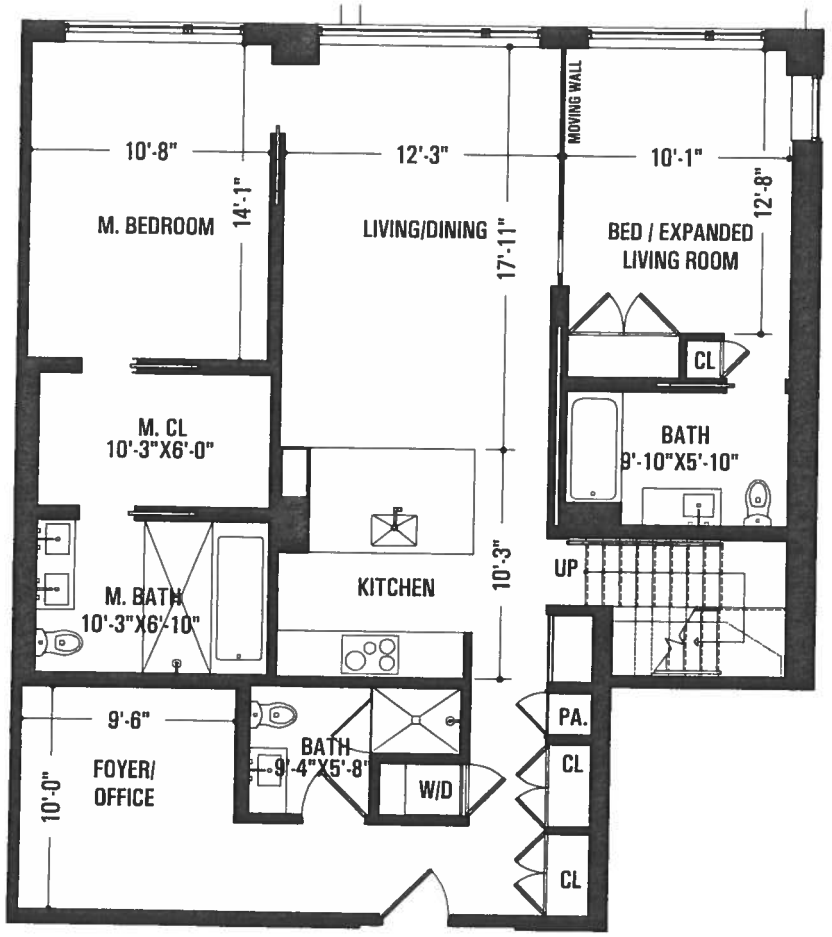


UNIT:

3G

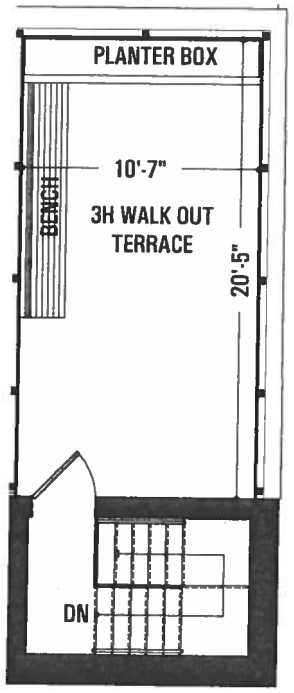
898 S.F. (UNIT)
228 S.F. (ROOF TERRACE - 4)

-200-



1 UNIT 3H
AREA: 1,448 S.F.

2' 5'
1/8" = 1'-0"



2 WALK OUT TERRACE @ 4TH FLOOR
AREA: 247 S.F. (AT 4TH FLOOR)

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

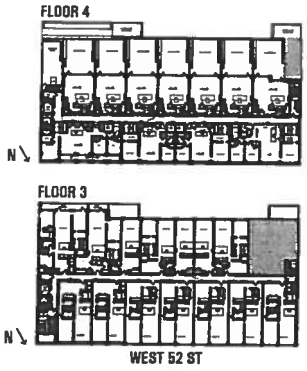
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DATE:
MAY 05, 2015

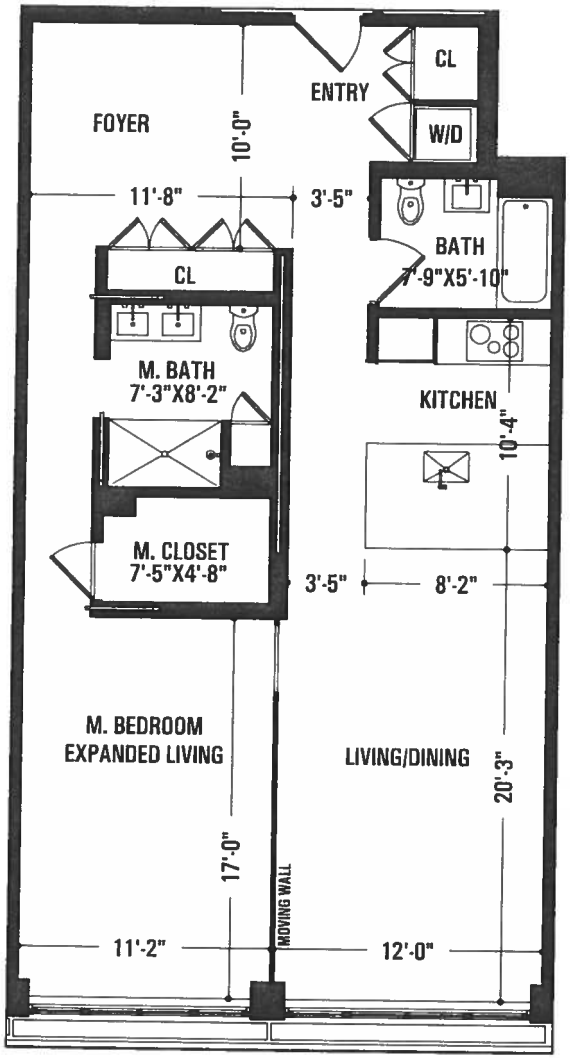
KEY PLAN:



UNIT:

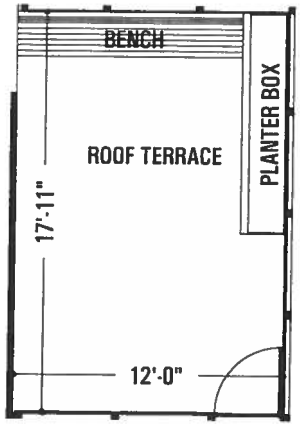
3H

1,317 S.F. (UNIT)
247 S.F. (WALK OUT TERRACE)



1 UNIT 3J
AREA: 1,099 S.F.

2' 5'
1/8" = 1'-0"



2 ROOF TERRACE 1
AREA: 225 S.F.

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

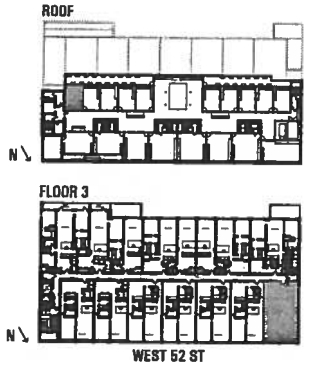
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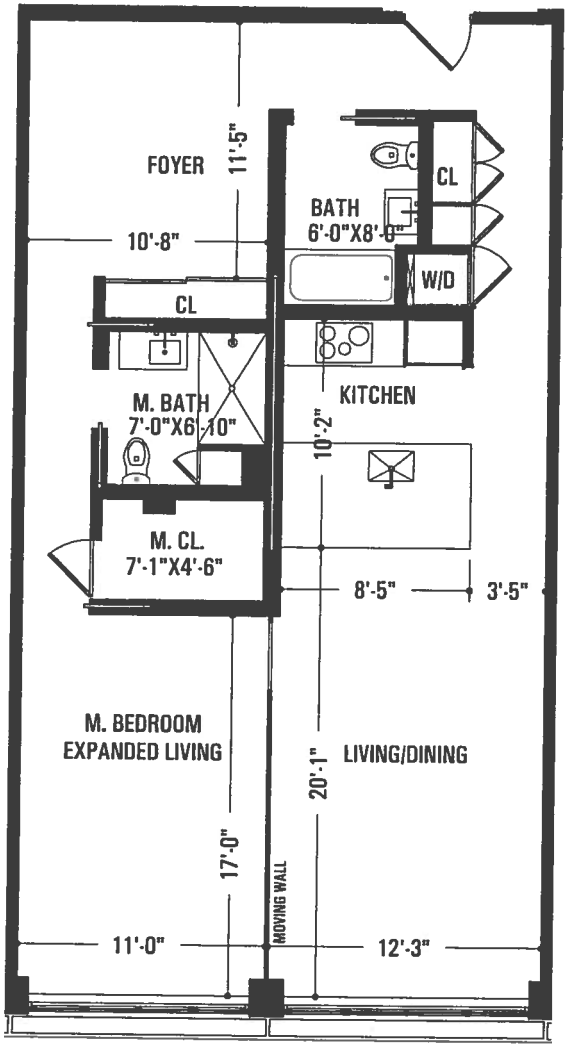
KEY PLAN:



UNIT:

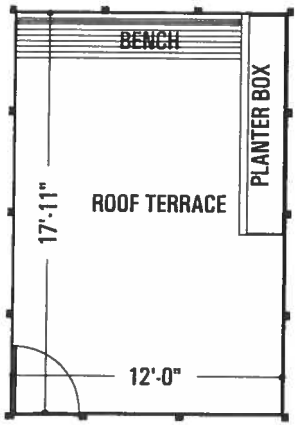
3J

1,099 S.F. (UNIT)
225 S.F. (ROOF TERRACE - 1)



1 UNIT 3K
AREA: 1,074 GROSS S.F.

2' 5'
1/8" = 1'-0"



2 ROOF TERRACE 2
AREA: 228 GROSS S.F.

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

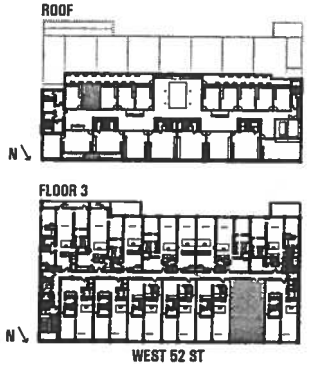
ADDRESS:
318 WEST 52ND STREET
NEW YORK, NY 10019

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DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOOR

DATE:
MAY 05, 2015

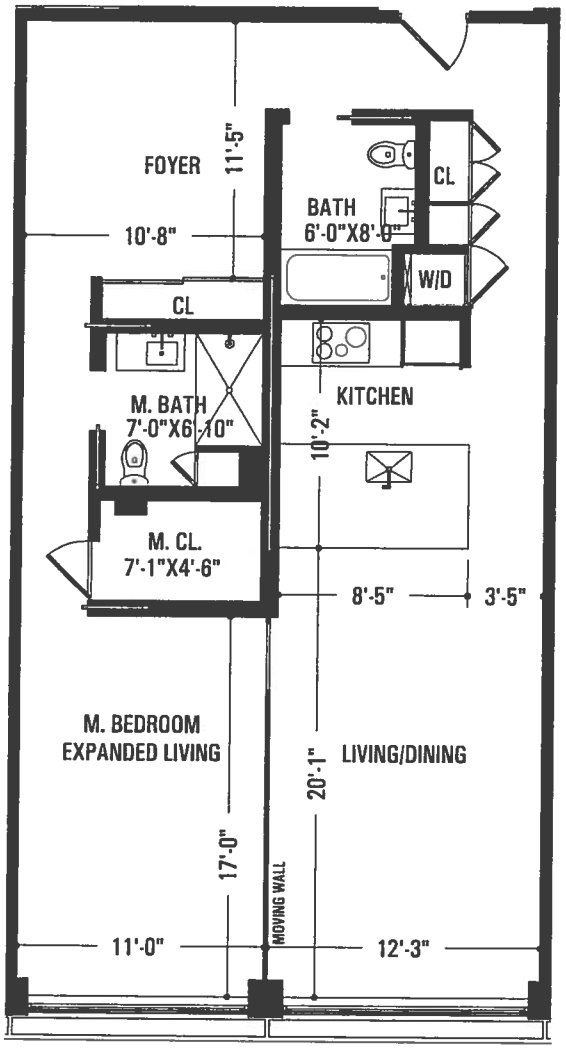
KEY PLAN:



UNIT:

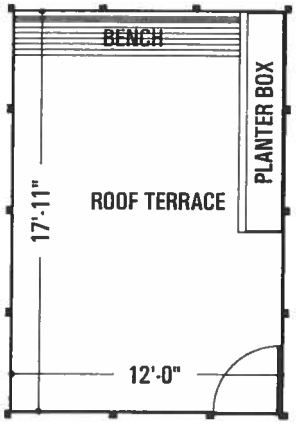
3K

1,074 S.F. (UNIT)
228 S.F. (ROOF TERRACE - 2)



1 UNIT 3L
AREA: 1,074 GROSS S.F.

2' 5'
1/8" = 1'-0"



2 ROOF TERRACE 3
AREA: 228 GROSS S.F.

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

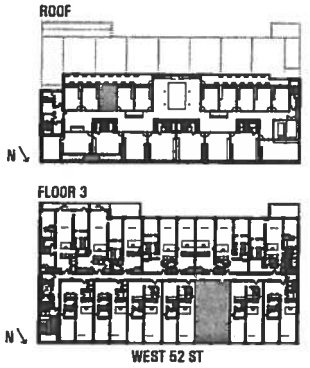
ADDRESS:
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DATE:
MAY 05, 2015

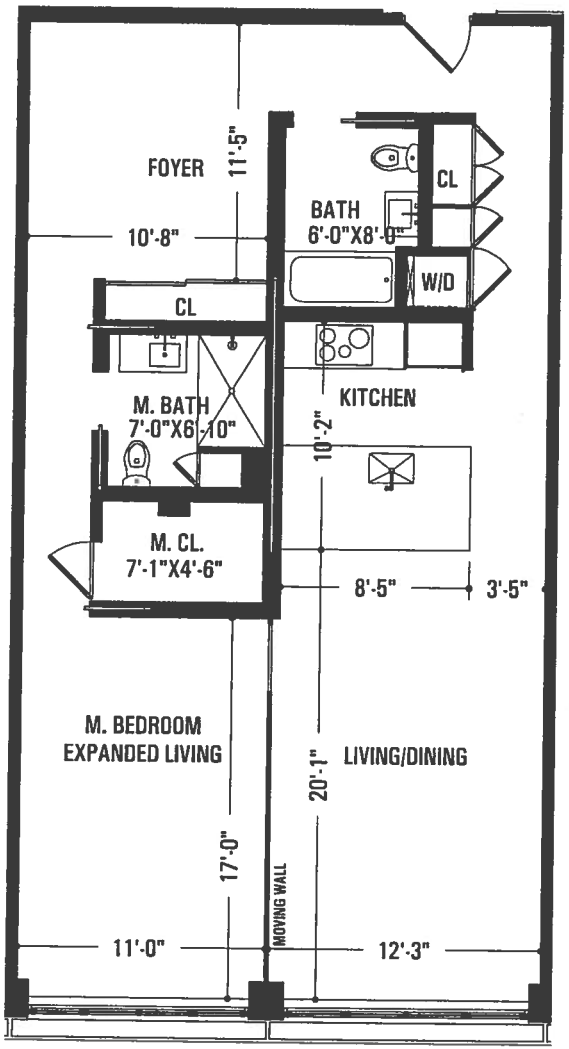
KEY PLAN:



UNIT:

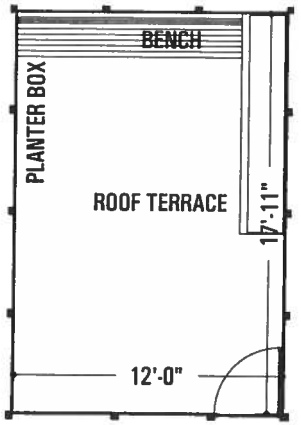
3L

1,074 S.F. (UNIT)
228 S.F. (ROOF TERRACE - 3)



1 UNIT 3M
AREA: 1,074 GROSS S.F.

2' 5'
1/8" = 1'-0"



2 ROOF TERRACE 5
AREA: 228 GROSS S.F.

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

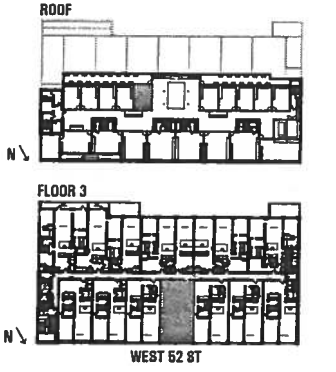
ADDRESS:
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DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOOR

DATE:
MAY 05, 2015

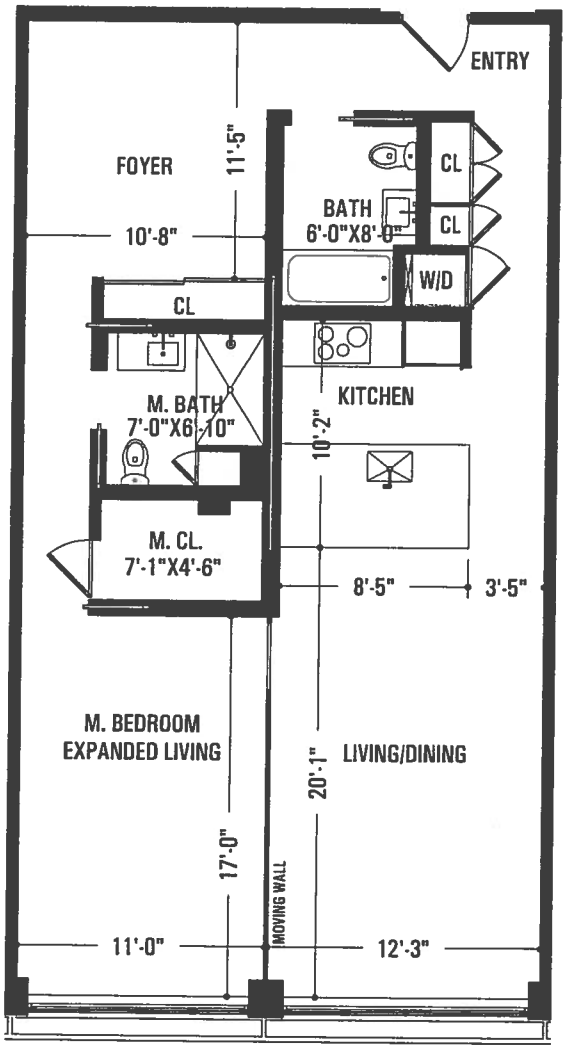
KEY PLAN:



UNIT:

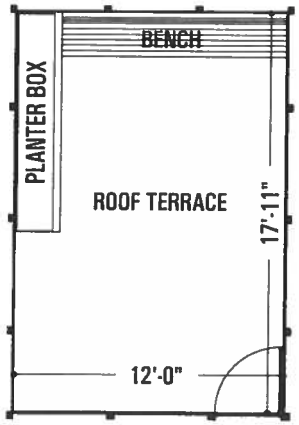
3M

1,074 S.F. (UNIT)
228 S.F. (ROOF TERRACE - 5)



1 UNIT 3N
AREA: 1,074 GROSS S.F.

2' 5'
1/8" = 1'-0"



2 ROOF TERRACE 7
AREA: 228 GROSS S.F.

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

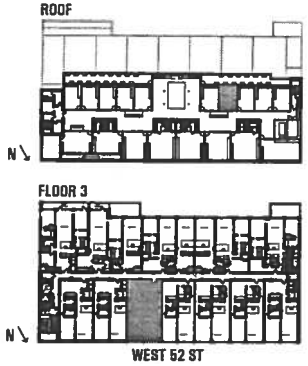
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DATE:
MAY 05, 2015

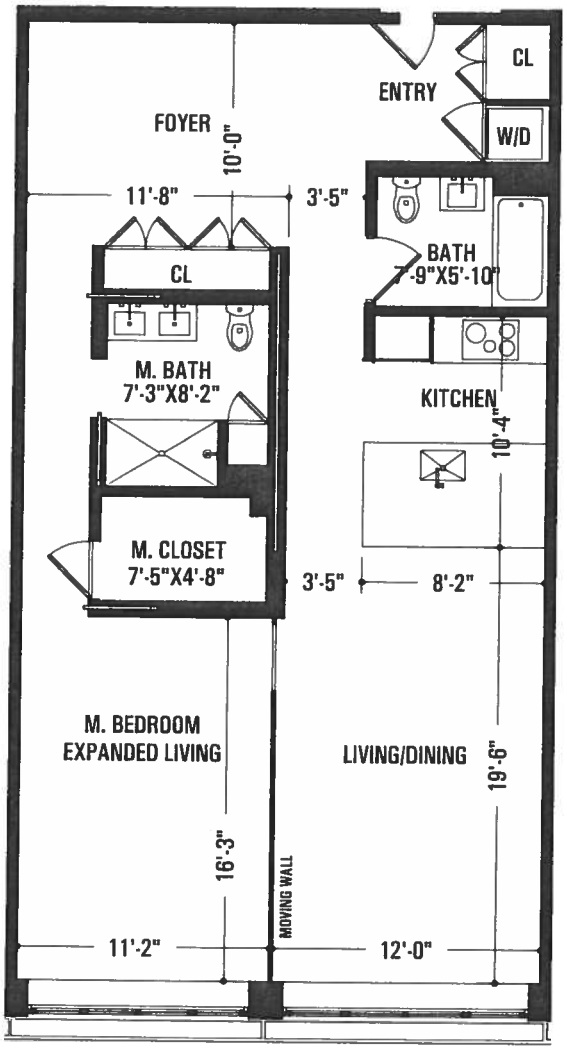
KEY PLAN:



UNIT:

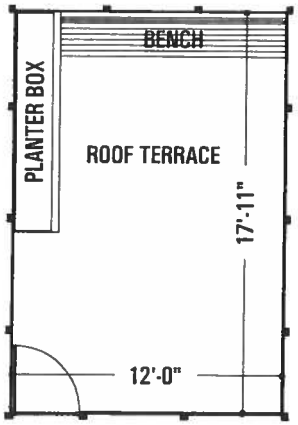
3N

1,074 S.F. (UNIT)
228 S.F. (ROOF TERRACE - 7)



1 UNIT 3P
AREA: 1,074 S.F.

2' 5'
1/8" = 1'-0"



2 ROOF TERRACE 8
AREA: 228 S.F.

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

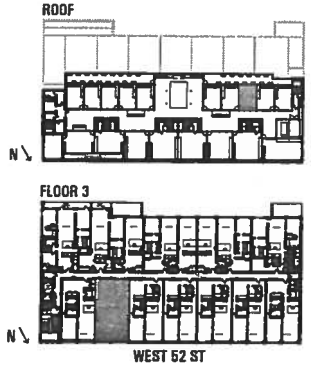
ADDRESS:
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DATE:
MAY 05, 2015

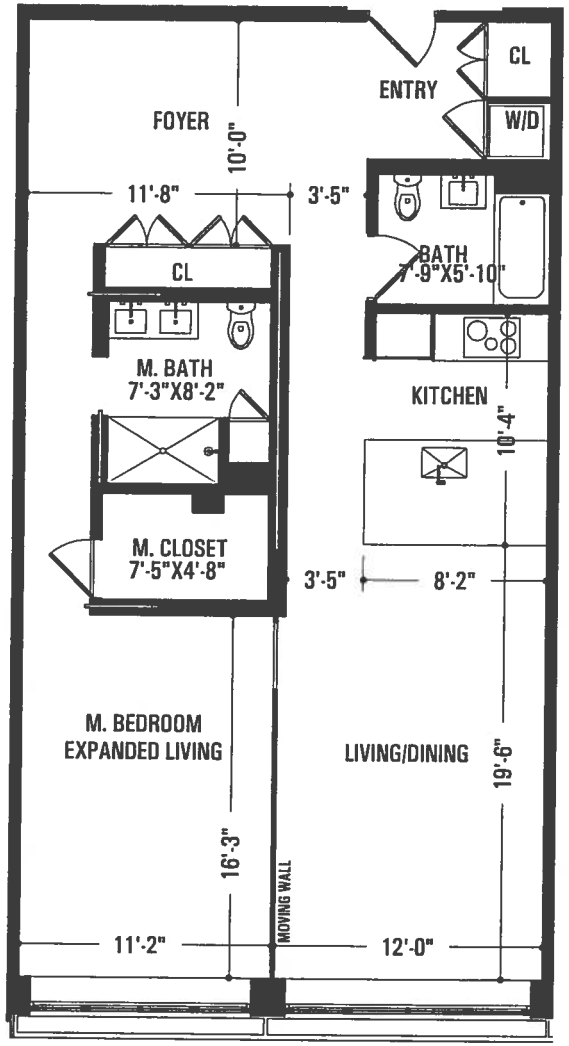
KEY PLAN:



UNIT:

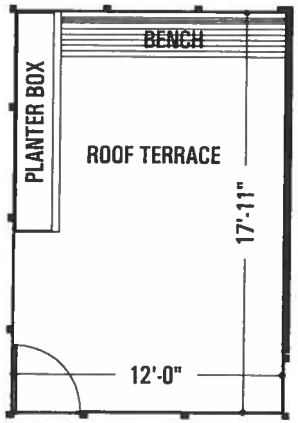
3P

1,074 S.F. (UNIT)
228 S.F. (ROOF TERRACE - 8)



1 UNIT 3Q
AREA: 1,074 S.F.

2' 5'
1/8" = 1'-0"



2 ROOF TERRACE 10
AREA: 228 S.F.

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

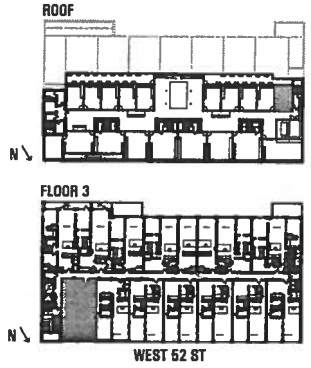
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DATE:
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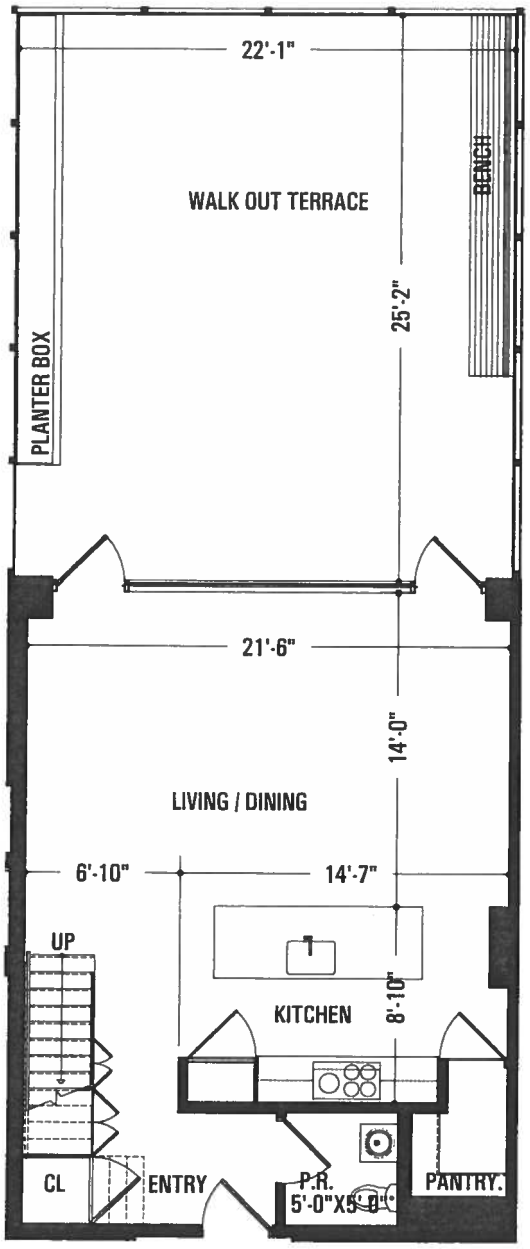
KEY PLAN:



UNIT:

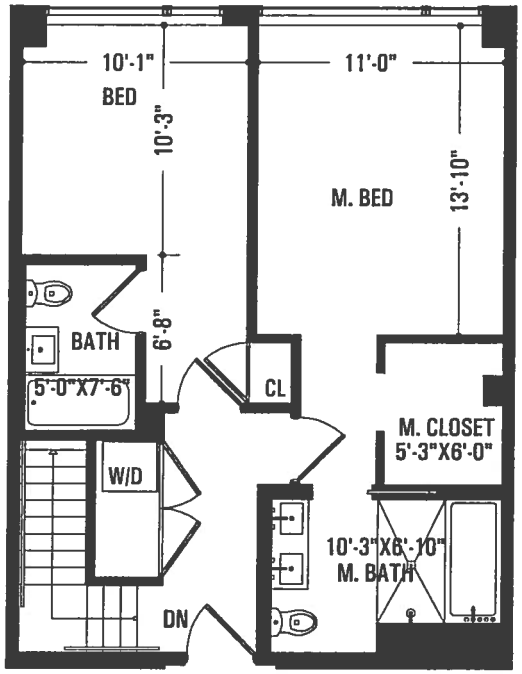
3Q

1,074 S.F. (UNIT)
228 S.F. (ROOF TERRACE - 10)



1 DUPLEX-4A (4TH FLOOR)
AREA: 650 S.F. (LOWER), 1,302 S.F. (UNIT TOTAL)
AREA: WALK OUT TERRACE - 593 S.F.

2' 5'
1/8" = 1'-0"



2 DUPLEX-4A (5TH FLOOR)
AREA: 652 S.F. (UPPER), 1,302 S.F. (UNIT TOTAL)

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

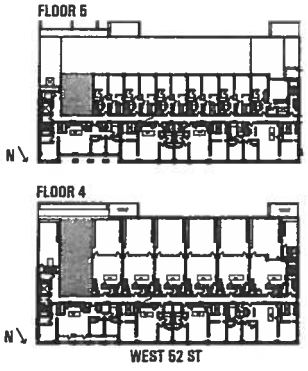
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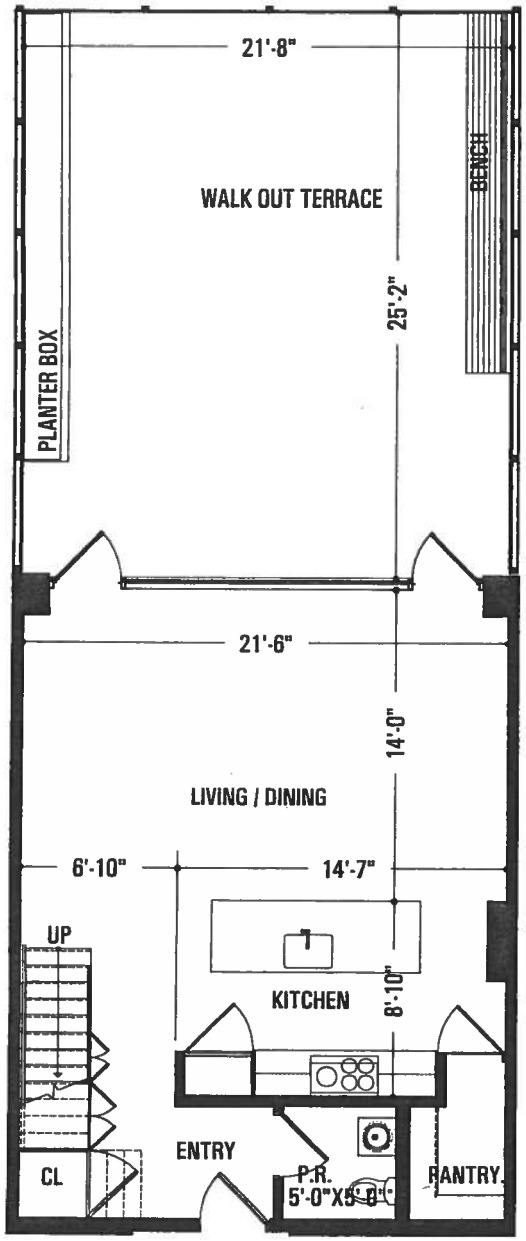
KEY PLAN:



UNIT:

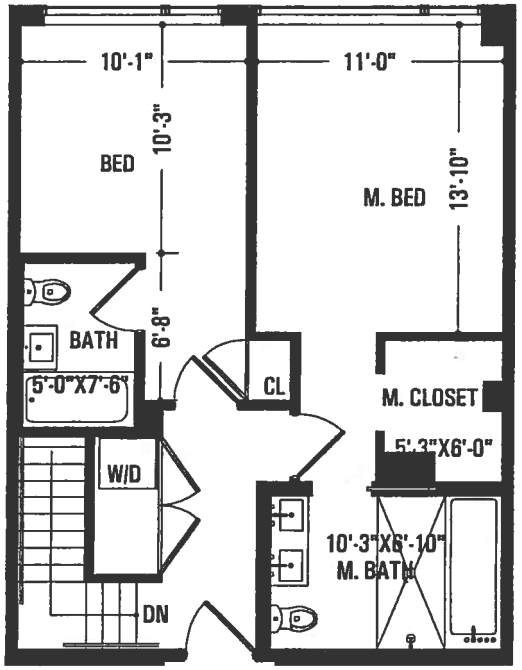
4A-DUPLEX

1,302 S.F. (UNIT)
593 S.F. (WALK OUT TERRACE)



1 DUPLEX-4B (4TH FLOOR)
AREA: 642 S.F. (LOWER), 1,284 S.F. (UNIT TOTAL)
AREA: WALK OUT TERRACE - 586 S.F.

2' 5'
1/8" = 1'-0"



2 DUPLEX-4B (5TH FLOOR)
AREA: 642 S.F. (UPPER), 1,284 S.F. (UNIT TOTAL)

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

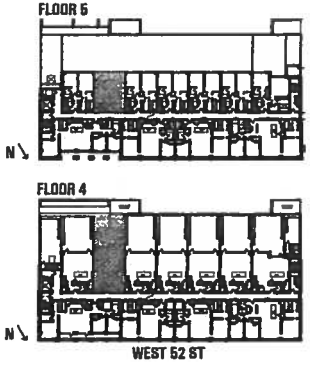
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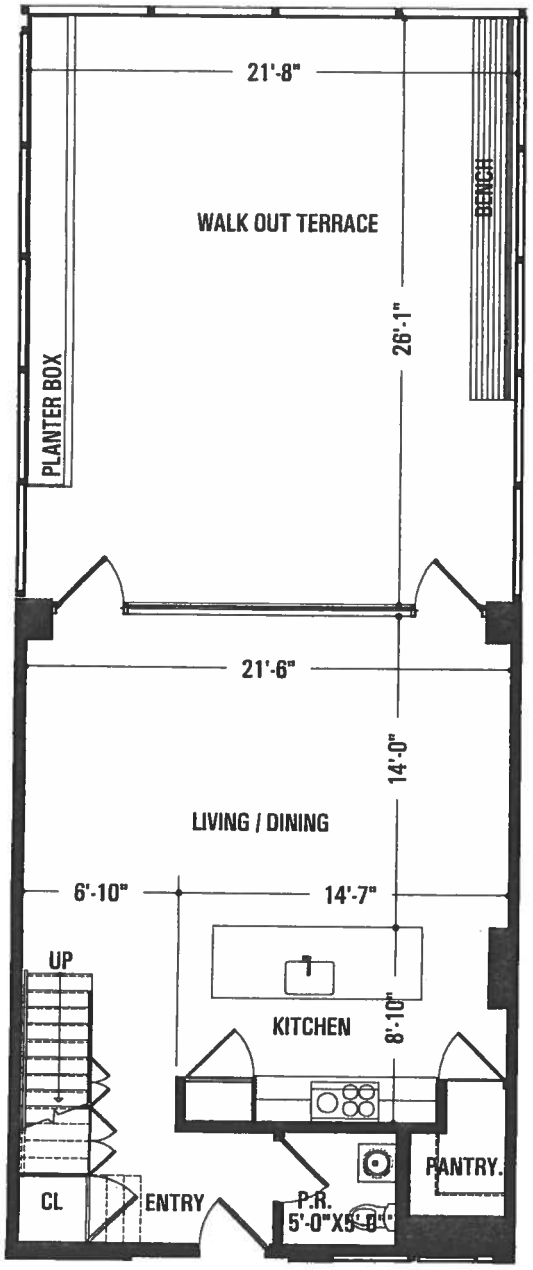
KEY PLAN:



UNIT:

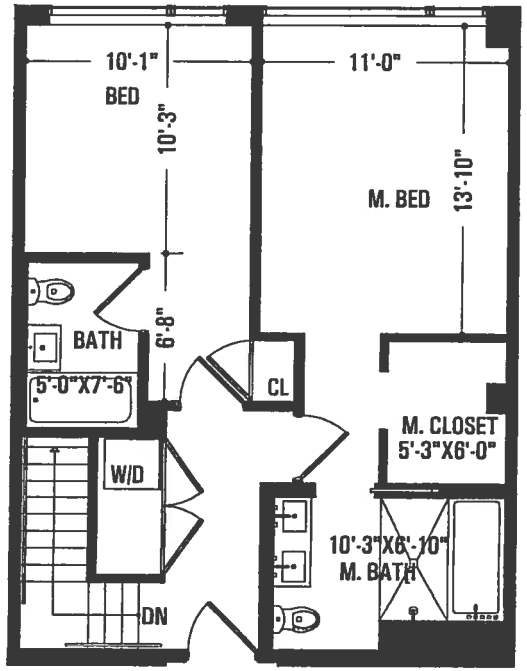
4B-DUPLEX

1,284 S.F. (UNIT)
586 S.F. (WALK OUT TERRACE)



1 DUPLEX-4C (4TH FLOOR)
AREA: 642 S.F. (LOWER), 1,284 S.F. (UNIT TOTAL)
AREA: WALK OUT TERRACE - 593 S.F.

2' 5'
1/8" = 1'-0"



2 DUPLEX-4C (5TH FLOOR)
AREA: 642 S.F. (UPPER), 1,284 S.F. (UNIT TOTAL)

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

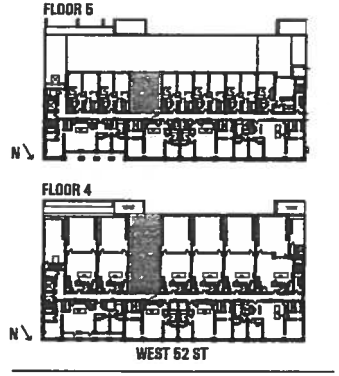
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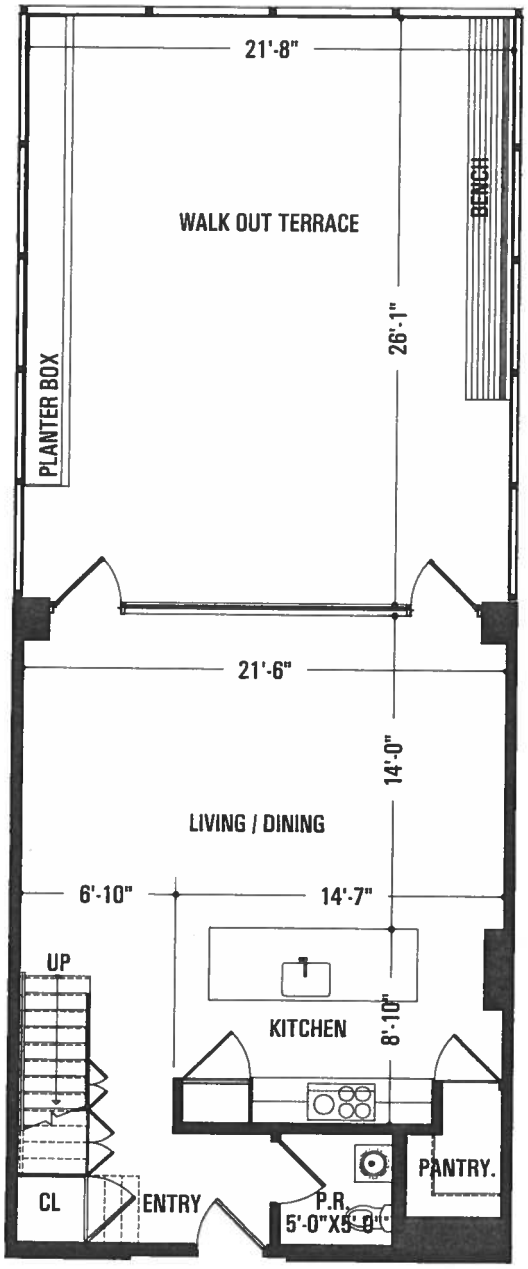
KEY PLAN:



UNIT:

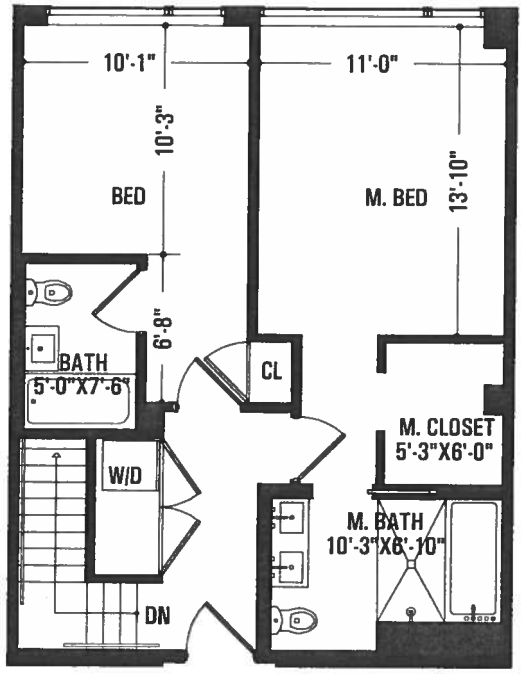
4C-DUPLEX

1,284 S.F. (UNIT)
593 S.F. (WALK OUT TERRACE)



1 DUPLEX-4D (4TH FLOOR)
AREA: 642 S.F. (LOWER), 1,284 S.F. (UNIT TOTAL)
AREA: WALK OUT TERRACE - 593 S.F.

2' 5'
1/8" = 1'-0"



2 DUPLEX-4D (5TH FLOOR)
AREA: 642 S.F. (UPPER), 1,284 S.F. (UNIT TOTAL)

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

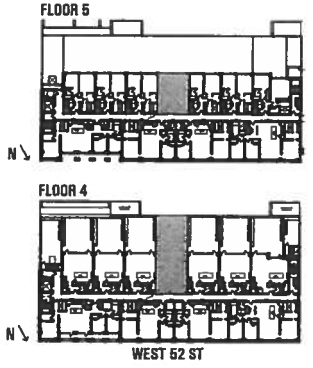
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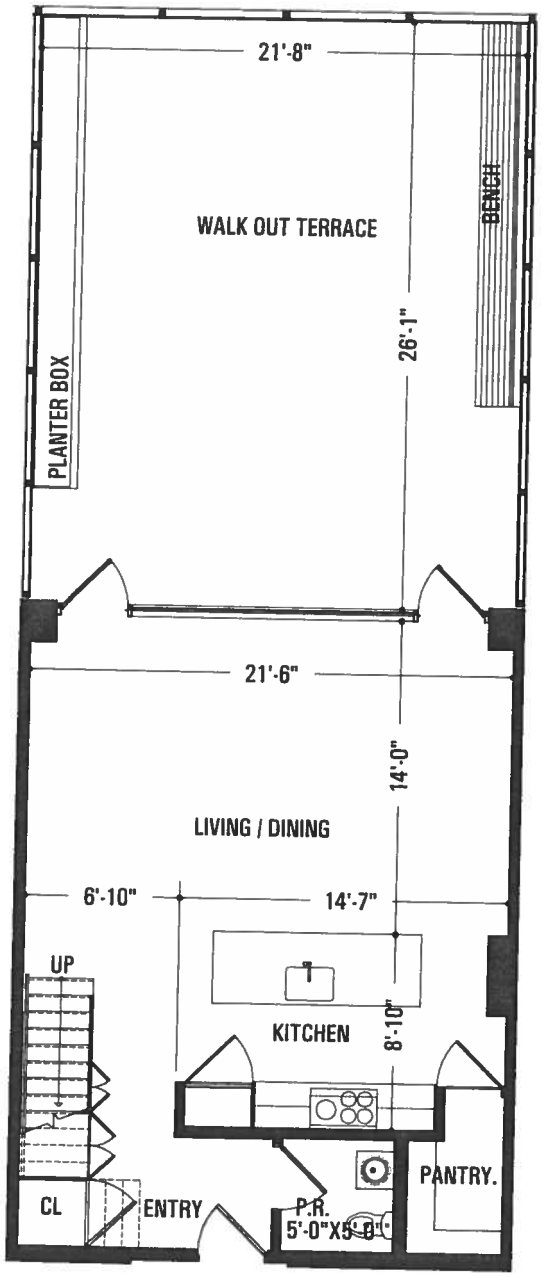
KEY PLAN:



UNIT:

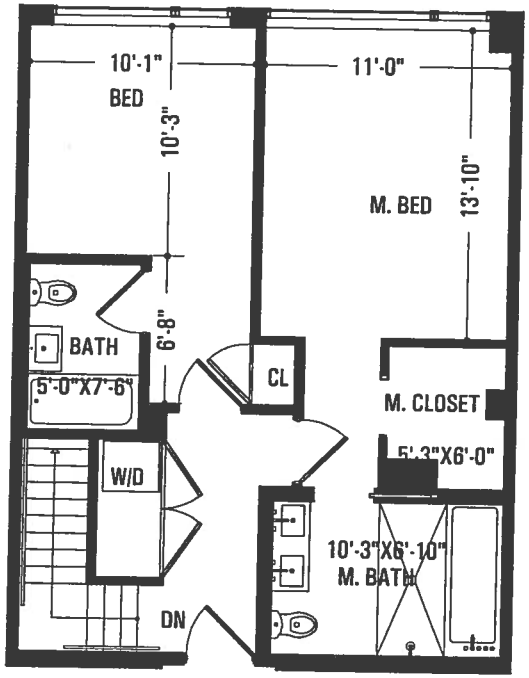
4D-DUPLEX

1,284 S.F. (UNIT)
593 S.F. (WALK OUT TERRACE)



1 DUPLEX-4E (4TH FLOOR)
AREA: 642 S.F. (LOWER), 1,284 S.F. (UNIT TOTAL)
AREA: WALK OUT TERRACE - 593 S.F.

2' 5'
1/8" = 1'-0"



2 DUPLEX-4E (5TH FLOOR)
AREA: 642 S.F. (UPPER), 1,284 S.F. (UNIT TOTAL)

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

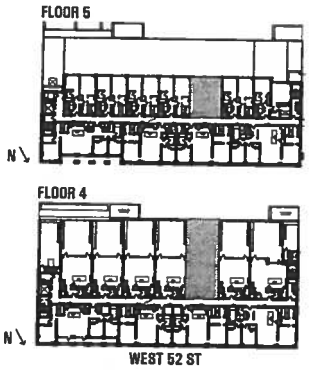
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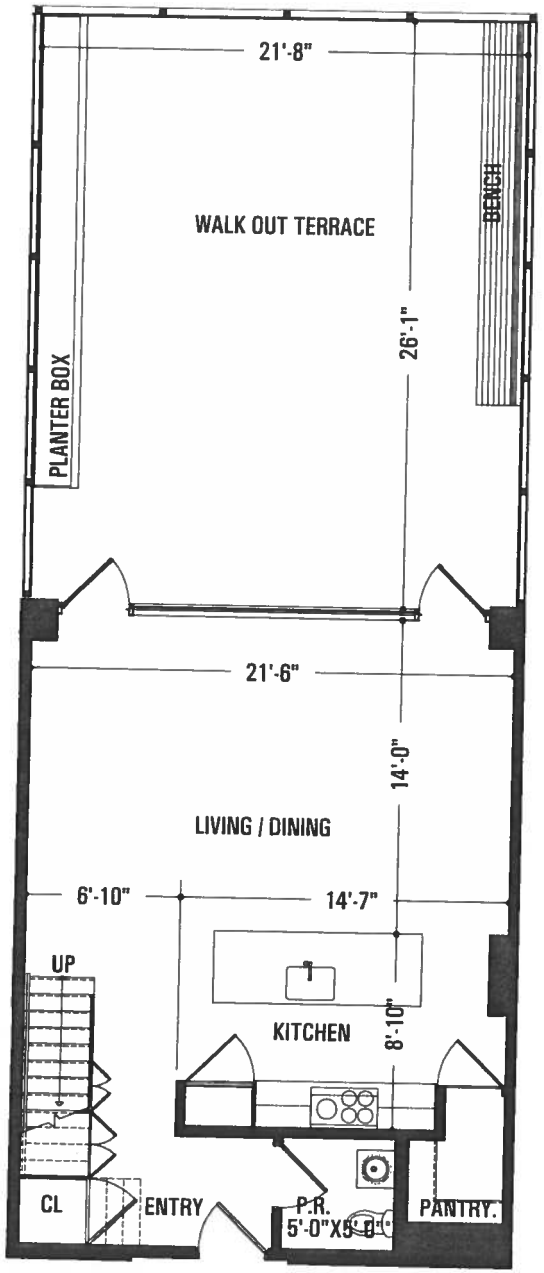
KEY PLAN:



UNIT:

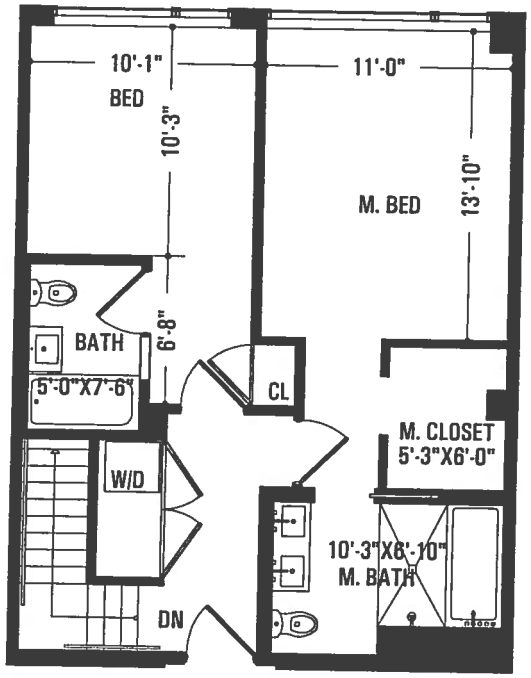
4E-DUPLEX

1,284 S.F. (UNIT)
593 S.F. (WALK OUT TERRACE)



1 DUPLEX-4F (4TH FLOOR)
AREA: 642 S.F. (LOWER), 1,284 S.F. (UNIT TOTAL)
AREA: WALK OUT TERRACE - 593 S.F.

2' 5'
1/8" = 1'-0"



2 DUPLEX-4F (5TH FLOOR)
AREA: 642 S.F. (UPPER), 1,284 S.F. (UNIT TOTAL)

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

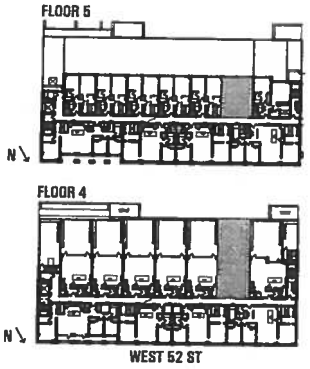
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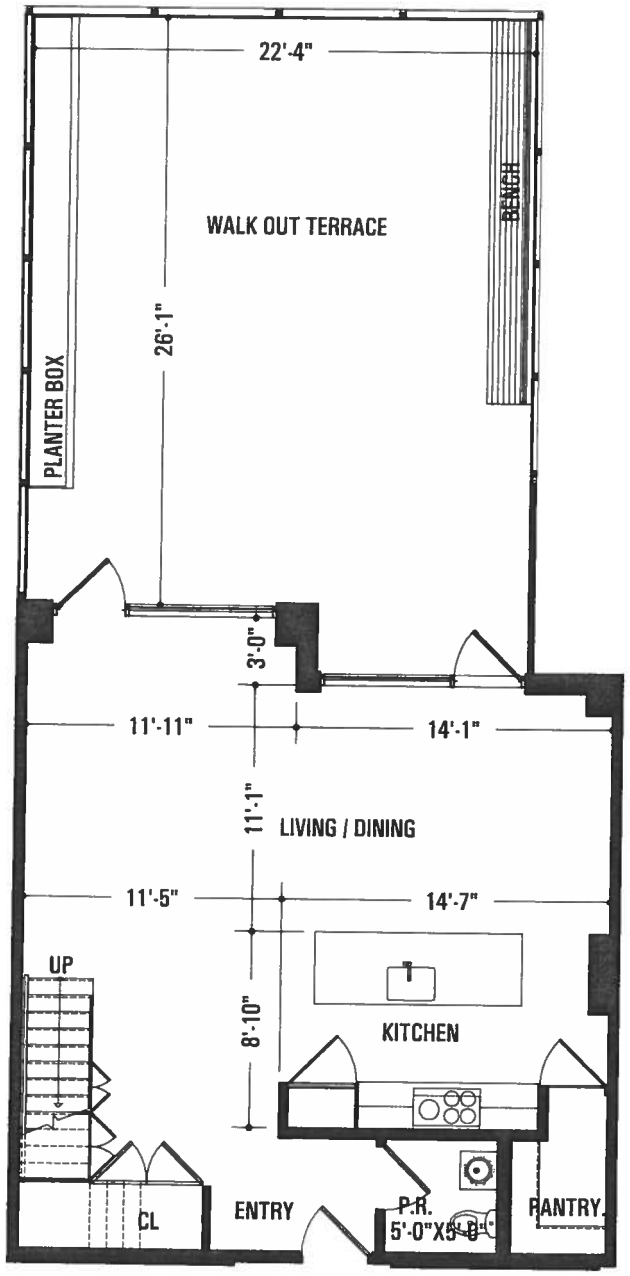
KEY PLAN:



UNIT:

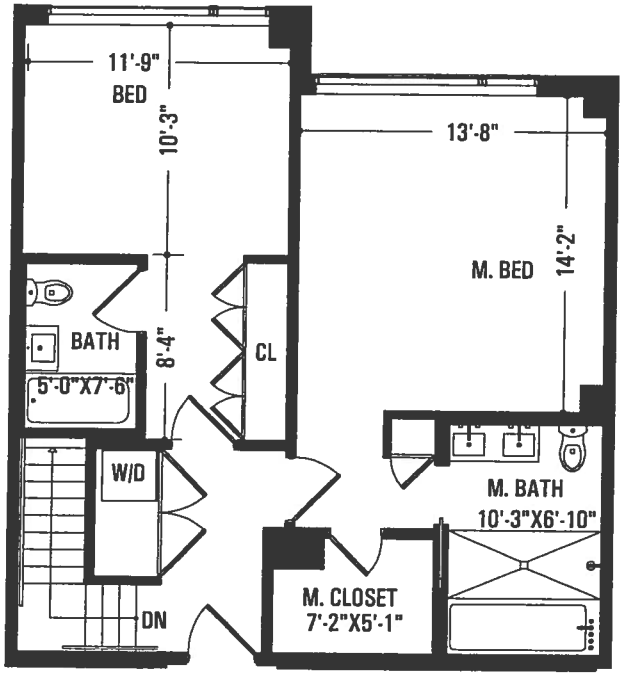
4F-DUPLEX

1,284 S.F. (UNIT)
593 S.F. (WALK OUT TERRACE)



1 DUPLEX-4G (4TH FLOOR)
AREA: 727 S.F. (LOWER), 1,454 S.F. (UNIT TOTAL)
AREA: WALK OUT TERRACE - 640 S.F.

2' 5'
1/8" = 1'-0"



2 DUPLEX-4G (5TH FLOOR)
AREA: 727 S.F. (UPPER), 1,454 S.F. (UNIT TOTAL)

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

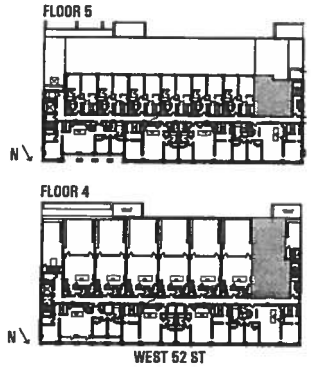
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NEW YORK, NY 10019

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MEASURED FROM FINISH SURFACE TO FINISH SURFACE

DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOOR

DATE:
MAY 05, 2015

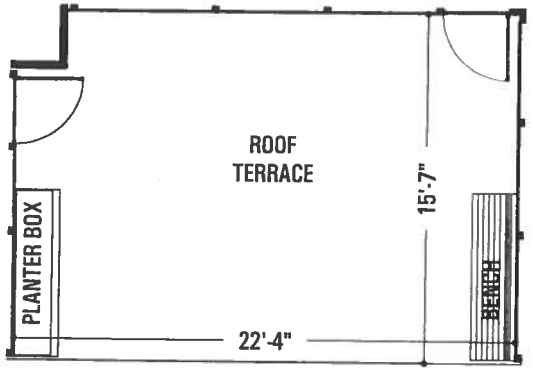
KEY PLAN:



UNIT:

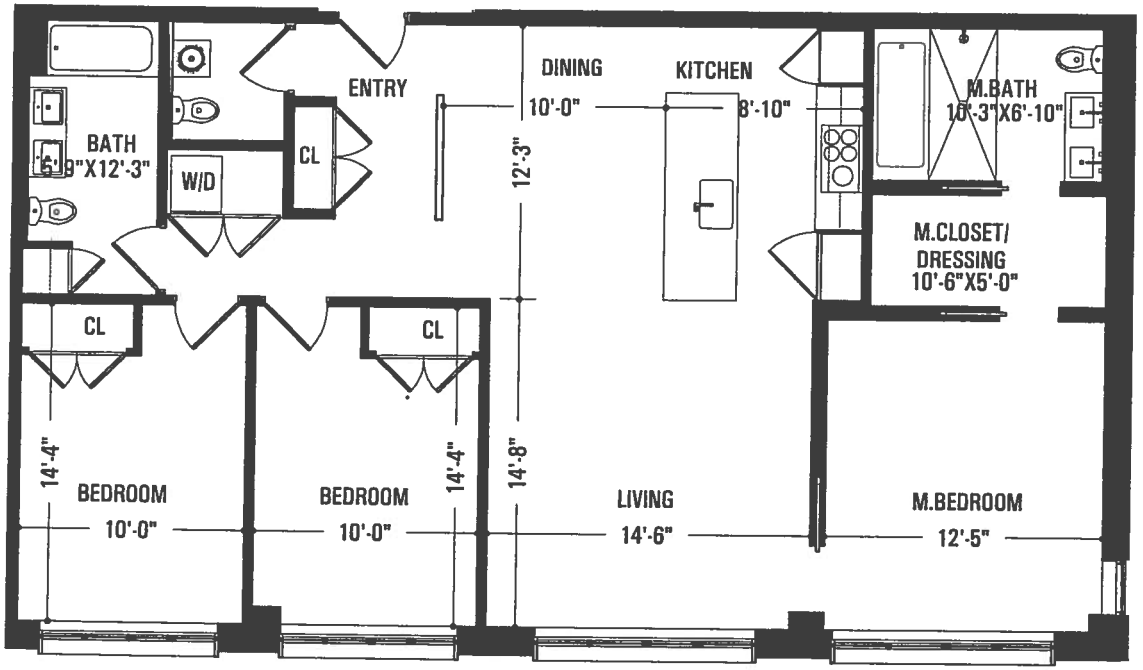
4G-DUPLEX

1,454 S.F. (UNIT)
640 S.F. (WALK OUT TERRACE)



2 ROOF TERRACE 18
AREA: 373 S.F.

2' 5'
1/8" = 1'-0"



1 UNIT 4H
AREA: 1,409 S.F.

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

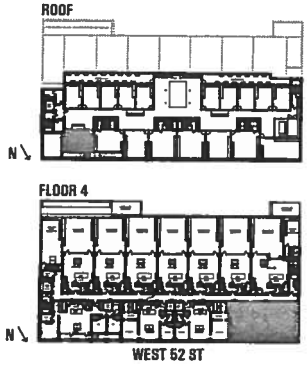
ADDRESS:
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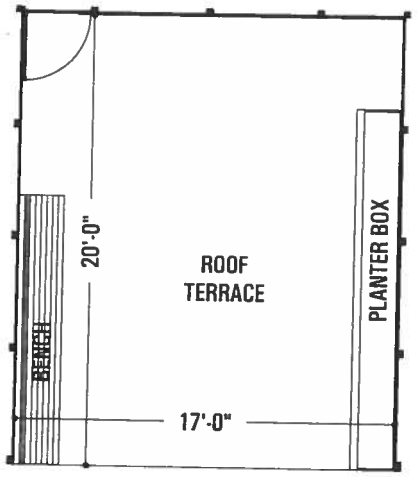
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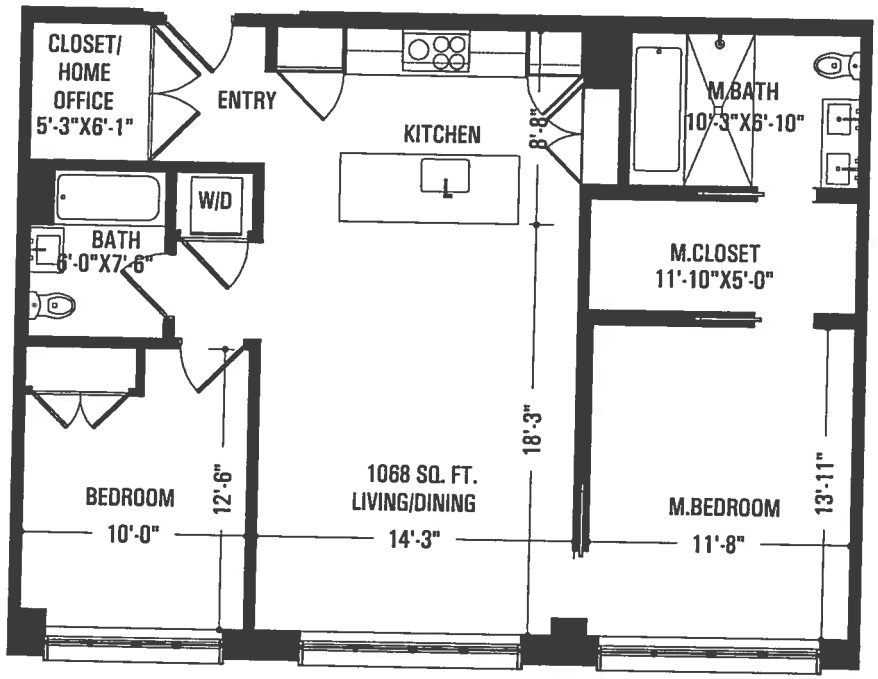
UNIT:

4H

1,409 S.F. (UNIT)
373 S.F. (ROOF TERRACE - 18)



2 ROOF TERRACE 13
AREA: 370 S.F.
2' 5'
1/8" = 1'-0"



1 UNIT 4J
AREA: 1,068 S.F.
2' 5'
1/8" = 1'-0"

-216-

THE SORTING HOUSE CONDOMINIUM

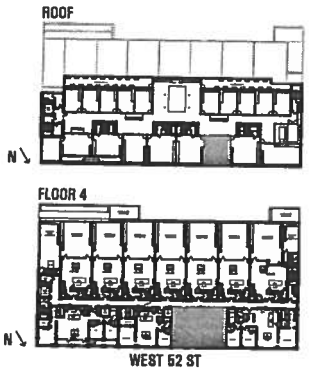
ADDRESS:
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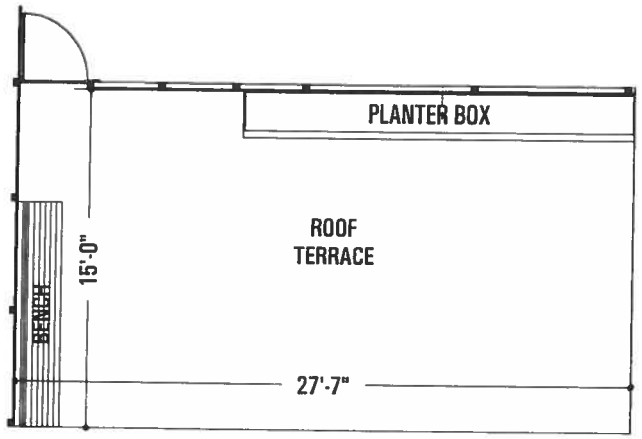
KEY PLAN:



UNIT:

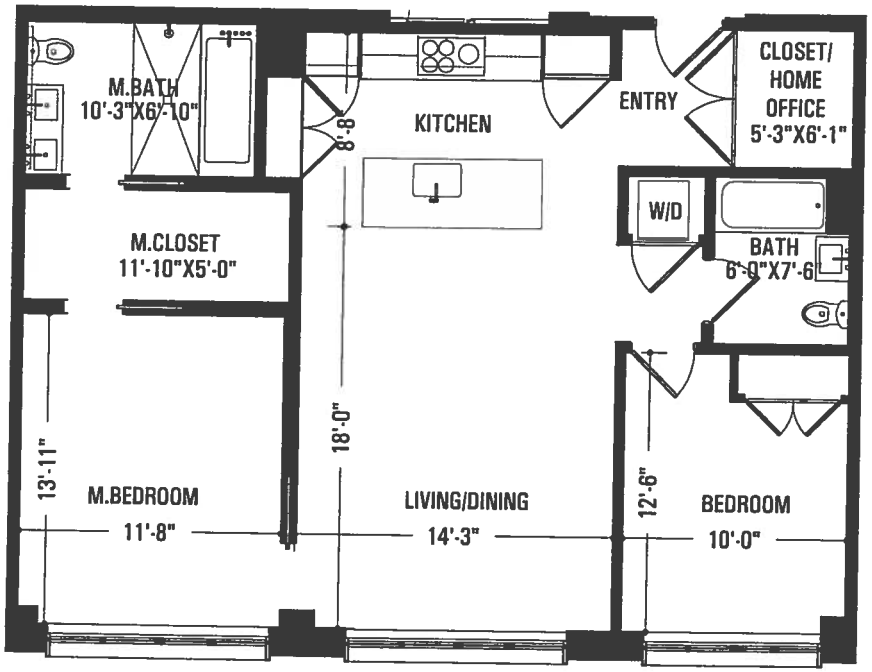
4J

1,068 S.F. (UNIT)
370 S.F. (ROOF TERRACE -13)



2 ROOF TERRACE 11
AREA: 470 S.F.

2' 5'
1/8" = 1'-0"



1 UNIT 4K
AREA: 1,071 S.F.

2' 5'
1/8" = 1'-0"

-217-

THE SORTING HOUSE CONDOMINIUM

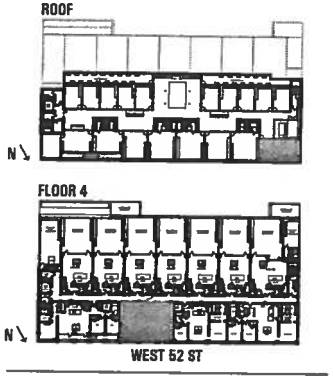
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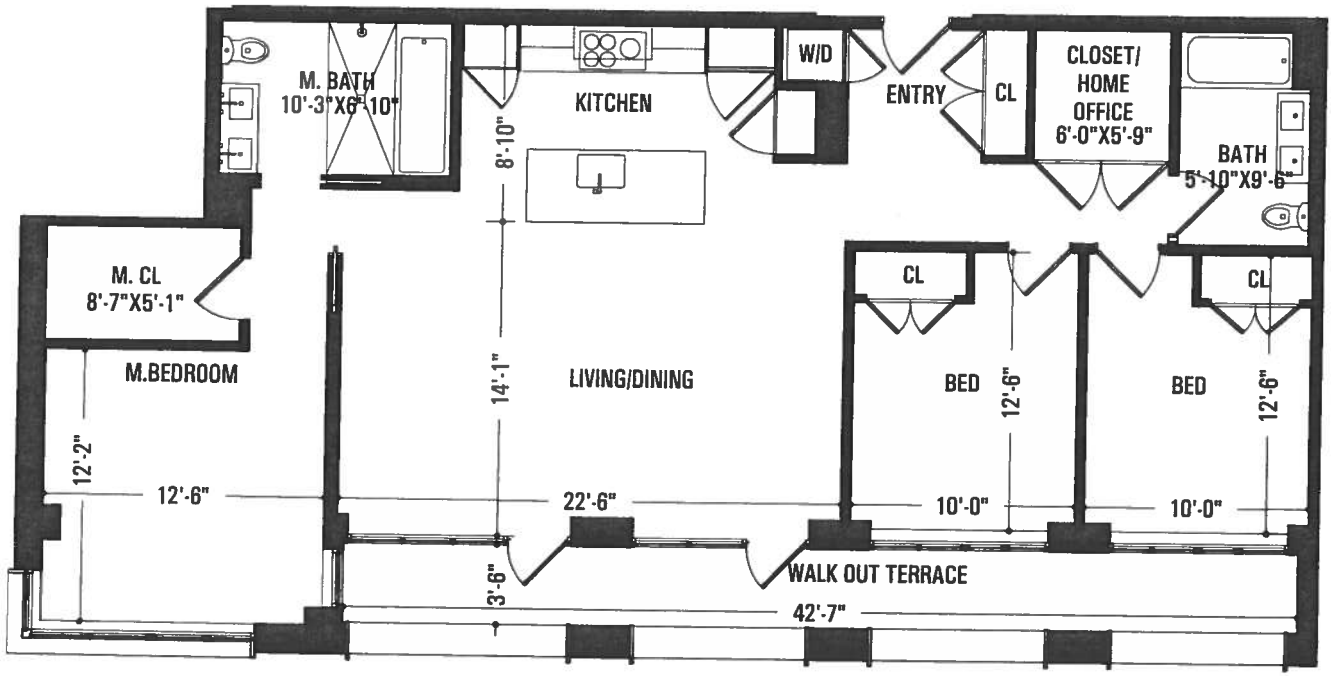
KEY PLAN:



UNIT:

4K

1,071 S.F. (UNIT)
470 S.F. (ROOF TERRACE -11)



1 UNIT 4L

AREA: 1,364 S.F.
AREA: WALK OUT TERRACE - 205 S.F.

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

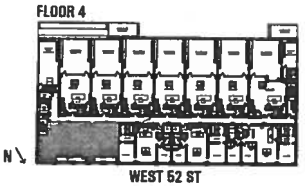
ADDRESS:
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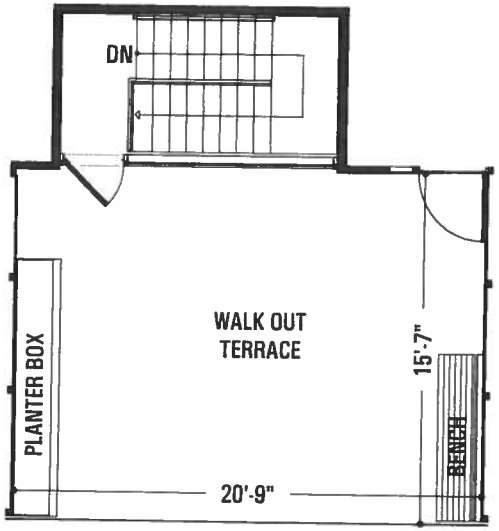
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UNIT:

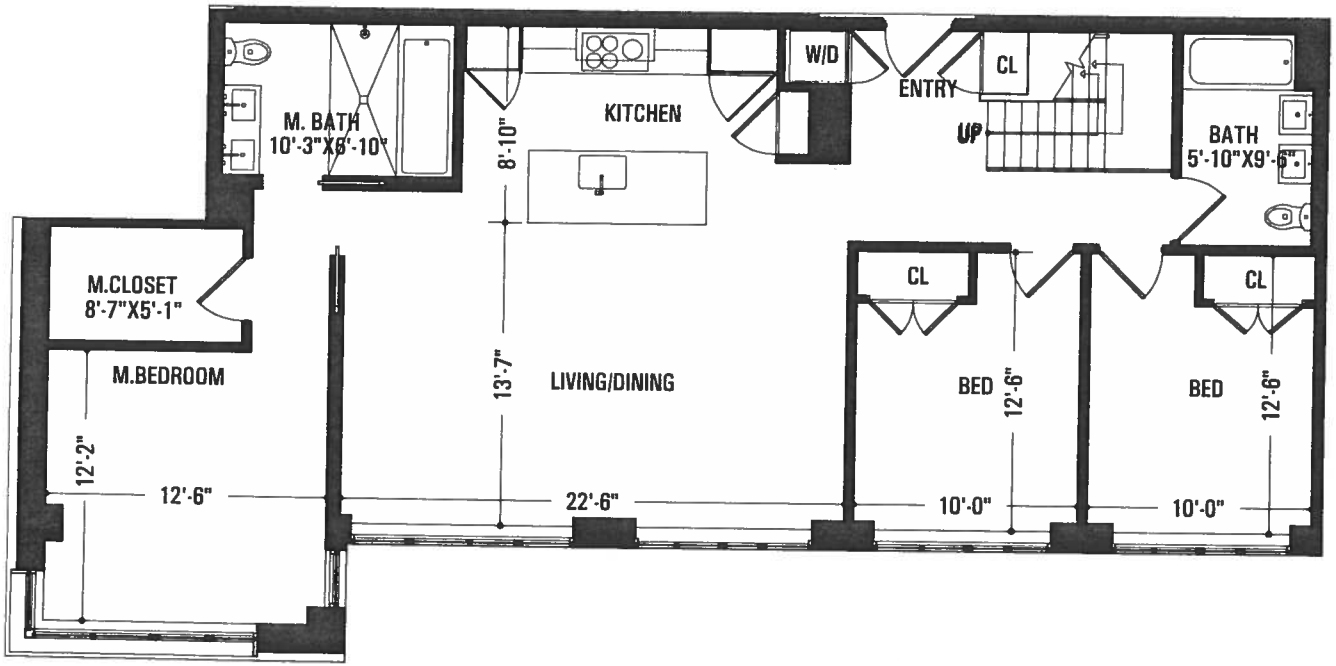
4L

1,364 S.F. (UNIT)
205 S.F. (WALK OUT TERRACE)



2 WALK OUT TERRACE 17
AREA: 348 S.F.

2' 5'
1/8" = 1'-0"



1 PENTHOUSE A
AREA: 1,384 S.F.

2' 5'
1/8" = 1'-0"

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THE SORTING HOUSE CONDOMINIUM

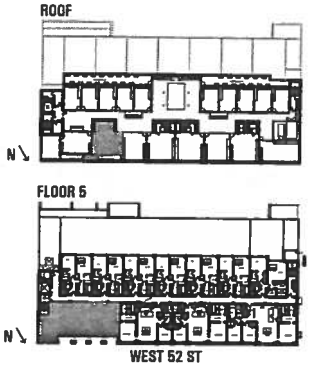
ADDRESS:
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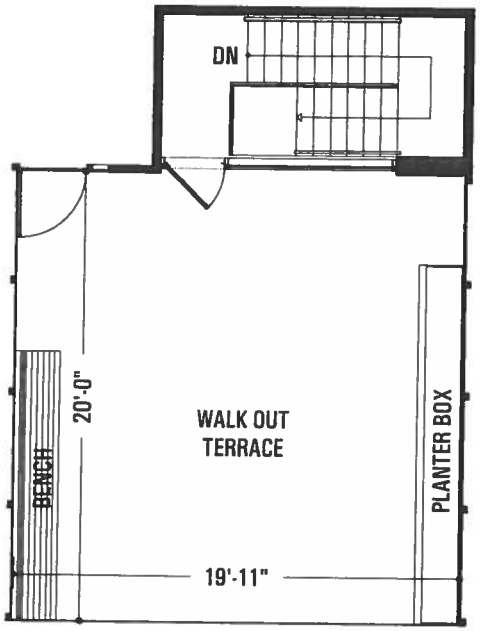
KEY PLAN:



UNIT:

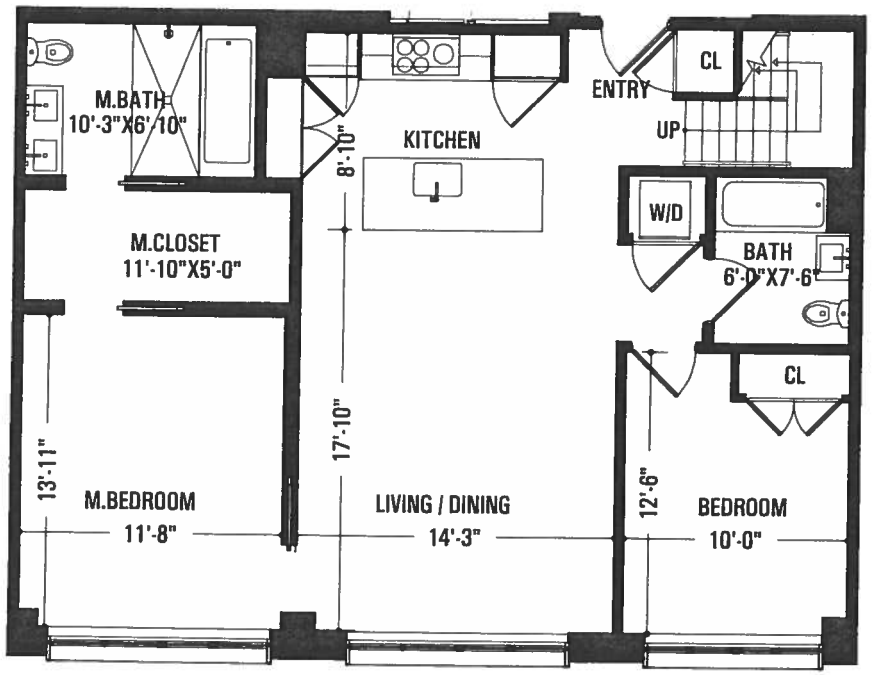
PENTHOUSE A

1,364 S.F. (UNIT)
348 S.F. (WALK OUT TERRACE -17)



2 WALK OUT TERRACE 15
AREA: 432 S.F.

2' 5'
1/8" = 1'-0"



1 PENTHOUSE B
AREA: 1,071 S.F.

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

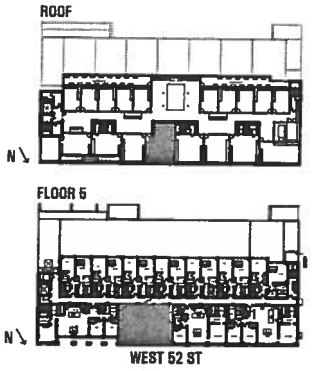
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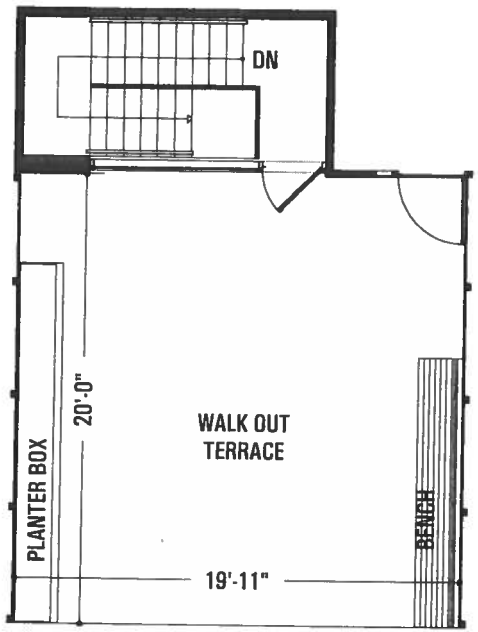
KEY PLAN:



UNIT:

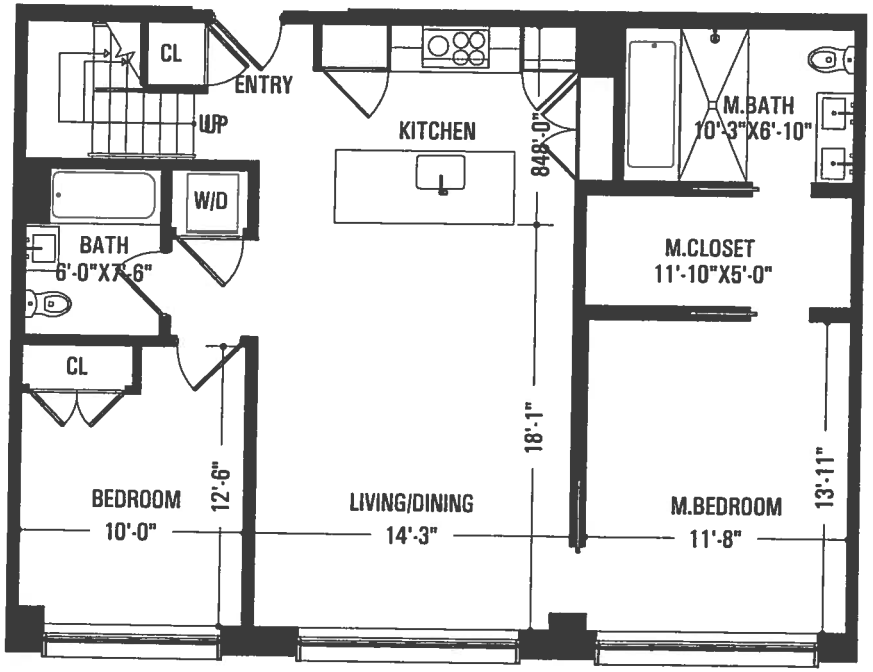
PENTHOUSE B

1,071 S.F. (UNIT)
432 S.F. (WALK OUT TERRACE -15)



2 WALK OUT TERRACE 14
AREA: 432 S.F.

2' 5'
1/8" = 1'-0"



1 PENTHOUSE C
AREA: 1,068 S.F.

2' 5'
1/8" = 1'-0"

THE SORTING HOUSE CONDOMINIUM

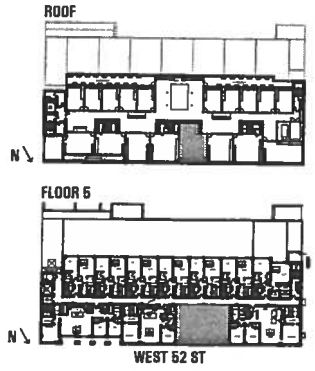
ADDRESS:
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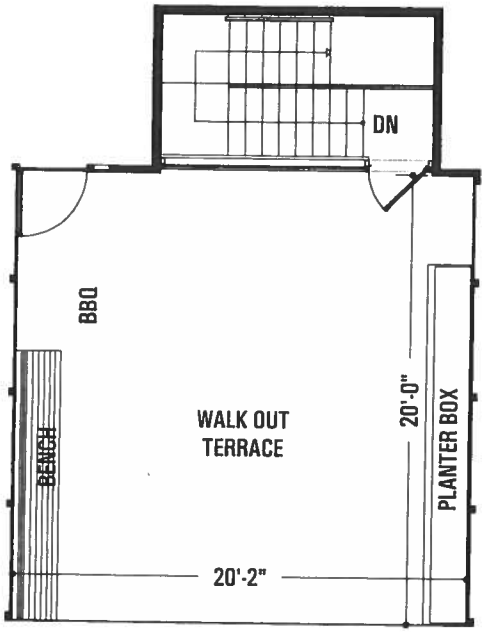
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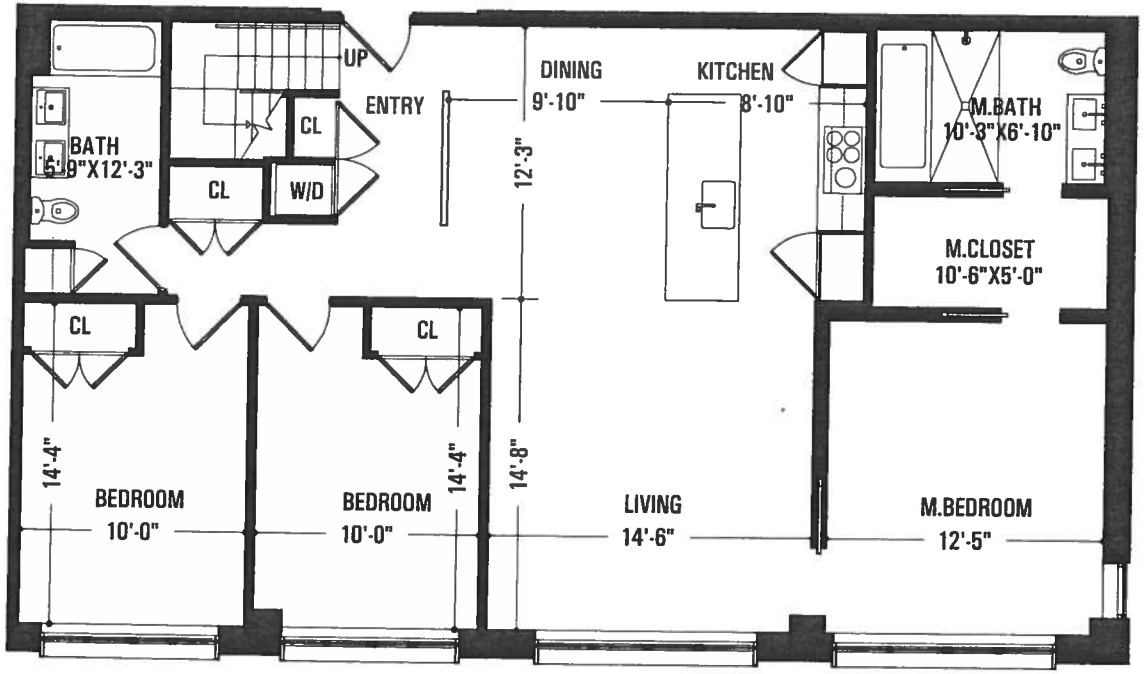
UNIT:

PENTHOUSE C

1,068 S.F. (UNIT)
432 S.F. (WALK OUT TERRACE -14)



2 WALK OUT TERRACE 12
AREA: 440 S.F.
2' 5'
1/8" = 1'-0"



1 PENTHOUSE D
AREA: 1,409 S.F.
2' 5'
1/8" = 1'-0"

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THE SORTING HOUSE CONDOMINIUM

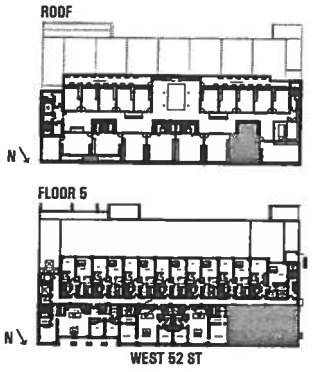
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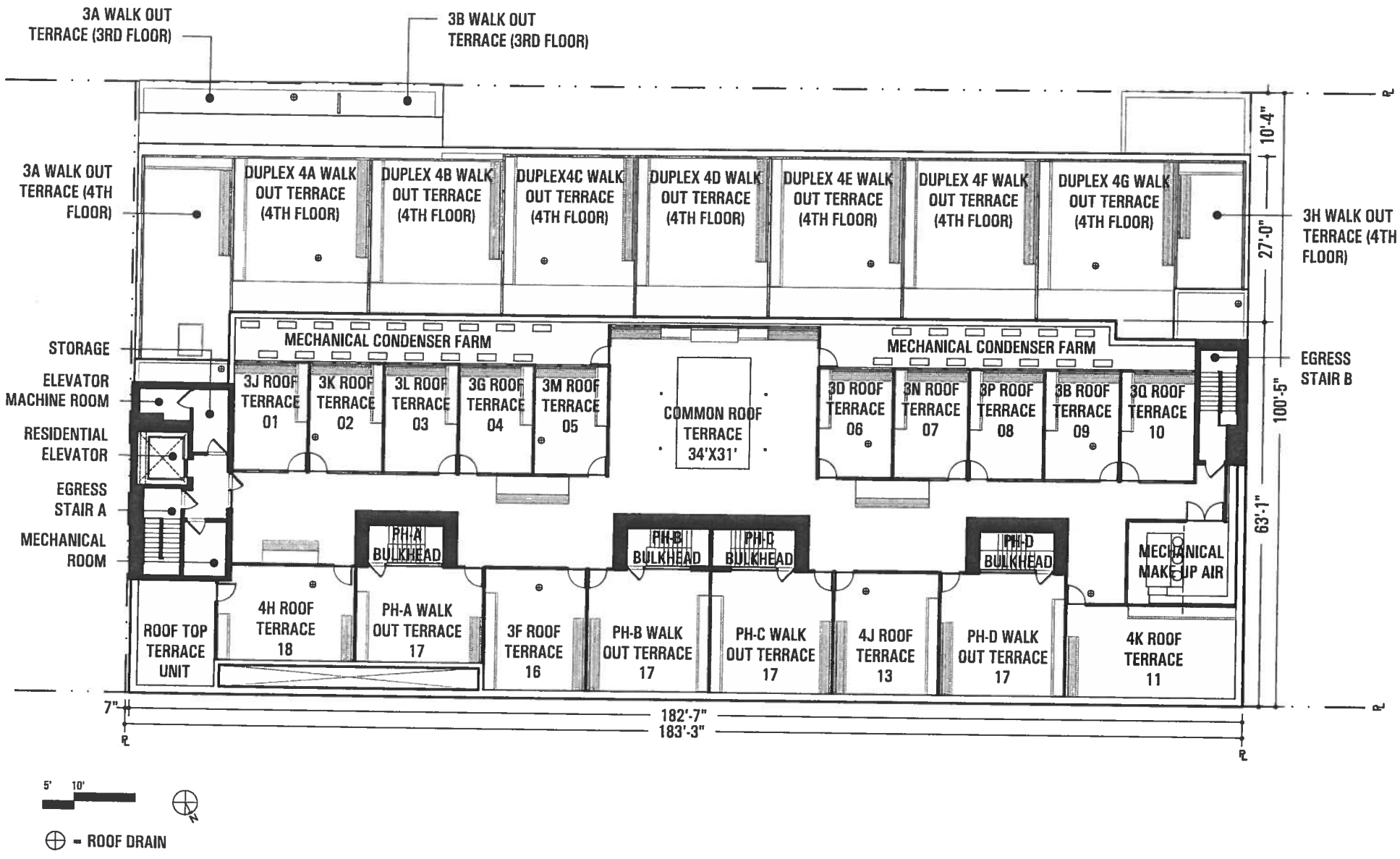
KEY PLAN:



UNIT:

PENTHOUSE D

1,409 S.F. (UNIT)
440 S.F. (WALK OUT TERRACE - 12)



ROOF PLAN

DATE: MAY 19, 2015
NOT TO SCALE

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THE SORTING HOUSE CONDOMINIUM

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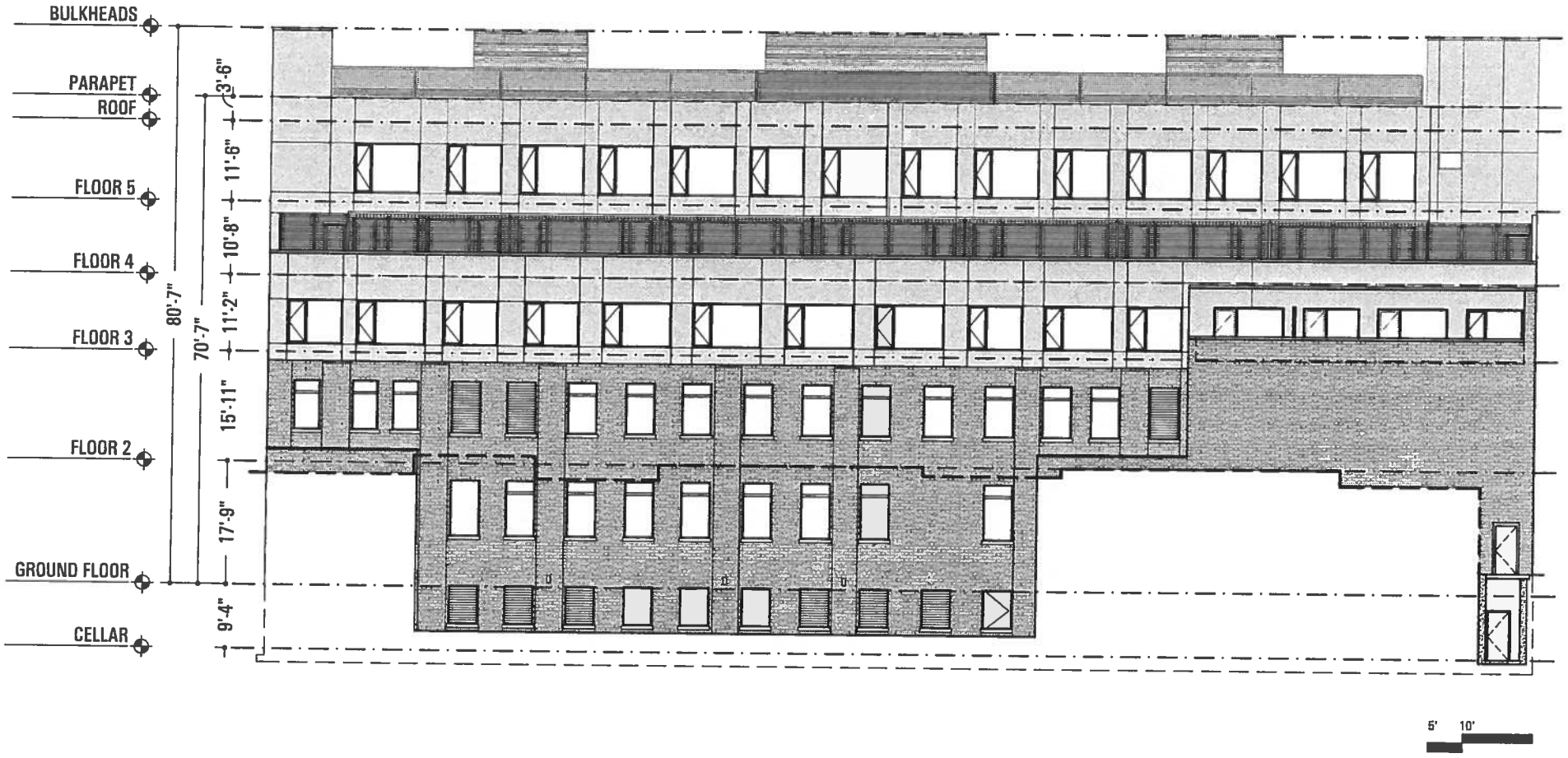
NORTH ELEVATION

DATE: MAY 19, 2015
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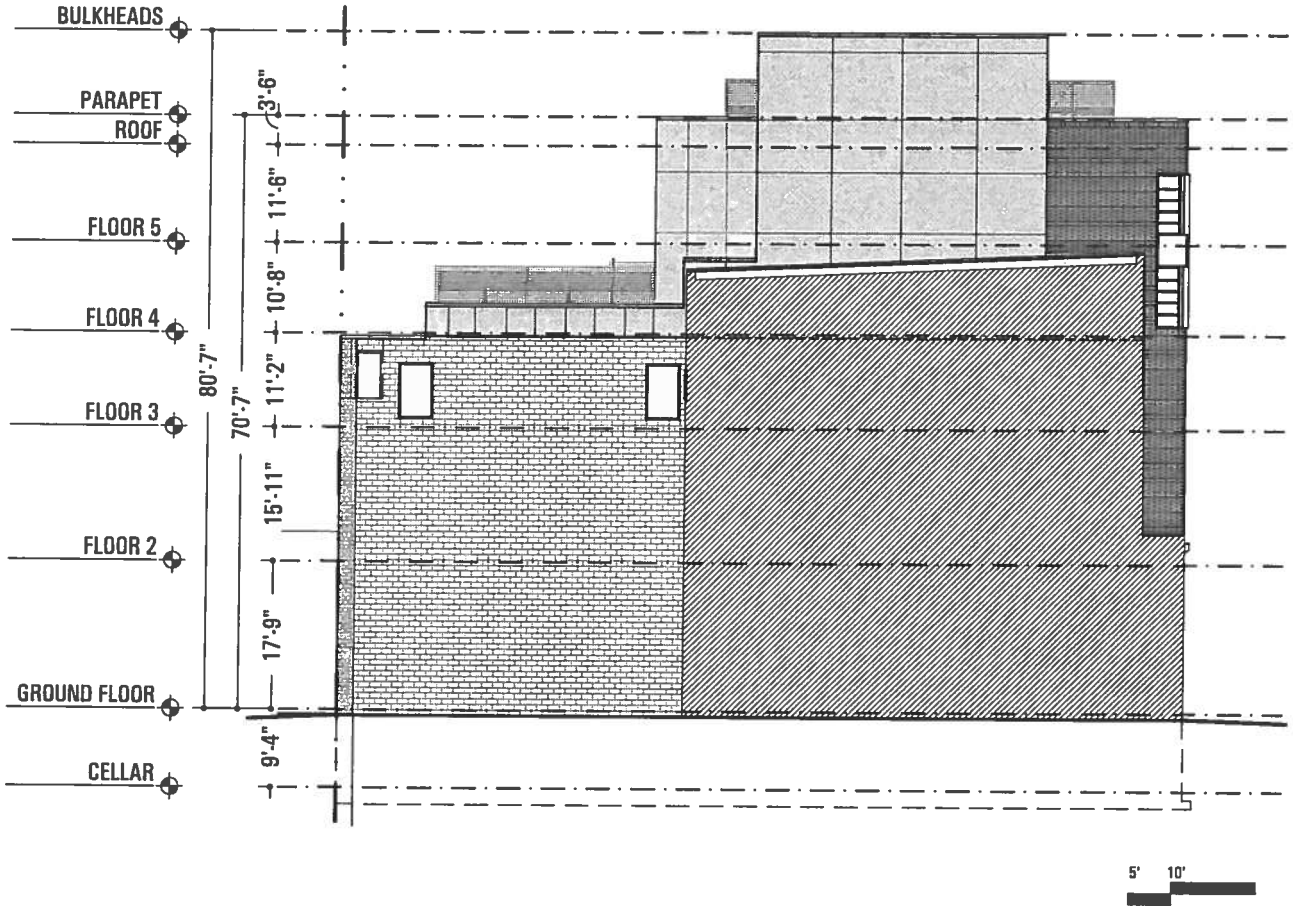
SOUTH ELEVATION

DATE: MAY 19, 2015
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THE SORTING HOUSE CONDOMINIUM

ADDRESS:
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NEW YORK, NY 10019



EAST ELEVATION

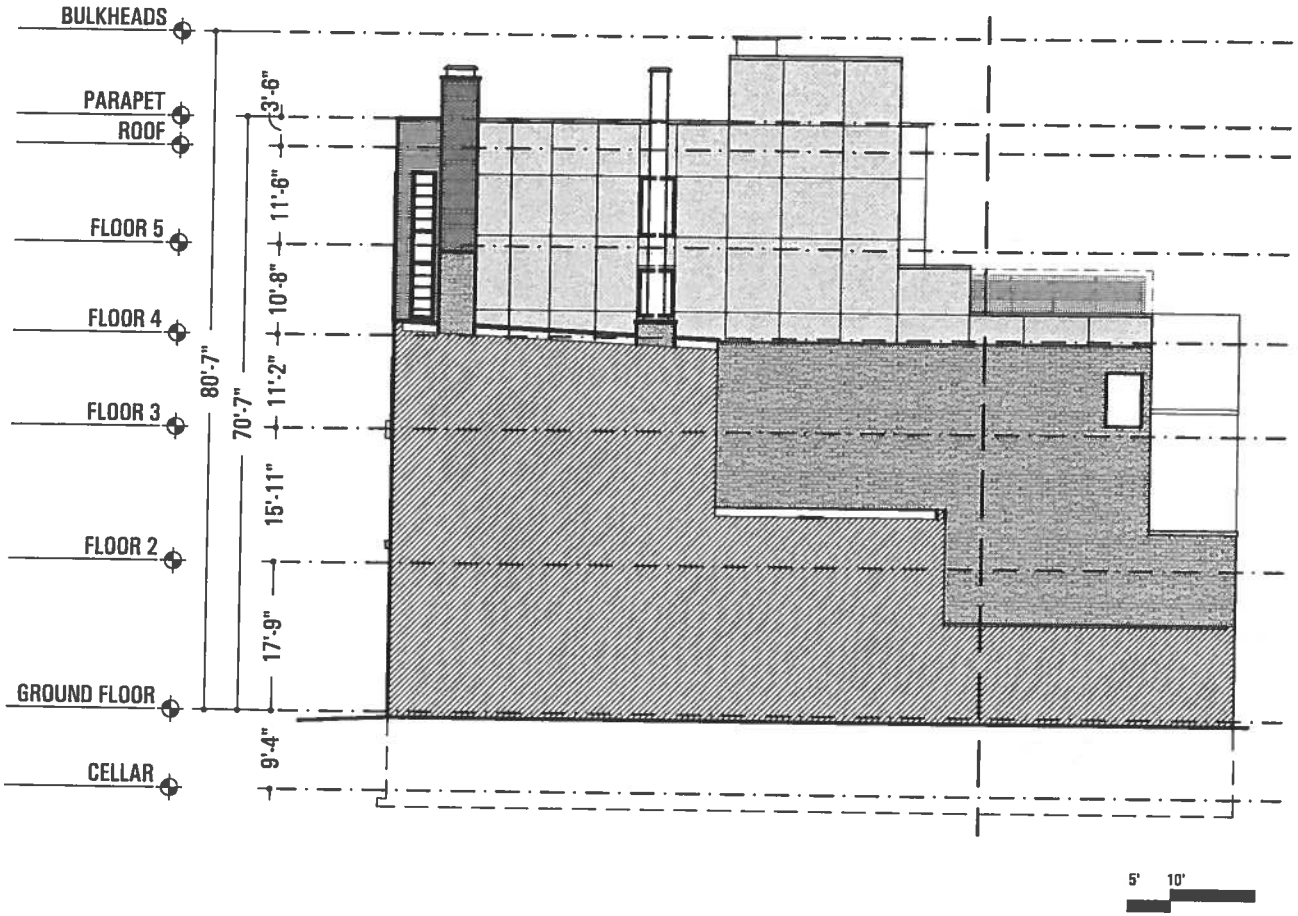
DATE: MAY 19, 2015

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ADDRESS:
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WEST ELEVATION

DATE: MAY 19, 2015
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THE SORTING HOUSE CONDOMINIUM

ADDRESS:
318 WEST 52ND STREET
NEW YORK, NY 10019

DESCRIPTION OF THE PROPERTY AND BUILDING CONDITION:

08.04.2015

A. Location and Use of Property:

1.	Address:	318 W. 52nd Street NY, NY 10019
2.	Block/Lot Number:	Block 1042 Lots 1601 and 1602
3.	Zoning:	Clinton Special District, (R8) CRFN No. 2013000486393 Easement(s): The building has been granted an easement extending from the southeast corner of the building to W. 51st Street over and through the lot currently owned by the United States Postal Service and operated as a parking area (Block 1042, Lot 24). The easement is 5'-10" wide by 100'-5" long and is for cellar egress and trash removal for the residential portion of the building.
4.	Permissible Uses:	J2 – Residential. E - Business
5.	Landmark Status:	None

B. Status of Construction:

1.	Class of Construction:	The Building will be classified as Class I-C and will conform to zoning and use requirements and all applicable regulations of the Building Code of the City of New York. The original building, prior to the construction of the residential portion above it, was built in two stages. The first phase of the building was built in 1926 and extends 134' from west to east along W. 52nd Street. The second phase was built in 1992 and extends 48'-9" from east two west.
2.	Status of Construction:	The residential portion of the building is an addition on top of the existing United States Post Office building for which plans have been filed with The New York City Department of Buildings. Alterations to the existing portion of the building are filed under 1968 New York City Building Code, and the 4th and 5th floor additions are filed under the 2008 Building Code. The new residential structure will require a 2 hour fire proof rating and demising walls will be rated at 3 hours. The corridors and egress stairs will be within a 2 hour rated assembly. The construction of the residential portion of the building commenced in the Spring of 2015, and is scheduled to be substantially completed on or about October 2016, unless delayed by weather, strikes, lockouts, acts of God, shortages of or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or elements or any other cause over which the sponsor has no control.

3. Certificate of Occupancy:

A Temporary Certificate of Occupancy will be issued for the residential units prior to initial occupancy.

4. DOB Permit:

Alt 1 permit number: **(pending)** is issued for Architecture, Structural, Mechanical, Plumbing, Sprinkler and Fire Alarm. The work under this permit is described as the alteration of a 3 story commercial building to a 5 story commercial and residential mixed use building. The existing 3rd floor will be altered from a commercial occupancy to a residential occupancy, and a new 4th and 5th residential floor will be added above. Portions of the existing ground floor and cellar will be altered from a commercial space to residential entry and amenity space. The portions of the cellar, ground floor and 2nd floor that are not part of the residential alteration shall remain as the existing commercial occupancy. The building is not a Quality Housing project.

5. Substitutions:

Where materials, appliances, equipment, fixtures and other construction and design details are specified in this report, developer has reserved the right to substitute in their place similar materials, appliances, equipment and/or fixtures of substantially equal or better quality.

C. The Project Site:

1. Dimensions:

The site area contains 18,410 Sq.Ft. with frontage along W. 52nd Street. The existing building is 180' from east to west along W.52nd Street, and 100' from the street front wall to the rear, (north to south).

2. Respective Use:

The existing building is an operational United States Post Office which processes, receives and delivers mail. There is also a public post office on the ground floor at the at the east end of the building on W. 52nd Street.

3. Streets:

The building fronts W. 52nd Street. The existing streets are the standard NYC DOT streets paved with asphalt topping on concrete that is in good condition. The building has been granted an easement extending from the southeast corner of the building to W. 51st Street over and through the lot currently owned by the United States Postal Service and operated as a parking area (Block 1042, Lot 24). The easement is 5'-10" wide by 100'-5" long and is for cellar egress and trash removal for the residential portion of the building.

a. Curbing: No new curbing or curb cuts will be installed as part of the construction of the residential portion of the building.

b. Catch Basins: The streets are constructed with a crown in the middle of the street, which provides cross drainage to gutters on each side of the street. Those gutters are pitched to catch basins at various points

along the city streets. All catch basins drain into the existing combination storm drainage system.

c. Street Lighting: The street lighting is provided and maintained by the City of New York.

4. Sidewalks:

The sidewalks will be refurbished so that they are free of tripping hazards and ponding. The residential unit owners shall be responsible for the future maintenance and repair of the sidewalk in front of the entrance to the residential portion of the building (per DOT requirements), and the commercial unit owner shall be responsible for the maintenance and repair of the remaining portion of the sidewalk in front of the building (per DOT requirements). The sidewalk in front of the residential entrance to the building will be ADA compliant.

a. Curbing: No new curbing or curb cuts will be installed as part of the construction of the residential portion of the building.
b. Drainage: Any new sidewalk will be constructed to allow for drainage away from the building toward the street curb and gutter.
c. Vaults: There are no existing or proposed sidewalk vaults.

5. Flood Zone:

The project is not in a Flood Zone.

D. Utilities:

1. Water, Sewer, Gas, and Electric:
Water supply and the sanitary sewer servicing the building will be provided by the City of New York. The storm and sewer systems servicing the building are provided by connection to combination street sewer. Water and sanitary sewer to building will be metered by one house meter and paid as part of common charges. The water and sanitary will be further sub-metered to properly allocate use between the residential and commercial portions of the building. Gas, supplied to the residential portion of the building for heating, domestic hot water, and BBQ grills on roof, will be collectively metered by one house meter and paid as part of common charges. The commercial unit will have its own gas meter for its gas usage. A separate electric meter shall be provided each residential unit as well as for the residential common areas. Gas and electric to the building will be provided by Con Edison.

2. Telephone, Cable TV, and High Speed Internet:
Telephone, cable tv and high speed internet service for the residential portion of the building will be made available through Verizon and/or Time Warner Cable.

a) The residential portion of the building will be pre-wired for telephone, cable tv, and internet access. This does not guarantee that there will not be additional installation fees charged to the residential unit owners at the time of initial service start up.
b) Eight pair CAT 6 cabling will be utilized as a part of the wiring system for the residential portion of the building. Residential unit owners requiring specialized or multiple connections will have to modify the existing communication outlets in their units.
c) One TV/voice/data jack will be provided in each living room and bedroom.
d) One TV/voice/data jack will be provided in each kitchen.

E. Sub-soil Conditions:

1. Sub-soil conditions were analyzed by a geotechnical engineer who performed soil borings and prepared a boring report. The geotechnical engineer verified that the subsoil conditions possess the required soil bearing capacity. The existing cellar is constructed with concrete foundation walls throughout and steel columns within. There is a concrete slab at cellar grade throughout as well. There is no evidence of water penetration in the cellar. There is no evidence of dampness or mold.

   a) While not specifically reviewed by the geotechnical engineer, there were not any signs of significant settling or foundation movement in the existing building. Based on the geotechnical report, it is expected that the existing foundations bear directly on bedrock.

   b) The geotechnical report did not indicate any evidence of seepage or groundwater infiltration.

   c) The water table was reported to be approximately 4' below the finished floor slab of the existing cellar. It is anticipated that dewatering may be necessary during the installation of the elevator pit for the residential elevator.

F. Landscaping and Enclosures:

1. Grass covered areas: None

2. Paved Areas:
   a) The outdoor terraces for the residential units on the 3rd floor, 4th floor and roof will have a 12" x 48" concrete paver and pedestal system as well as 1" x 4" Ipe wood decking (or an equivalent).
   b) The residential entrance at W. 52nd Street will have stone slabs laid on a mud setting bed. These stone slabs extend between the residential planter box/screen and the exterior wall at the existing egress stair with a depth of 4'-10" from the residential entry door to the sidewalk.
   c) The egress and trash removal easement for the residential portion of the building which runs across the USPS owned-parking lot to W.51st Street will initially will be asphalt-covered slab on grade.

3. Plantings: The following plants, or equivalent, shall be installed:
   a) Deciduous Trees including Betula Nigra "Heritage"and Prunus Subhirtella on the sidewalk.
   b) Deciduous & Evergreen Shrubs including Berberis Thunbetgii, Leucothoe Axillaris and Azalea Girard Pleasant on 3rd floor, 4th floor and roof terraces and planter boxes.

4. Fencing:
   a) Terraces on the 3rd floor, 4th floor and roof levels will be separated from one another with a 4'-0" tall slatted wood fence with an additional 4'-0" of 70% porous wood fencing above that.

5. Gates:
   a) There will be wood and steel gates at the roof level private terraces and a pedestrian gate at the entrance to the W. 51st Street residential egress and trash removal easement. The W.51st gate will be lockable to provide secure access to the existing lot and easement.

6. Retaining Walls:
   a) There will be retaining walls surrounding the cellar door at the southeast corner of the building which leads to the residential egress and trash removal easement door. The retaining walls that flank the stair leading to grade will run south from the rear of the building.

7. Display Pools and Fountains: None

G. Building Height:

1. The building's height, upon completion of the residential portion of the building will be as follows:
   a) Main Roof: 66'-0" to top of structure.

2. Crawl spaces: None

3. Residential cellar: 9'-4" at north side of cellar below the residential lobby and 12'-4"at south side of cellar (floor-to-floor heights)

4. Number of floors: The building will have a total of 6 stories above grade. The residential portion of the building will be located in a portion of the cellar, a portion of the ground floor for the residential lobby and the entire 3rd, 4th and 5th floors.
5. Equipment rooms:
   a) Residential equipment rooms in the cellar:
      i. Mechanical/electrical/pump room
      ii. Bike storage area
      iii. Trash compactor room.
   b) Residential equipment rooms on the roof:
      i. Boiler room
      ii. Elevator control closet.

7. Parapet:
   a) The parapets shall be extensions of the building's exterior wall types (see H-4 below) and will be capped with a painted aluminum coping, which at all times will maintain of minimum height of 3'-6" above the walking surface.

H. Structural & Architectural System:

1. Foundation:

Residential addition to the building:
   a) Elevator Pit: Reinforced concrete
   b) Foundation walls at elevator pit will be waterproofed.
   c) Based on the available geotechnical information the water level is currently below the cellar slab. However, it is possible that the water level could rise at certain periods. The foundation has been designed to resist this rise in the water level.
   d) The residential egress and trash removal easement stair is designed using a retaining wall system.
   e) Foundation walls are not intended to be constructed with control joints. Non-Structural thermal or other hairline cracking may be anticipated.

Existing Building:
   a) Concrete footings with 12" thick concrete walls.

2. Superstructure:

Residential addition to the building:
   a) The superstructure for the residential addition to the building will consist of 4" concrete slabs on 1 ½" corrugated metal deck on steel frame.
   b) The residential floors will deflect under load. The concrete slabs will remove unevenness but

will not remove 100% of deflection, particularly at the center of spans.

c) Sound insulation between floors is comprised of a ¼" thick sound deadening underlayment.

Existing Building:

a) The existing building's superstructure consists of 2 different systems.
   i. The west side of the building uses masonry load bearing walls on the exterior and concrete encased steel structure with a concrete slab floor.
   ii. The east side of the building uses a steel frame with 5" concrete slab over corrugated meat deck

3. Wall Construction:

Residential addition to the building:

a) Exterior Walls of residential portion of building (Type A –front and sides): Cavity wall consisting of 4" face brick with a 2" air space, 2" rigid insulation, and a 6" heavy gage metal framing. The interior side of the wall consists of 6" batt insulation with studs and 5/8" gypsum wallboard. The wall assembly will meet energy code.

b) Exterior Walls of residential portion of building (Type B –rear and sides): Cavity wall consisting of cementitious panels with a 1" air space, 2" rigid insulation, and a 6" heavy gage metal framing. The interior side of the wall consists of 6" batt insulation with studs and 5/8" gypsum wallboard. The wall assembly will meet energy code.

c) When completed, the building will be subject to Local Law 10.

Existing Building (two types):

a) Exterior Walls at Existing Building Type A: 12" Brick mass wall with plaster finish on the interior.

b) Exterior Walls at Existing Building Type B: 8" concrete block, 1" air space, and 4" face brick.

4. Floor Assembly for residential portion of building:

a) On top of the concrete slab will be a 1/4" thick sound deadening underlayment and a 3/4" thick plywood or tile underlayment board subfloor. Finished floors at all residential units are shown on the Apartment Interior Finishes Schedule included in this Report on the Unit Information section (W).

b) Insulation between units: There will be one layer of ThermaFiber SAFB (sound attenuation fire blanket) located within demising walls.

5. Windows for the residential portion of the building:

a) The windows will be new thermally broken aluminum windows as follows: Casement windows with aluminum frames and argon filled insulated glazing lites meeting Energy Star requirements. Hardware has a brushed nickel finish using a multi-point locking system and sashes are weather-stripped at 3 points of contact. Insect screens are included. Frame color is dark bronze, Installation by nail fin flanges screwed to wall framing, counter flashed and taped. Flashing will be stainless steel flashing: ASTM A167. All windows conform to performance requirements as specified in AAMA/WDMA/CSA 101/I.S.2/A440-11 and applicable recommendations published by AAMA

b) There are nine lot line windows in the residential portion of the building and located in units 3A, 3H, 4H, 4L PH-A and PH-D, as well as at the end of the common corridors on floors 4 and 5. These fixed units will require a sprinkler above each window and will receive Fire-Rated Glass.

c) Approved window guards will be installed in all apartments where a child ten years old or younger lives as per New York City Health Code Section 131.15.

d) All residential exterior windows will meet NYC Code Light and Air requirements.

6. Parapets and Copings:

a) Parapets are a continuation of the exterior wall construction. They will be made out of steel stud construction with either brick, cementitious panels, or Lamboo exterior grade lumber. All will be a minimum 3'-6" high above the walking surface. Any existing parapets that remain from the existing building will be refurbished.
b) The parapets atop the bulkheads will have a painted steel railing to achieve the minimum required height of 3'-6".
c) Flashing will be: Stainless steel flashing: ASTM A167, Type 304 stainless steel, with 2D finish, dead soft temper, fully annealed.

7. Chimneys and Caps:

a) Any existing vents from the United States Post Office that previously terminated at the roof will be re-routed to either the south exterior wall at Floor 2 or up to the new roof above the 5th floor.
b) There are no fireplaces, flues or chimneys in the residential area. The hot water heaters for the residential portion of the building shall have two 4" diameter CPVC intake and exhaust vents.

8. Residential Terraces:

a) Residential Terraces: Floors consist of 2.25" thick concrete pavers on pedestals installed over roof insulation and roofing membrane. Some areas will have solid 5/8" thick Ipe wood planks on pedestals over insulation and roofing membrane. There are no balconies.

b) Balustrade at 4th Floor North Terrace: Painted Steel. 5/8" square vertical stanchions with a painted steel top. Stanchions are spaced 3" on center. There are no publicly accessed areas with horizontal rails.

c) Railings: Painted Steel Assembly with 5/8" square vertical stanchions and a painted steel top. Stanchions are spaced 3" on center.

d) Terrace Copings: Painted aluminum coping throughout, and pre-cast concrete on north side at roof level only. Pre-cast concrete copings will receive corrosion resistant anchors.

e) Doors to Terraces: The terrace doors and frames are aluminum and glass. The doors are 1-3/4" thick with factory finish the doors and frames are thermally broken.

f) Exterior Ferrous Metals Finish: All exterior ferrous metals will be galvanized and following an "SSPC SP-1, 2, and 3" Preparation with a "Tnemec Typoxy 27" First Coat with a "Tnemec Endurshield 73/74" Second Coat.

g) Soffit under 4th Floor Terrace on North side of building: Painted aluminum panels. Soffit perimeter will include a perimeter edge drip groove.

h) Drainage will be directed to internal cast iron cup drain.

9. Exterior Entrances for the residential portion of the building:

a) Exterior Doors and Frames: The main entrance to the residential lobby will be thermally broken and made of steel frame and glass. All doors will have a Yale electronic deadbolt with key and card access.

b) Vestibule Doors and Frames and handrails: The residential portion of the building will have no vestibules, handrails or fasteners.

c) Mail Boxes: Mail to be placed in government-approved individual mailboxes located in the residential lobby. Anodized aluminum manufactured by Salisbury or equal.

d) Lighting: Wall mounted lights and step lights are placed at all residential entrances leading to exterior spaces. Exterior LED lighting is located within the canopy over the residential main entrance and will be on a day-light timer. The lighting will provide adequate luminosity.

e) USPS: The main entrance to the USPS is a separate entrance and is west of the residential entrance.

f) Service Entrance: One entrance at the southeast corner of the building connects to the residential easement on Lot24. This entrance is for egress and trash removal from the cellar.

g) Drainage: The residential front entrance canopy is internally drained. The sidewalk directly in front of the residential entry slopes away from the building towards the street. All water will be adequately drained.

h) ADA compliance: The residential front entry door will comply with ADA requirements. Entry door sills will have a maximum of ½" elevation change from adjacent grade. Adequate pull bars and clearances will be provided. The front entry door will be built free of tripping hazards and ponding.

10. Roof and Roof Structures:

a) Type of roof for main roof and terraces: The main roof and lower roof terraces will have pavers over and SBS, (Styrene-Butadiene-Styrene)-modified bituminous membrane roofing system.

i. Manufacturer's system guarantee will be a no dollar limit roofing system guarantee. The guarantee will include roofing plies, base flashings, liquid applied flashing, roofing membrane accessories. It will include but not be limited to roofing membranes (vapor retarder as well), roof insulation, coverboard, fasteners, expansion joints, penetration flashings, perimeter edge metal products, and other single-source components of roofing system marketed by the manufacturer. The manufactures guarantee period will be 20 years from the date of substantial completion. The installer's guarantee will include all components of the roofing system, for two years from date of substantial completion. The guarantee will include a wind rider covering the perimeter metal system for up to 120 mph winds. All edge metal will be es-1 compliant

b) Type of Roof for Bulkheads: Same as above, (no pavers).

i. Insulation (R Factor): R-39 Polyisocyanurate rigid insulation above roof membrane: Thickness as required to meet R-Value, minimum 6"

ii. Surface Finish: white SBS waterproofing membrane. Flashing Materials including counter flashing

a. Stainless steel counter flashing over membrane. Stainless steel flashing: ASTM A167, Type 304 stainless steel, with 2D finish, dead soft temper, fully annealed, as manufactured by International Nickel Co., Republic Steel Corp., United State Steel, or Washington Steel Corp. Thickness of the stainless steel shall be as follows: Concealed flashings- .012" thick, thirty gauge (US Standard); Exposed flashings- .015" thick, twenty eight gauge (US Standard); Edge Strips- .025" thick, twenty four gauge (US Standard).

b. Flashing materials: Uncured neoprene flashing at exposed walls, curbs, penetrations and angle changes and spunbonded polyester fabric as standard reinforcement for membrane for use at changes in plane, construction joints and cracks. Fluid applied protected rubberized asphalt membrane roof

iii. Drains: Die cast metal with cast iron basket covers.

iv. Gutters and Leaders: Roof drains are connected to a cast iron internal pipe at the cellar that is connected to the city sewer.

c) Skylights:

i. Both egress stair bulkheads receive a hip-gabled, aluminum framed wire-glass skylight, with a minimum 12" curb from the finish roof surface. These are 4' x 5', (20 sf), as required by code. NYC Code compliant, with vent fabricated from 24 gauge terne coated stainless steel. Skylight is equipped with wired glass, and top and bottom screens.

ii. There is one 'shed-style' skylight, (15 sf), with tempered laminated glass that will be vented to provide legal light and air to the third bedroom in apartment 3A, also aluminum framed. Manufacturer is Oldcastle.

iii. Skylight systems will have a manufacturer's warranty which will cover all repair or replacement of work which exhibits defects in materials or workmanship and guaranteeing weather tight and leak free performance for a period of five (5) years from the completion date of the installation.

iv. Glazing Infill Warranty: Glass (or metal panel) fabricator warranty will cover repair or replacement of glazing materials which exhibit defects in materials or workmanship. "Defects" are defined to include delamination, failure of the hermetically sealed airspace or deterioration of coatings. Warranty Period: Five (5) years from date of manufacture.

d) Bulkheads: Mechanical equipment and stair bulkheads are located on the main roof. The vertical surfaces of the bulkheads will be covered with cement panels.

e) Metal work at roof levels:

i. Exterior metal ladders: One at each bulkhead on main roof.

ii. Metal railings at all roofs that do not have parapets.

iii. Hatches to roof: There is a smoke vent hatch at the top of each egress stair. There is an access hatch to the elevator bulkhead.

f) Rooftop Terraces: All terraces will have concrete pavers and/or Ipe decking as walking surfaces.

11. Roof Top Facilities: The main roof will be have both common roof terrace for the residential portion only as well as private terraces for residential unit owners. The residential common roof area is 2,679 SF and will include planters, benches and one BBQ console. There are 18 residential private terraces totaling 5,500 SF. Each private residential terrace will include 48" of cedar slat fencing around them, a planter and cedar bench. A gas nib and a water nib will be provided in each private roof terrace. All of the residential common and private terraces will comply with all zoning requirement and will comply with access requirements of New York Fire Department. All exterior metals, including fasteners shall be corrosion resistant.

12. Fire Escapes: None.

13. Yard, Courts and Terraces

    a) Rear yard at cellar level: There is an existing yard accessed through the commercial space. It is not accessible from the residential area and is not part of the residential space. This yard has a concrete retaining wall, exterior lighting, and adequate drainage located on a sloped concrete floor.

    b) Fourth Floor Residential Terraces: The terraces located on at the 4th floor setback are dedicated to Units 4A-4G, 3A and 3H. These private residential terraces will have 48" high cedar slat fences. These private terraces will have adequate LED, wet-rated, sconces near the entrances. Drainage is via a tapered insulation and waterproof membrane assembly. There will be a minimum of three drains on the 4th floor setback terrace area. The rear façade of the building at the 4th floor, where the terraces begin, is 37'-4" from the rear lot line of the property, exceeding the 30' setback requirement. All exterior metals, including fasteners shall be corrosion resistant.

    c) Private Residential Terraces on 4th floor setback and roof: (dedicated to Units 3A, 3H, 4A-4G, PH A – PH D.

        i. Pavers: Concrete roof pavers
        ii. Drainage: Deck Drain
        iii. Railings: Metal Railings
        iv. Stairs: None
        v. Fencing: Wood fence on wood posts between terraces
        vi. Gates: None

    d) Roof Terrace: There is a common roof terrace on the main roof for all of the residential unit owners' use.

        i. Pavers: Concrete roof pavers
        ii. Drainage: Area drains
        iii. Fencing: Hardwood planks on 4X4 posts.
        iv. Gates: Hardwood planks in metal frame.

    e) There are no Courts at the building

    f) Retaining Walls: The residential egress stairs from the Cellar at the southeast corner of the building has concrete retaining wall enclosure that is 9" thick.

14. Interior Stairs

    a) Stairscases: The building has two main sets of egress stairs. The residential portion of the basement will also have an egress door and staircase leading to the residential easement

across the 51st Street lot. The commercial unit has an interior staircase for internal communication connecting the commercial portion of the basement, ground floor and second floor. Units 4A – 4G (duplex units – 7 in total) each have an interior staircase. Units 3A, 3H, PH A – PH D (6 in total) each have stairs that lead to bulkheads which lead to individual roof terraces.

b) Enclosures for egress stairs in the residential portion of the building: The stair shaft enclosure consists of a 2-hour rated drywall enclosure, painted finish. The existing stair shafts construction on floors: Cellar, Ground & 2nd floor will remain concrete masonry units, with a minimum 2-hour fire rating.

c) Stair construction: The egress stairs within the residential portion of the building are constructed of steel with concrete pans. The interior communicating stairs within the residential units are wood stringers with plywood substrate and solid wood treads and risers.

d) Egress Stairs within residential portion of building (components):
   i. Stringers: Steel
   ii. Treads: Concrete
   iii. Risers: Steel, painted
   iv. Guard Rails: Steel pipe, painted
   v. Balustrade: Steel round solid stock
   vi. Handrail: Steel pipe, painted

15. Interior Doors and Frames

a) Residential apartment entrance doors: Apartment entrances will be 3'-0" wide by 8'-0" tall solid wood doors and wood frames with a 1-1/2 hour fire rating label that meets New York City Building Code requirements.

b) Residential apartment interior doors and frames: Interior doors shall be 2'-10" wide with a minimum 32" clear opening width by 7'-0" tall wood frames with flush wood doors. Interior doors are undercut at bathroom locations to accommodate the bathroom exhaust function. Closet doors vary, some are swing doors and others are sliding or bifold doors.

c) Other locations within the residential portion of the building: Hollow metal doors and frames shall be installed for the residential mechanical rooms, residential storage rooms, boiler room, water/fire pump room, gas meter room, electric service room and the super's office for the residential portion of the building.

16. Interior Door Hardware:

1 - Typical Unit Entrance Door

3 Hinges	Stanley FBB168 5X4.5
1 Handle	270 Metro Lever
1 Closer	LCN 2013
1 Door Bottom	Zero International Mortised: 360AA

2 - Unit Interior swing door

3 Hinges	Stanley FBB179 4.5X4.5
1 Lever	270 Metro Lever Privacy

3 - Unit Pocket Door

1 Track System	Hafele Hawa Juniot 120/A
1 Flush Pull	Accurate S2002 Flush Pull & IVES 130 Edge Pull
1 Lock	Accurate 2001 sliding door lock

4 - Closet Doors with Offset Pivot

1 Hinges	Rixon Offset Pivot Model 117
1 Latch	IVES Roller Latch RL1152

5 - Egress Stair Door

3 Hinges	Stanley FBB168 5X4.5
1 Exit Deviese	Von Duprin Inpact 94 & 95
1 Closer	LCN 2013

6 - Common Door With Electronic Access

3 Hinges	Stanley CEFBB179-8 4.5X4.5 Electric Hinge
1 Lever	270 Metro Lever
1 Electric Lockbody	BEST 45HWDEL Body / Front/ Strike
1 Closer	LCN 4040XP SRT

17. Residential Elevator: The residential portion of the building will have one 3,500 lb capacity elevator by Kone. The machine-less room, gearless traction elevator will service the residential portion of the cellar, the residential lobby on the ground floor, and floors 3, 4, 5 and the roof. (6 stops in total). The elevator doors are sliding automatic. The residential elevator will have a controls closet (re: Machine Room Functions), located in a bulkhead on the roof level.

18. Commercial Elevator: The commercial component of the building will have two holeless hydraulic freight elevators manufactured by Canton and installed by Kone. These elevators will each have a 6,000 lb capacity. These freight elevators ill service the commercial portion of the basement, the ground floor of the commercial space and the second floors.

19. Residential Elevator Specifications:
    a) Interior dimensions 6'8 ½ " wide x 5'5 ¼" wide x 9'-0" tall
    b) Manufacturer: Kone
    c) Capacity: 3500 lbs
    d) Speed: 350 feet per minute
    e) Floor: Stone Tile
    f) Walls: Wood panels
    g) Ceiling: Non-directional stainless steel panels with access hatch and recessed lighting
    h) Lighting: round LED recessed lighting fixtures
    i) Alarm, safety system:: Elevator will be tied to the residential fire alarm and security system.
    j) Maintenance Contract: 12 months from substantial completion, with option to renew.
    k) Machine: Kone MX20 AC Gearless Machine
    l) Drive: Kone KCM831

I. Auxiliary Facilities:

1. Laundry rooms: The residential portion of the building will have no common laundry room facility. Each residential unit will contain an electric washer and and electric dryer. All dryers will be vented to the outside; the individual vents get combined into 7 terminations with exhaust fans, (combined with

Toilet exhaust). These will be vented at the bulkheads at the roof level.

2. Refuse Disposal: The residential portion of the building will have a trash and recycling shaft at the east side of building near the residential passenger elevator core.
   a) No Incinerator provided at the building
   b) Compactor: WasteCare Corp. TRC-500
   c) Approvals by Department of Buildings and Health Department: Approvals not provided at this date.

3. Residential Storage locations:
   a) Residential Garbage will be stored in refuse/compactor room located in the residential portion of the cellar. There will be an additional storage closet in the basement, located outside of the compactor room, which can be used for additional refuse if necessary.
   b) The cellar will contain two storage rooms which will have storage lockers/bins for each of the residential unit owners. Each loker/bin will be 5'deep x 4' wide x 3'-9" tall and be metal caged and lockable. The storage rooms will be sprinkled.

4. Bike Room: The residential portion of the cellar shall have a bike room which is 271 SF and will be provided with bike racks that can accommodate an approximate 27 bikes for use by the residential unit owners.

J. Plumbing and Drainage:

1. Water Supply:
   a) A new 3" domestic water service and a new 6" sprinkler service will be provided to service the residential portion of the building. The domestic water service for the residential will be metered and provided with an approved backflow prevention device. The water meter and backflow preventer are located in the cellar and installed in accordance with the New York City Department of Environmental Protection requirements. All water lines shall be insulated in accordance with NYC Energy code requirements. Insulation will range between 1 ½" and 2" and will be made of either fiberglass or neoprene depending upon the location and condition. Hot water for the residential portion of the building shall be recirculated via a B&G pump, model NBF-22 at 7GPM with 10ft of head, or equivalent. The pump will have a minimum 1-year manufacturer's warranty and is covered by a 1-year guarantee for all materials and labor. The water supply pressure will be boosted with a duplex domestic booster system consisting of duplex pumps each rated for 100 gpm at 60 PSI, 7.5 HP and 80 gallon Cushion tank, Federal Model SP-10060-2, or equivalent. The pumps shall come with a 1-year manufacturer's warranty and will be covered by a 1-year guarantee for all materials and labor.
   b) Piping: Drain, waste and vent pipes will be bell and spigot below grade and hubless cast iron above grade. Domestic water piping will be copper.

2. Fire Protection System:
   a) Booster Sprinkler Pump – AC Fire Pump 1580 Series, 200GPM, 40PSI, 10HP, with Gronfos Series C, 10GPM, jockey pump. Booster Sprinkler Pump shall come with a 1-year manufacturer's warranty and is covered by a 1-year guarantee for all materials and labor.
   b) Sprinkler Heads: The sprinkler system has (4) different types of heads:
      i. Commercial Quick Response Upright
      ii. Residential Concealed Pendant
      iii. Residential Sidewall Heads
      iv. Commercial Concealed Pendant
   c) Siamese connections shall be wall type that is equal to Potter-Roemer, chromium plates polished brass suitable for sprinkler service.
   d) Entire building is served by a sprinkler system per the NYC building code

3. Water pressure and how maintained: (See J.2a). above).

4. Sanitary Sewage System-General Description.

   a) Sewage Piping:
      i. Below ground piping shall be X.H.C.I. pipe hub and spigot ASTM 74.
      ii. Sanitary, waste and leader and vent piping above ground shall be cast iron hubless pipe CISPA 301 service weight.

   b) Sewage Pumps:
      i. The residential portion of the building has (1) Sump Pump that services the elevator pit and drains on the cellar level. The Sump Pump is Federal Model 1.5HP-1/3-4, 20GPM, 20 Ft-Hd, 1/3HP or equivalent. The sump pump shall come with a 1-year manufacturer's warranty and is covered by a 1-year guarantee for all materials and labor.
      ii. The building has one 6" sanitary house sewer with a 6" sanitary house trap. Sanitary house sewer is connected into existing 8" combination sewer in 52nd Street.

5. Permits required. See Section V.

6. Storm Drainage System:
   a) The storm drainage system for the building consists of piping pitched via gravity from all roofs area, canopy roofs and terraces connected to the combination house connections as follows:
      i. The 8" storm ties into a running storm clean out. The 8" outlet of the storm water connects to the existing combination sewer in W. 52nd St.

   b) Materials:
      i. Piping: Soil waste, leader and vent piping above ground shall be cast I iron hubless pipe, CISPI 301 service weight. Below ground piping shall be X.H.C.I. pipe hub and spigot ASTM 74. Pump discharge piping shall be Schedule 40 galvanized steel.

   c) Sump Pumps
      i. One sump pump will be located at the bottom of the new residential elevator pit. The pump will include a 2" spill over to a floor drain. The installation will adhere to Federal Regulations. Sump pump shall come with a 1-year manufacturer's warranty and is covered by a 1-year guarantee for all materials and labor.

7. Hot Water Circulation
   a) Each riser in the residential portion of the building is provided with a hot water re-circulating loop and dedicated circulating pump to maintain hot water availability.

K. Heating:

1. Each apartment will be provided with a Mitsubishi PUMY Heat Pump Condensing Unit, and Mitsubishi indoor fan coil units (or equivalent). Units will range between 3 and 5 tons depending on residential unit size, and be covered by a manufacturer's warranty of a minimum of 1 year and a 1-year guarantee for all materials and labor.

2. Each residential unit shall have auxiliary base board electric resistant heating along the exterior wall

with 700 watts per linear ft. and will be connected to each individual apartment's electric panel. The base board heating unit will be covered by a minimum of 1-year manufacture warranty and a 1-year guarantee for all materials and labor.

3. The heating system's design is adequate to maintain comfortable conditions and complies with New York State Energy Code.

4. All ductwork, interior and exterior, shall be insulated as per NYC energy code requirements. Where insulation is required, indoor ductwork should have a minimum R-5 insulation rating, exterior insulation will have a minimum R-8 insulation value. Insulation materials will be comprised of fiberglass with a thickness ranging between 1 and 2 inches.

5. Number of indoor fan coil units varies with each residential unit and is dependent on the apartment's size.

6. Manufacturer of Heat Pump: Mitsubishi or equivalent.

7. Type of Controls: Mitsubishi electronic programmable thermostats.

8. Power Source: Electric.

9. Efficiency: 15.3 SEER

L. Gas Supply:

1. Natural gas is supplied by Con Edison.

2. Meters: Standard gas meters furnished by Con Edison: (1) for Hot Water Heater, Make up Air Unit, and BBQ grills.

3. Piping: Standard weight schedule 40 steel.

M. Air Conditioning:

1. Each residential apartment will be provided with a Mitsubishi PUMY Heat Pump Condensing Unit, and Mitsubishi indoor fan coil units. -Units will range from 36,000 BTU's per hour to 60,000 BTU's per hour depending on the residential apartment's size and be covered by a minimum of 1-year manufacturer warranty and a 1-year guarantee for all materials and labor.

2. Apartment air conditioning units are adequately sized to maintain code required comfort conditions and comply with the New York State Energy Code. The specified units are Mitsubishi or equivalent.

3. The system is a variable refrigerant air cooled split system consisting of roof mounted condensing units and a corresponding indoor air handling units located in each apartment. Conditioned air is distributed via ductwork to the rooms in the apartment. Air is returned to the unit via combination of return ductwork and ceiling plenum.

4. The units are specified to be high efficiency with minimum SEER =17.0 and non-ozone depleting refrigerant R410A or equal.

5. Equipment shall be mounted with vibration isolators, isolated roof curbs, and flexible duct and piping connections to minimize vibration transmission.

6. All exterior piping and ducting shall be insulated as per NYC energy code requirements.

7. Dunnage shall be sized by the structural engineer, and shall be primed and painted with two coats of paint. All exterior metals, including fasteners shall be corrosion resistant.

8. Residential Common Areas: Air conditioning is provided in the residential common areas with the same Mitsubishi units as described above. Sizes of these units range between ½ ton and 6 tons depending upon the size and load in the area served and be covered by a minimum of 1-year manufacture warranty and a 1-year guarantee for all materials and labor.

N. Ventilation:

1. Ventilation is provided naturally for each residential apartment.

2. The make-up air unit and exhaust fans for the residential units are mounted on the roof. Kitchen, toilet, dryer, machine room, and refuse room exhaust ducts are exhausted at the roof of the building. Outdoor air is provided to the corridors of the residential portion of the building through the make-up air unit as per NYC mechanical code requirements.

3. The specified make up air unit is Greenheck model RV-35.7.5, gas heat, electrical cooling (or equivalent).

4. Each residential apartment will be equipped with an electric dryer which will be vented.

5. Windowless areas shall be ventilated in accordance with table 403.3 of the mechanical code and supplied at no less than 15 cfm per person.

6. All mechanical equipment shall be specified to meet NYC noise levels stated in table 926.1 of the mechanical code and shall not exceed between 32 and 61 decibels.

O. Electrical System:

1. Main electrical service equipment for the residential portion of the building which will be located in the residential mechanical room in the cellar:
    a) Three (3) service switches as follows:
        i. Residential Apartments (Meter Bank Assembly) : 800Amp Switch/800Amp Fuse, 120/208 V
        ii. Residential Base Building (Main Distribution Panel) : 600Amp Switch/600Amp Fuse, 120/208 V
        iii. Fire pump (Entire Building): 1200Amp Switch/1200Amp Fuse, 120/208 V
        iv. Voltage: 208/120V, 3 phases, 4 wires
        v. Wire Protective Equipment: Fuses
    b) Service to individual residential units: All apartments have 150 amp, 120/208 volt, single-phase panels. All apartments are individually metered to Con Edison for electrical use within their apartment. AFCI & GFCI outlets shall be provided per NYC electrical code. Exterior receptacles shall be GFI and weatherproof. Emergency generator is not required.
    c) Ratings of main fuses: Fuses are by Bussman (or equivalent) and rated 200,000 sym amps.
    d) Circuit Breakers in the distribution panels feeding individual residential unit panels: 150 amps.
        i. Number, size and type entrance wire for units: (3) #1/0's AWG.
        ii. Number of circuits per apartment: Adequate @ 20 – 36.

iii. Each residential unit's panels shall have the capacity to handle modern appliances:

a. Heat Pump condensing unit - Adequate - 20amps/30amps 208 volts
b. Heat Pump fan coil unit – Adequate – 15 amps, 208 volts
c. Dishwashers - Adequate @ 20 amps
d. Electric Range – Adequate @ 40 amps, 208 V
e. Electric Dryers - Adequate @ 30 amps, 208 V
f. Lighting and Fixtures: Adequate
g. Convenience and appliance outlets: Provided in accordance with National Electric Code.

e) No lightning protecting service will be provided.
f) No three way switching will be provided in the cellar.

P. Apartment Intercom System:

1. Intercoms will be by Unitone or equivalent. There will be a video intercom unit at the entry of the residential portion of the building. Each apartment will have one (1) intercom unit. Each duplex apartment will have two (2) intercom units.

Q. Public Area Lighting for Residential Portion of Building:

1.	Entrance/Lobby:	Wall sconces chandelier and cove lighting	Adequate.
2.	Halls and Stairs:	Wall sconces and cove lighting.	Adequate.
3.	Residential Corridors:	Wall sconces and cove lighting.	Adequate.
4.	Rear Terraces/Roof:	Exterior building lights.	Adequate.

R. Garages and Parking areas: None

S. Swimming Pools: None

T. Tennis courts, or playgrounds: None

U. Recreation Facilities for the residential portion of the building:

1. A 1,167 square feet. fitness room will be located in the cellar. Fitness equipment will include two treadmills, two elliptical machines, two stationary bicycles and assorted fitness and weight training machines. Free weights will also be provided. The fitness room will have floors comprised of thick rubber tile on concrete slab and have. Lighting will be monopoint LED fixtures. The fitness room includes a Mitsubishi PUMY Heat Pump Condensing Unit, and a dedicated Mitsubishi indoor fan coil unit. Ventilation is provided through exhaust ductwork exhausting to the roof of the building and make-up air is provided by the residential make-up air unit on the roof. The fitness room is sprinkled,
    a. Equipment Specifications to include (or equivalent):
        i. 2 Treadmills: TRUE CS200
        ii. 1 Recumbent Bike: TRUE CS200 Recumbent
        iii. 1 Upright Bike: TRUE CS200 Bike
        ii. 1 Spinner Bike: Schwinn with Carbon Blue
        iii. 2 Ellipticals: Octane 3700
        iv. Assisted Chin/Dip; Multi Press ; Pulldown/Mid row; Leg Press; Leg Extension/Curl all by Hoistfitness RS Series.
        v. Adustable Bench: GymSource Hoist 5165
        vi. Urethane Dumbells: Hampton Fit

2. A 266 square feet yoga/stretching room will be located in the cellar adjacent to the fitness room. One

wall will have mirror panels. The yoga/stretching room will have wood flooring over wood substrate on existing concrete slab. Lighting will be monopoint LED fixtures. Yoga/stretching room is sprinkled.

3. The Common Roof area on the roof will be 2,679 SF and include one gas supplied BBQ station and outdoor furniture. Floor will be concrete pavers.

V. Permits and Certificates

1. All required permits will be obtained. A temporary certificate of occupancy will be obtained prior to occupancy by residential unit owners. There are no outstanding violations.
2. The following Permits will be issued: Architecture, Structural, Mechanical, Plumbing, Sprinkler and Fire Alarm.
3. Permits have not been issued at this date.
4. The following inspections will be conducted concurrently with construction with final sign-off at the issuance of the Certificate of Occupancy:
   a) NYC Department of Buildings
   b) Elevator
   c) Mechanical and Plumbing
   d) Boiler
   e) Department of Air Resources
   f) Compactor
   g) Electrical
   h) Fire Alarm
   i) Fire Department
   j) Sprinkler
5. Asbestos: Asbestos found on floor tiles on the 3rd and in the existing building's roof system and waterproofing. No asbestos found in insulation or fireproofing material. All asbestos will be abated by a certified abatement professional.
6. Lead Based Paint: No records or reports or violations available to the sponsor or its agent at this time about lead-based paint and or lead-based paint hazards.

W. Unit Information

1. There will be a total of 30 residential units in the building. Each Unit will be measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from the measurement of each Unit) to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements (as hereinafter defined); or to the Unit side of the opposite exterior walls. Each Unit will consist of the area measured vertically from the lowest concrete floor of the Unit to the underside of the highest ceiling of the Unit.

Unit No.	Floor #	Unit Type	Gross SF	Exterior Space Gross SF
3A	3	3 Bedroom	1,448	541sf on 4th / 173sf on 3rd
3B	3	1 Bedroom	1,081	75sf on 3rd / roof patio 9- 228sf
3C	3	Studio	605	-
3D	3	One Bedroom	896	Roof patio 6 – 228sf
3E	3	Studio	601	-
3F	3	Studio	601	Roof patio 16 – 365sf
3G	3	One Bedroom	898	Roof patio 4 – 228sf
3H	3	Two Bedroom	1,317	247sf on 4th
3J	3	One Bedroom	1,099	Roof patio 1 – 225sf
3K	3	One Bedroom	1,074	Roof patio 2 – 228sf

3L	3	One Bedroom	1,074	Roof patio 3 – 228sf
3M	3	One Bedroom	1,074	Roof patio 5 – 228sf
3N	3	One Bedroom	1,074	Roof patio 7 – 228sf
3P	3	One Bedroom	1,074	Roof patio 8 – 228sf
3Q	3	One Bedroom	1,074	Roof patio 10 – 228sf
4A	4+5	Two Bedroom Duplex	1,302	593sf terrace
4B	4+5	Two Bedroom Duplex	1,284	586sf terrace
4C	4+5	Two Bedroom Duplex	1,284	593sf terrace
4D	4+5	Two Bedroom Duplex	1,284	593sf terrace
4E	4+5	Two Bedroom Duplex	1,284	593sf terrace
4F	4+5	Two Bedroom Duplex	1,284	593sf terrace
4G	4+5	Two Bedroom Duplex	1,454	640sf terrace
4H	4	Three Bedroom	1,409	Roof patio 18 – 373sf
4J	4	Two Bedroom	1,068	Roof patio 13 – 370sf
4K	4	Two Bedroom	1,071	Roof patio 11 –470sf
4L	4	Three Bedroom	1,364	205sf on 4th
PH-A	5	Three Bedroom	1,364	Roof patio 17 – 348
PH-B	5	Two Bedroom	1,071	Roof patio 15 – 432
PH-C	5	Two Bedroom	1,068	Roof patio 14 – 432
PH-D	5	Three Bedroom	1,409	Roof patio 12 – 440

2. Interior Walls:

a). Apt. to Apt.: Drywall partition w/ 3-1/2" metal studs and 2" thermafiber sound attenuation blankets and two (2) sheets of 5/8" fire core wallboard on each side. STC 50-54. (1 hr fire rated req'd).

b). Apt. to Corridor: Drywall partition w/ 3-1/2" metal studs and 2" thermafiber sound attenuation blankets, and two (2) sheets of 5/8" fire core wallboard on each side (typical). STC 50-54. (2 hr rated).

c). Within Apt.: Drywall partition w/ 2-1/2" metal studs and one (1) 5/8" gypsum wallboard on each side. STC 35-39.

Paint Schedule:,

Exterior Galvanized Ferrous Metal

Preparation: SSPC Sp-1,2 and 3.
Primer Touch Up Galvanized coating or Primer specified for exterior decorative steel plate
First Coat: "Typoxy 27" by Tnemec.
Second Coat: "Endurshield 73/74" by Tnemec
Final finish color to match "Chocolate Brown" from Omega panels

Interior Ferrous Metal

Satin Finish/Latex
Primer: 1 coat Moore Alkyd Metal Primer (Z06) or equal.
First Coat: 1 coat Water Borne Satin Impervo (314) or equal.
Second Coat: 1 coat Water borne Satin Impervo (314) or equal.

Semi-Gloss Finish/Latex
Primer: 1 coat Moore Alkyd Metal Primer (Z06) or equal.
First Coat: 1 coat Regal Aquaglo or equal.
Second Coat: 1 coat Regal Aquaglo or equal.

Interior Concrete Block

Eggshell Finish/Vinyl Acrylic Latex over filler
Block Filler: 1 coat Moorcraft Super Craft Latex Block Filler (285) or equal.
First Coat: 1 coat Regal AquaVelvet (319) or equal.
Second Coat: 1 coat Regal AquaVelvet (319) or equal.

Interior Drywall

Flat Finish/Vinyl Acrylic Latex
Primer: 1 coat Regal FirstCoat (216) or equal.
First Coat: 1 coat Regal Wall Satin (215) or equal.

Second Coat: 1 coat Regal Wall Satin (215) or equal.

Eggshell Finish/Vinyl Acrylic Latex
Primer: 1 coat Regal FirstCoat (216) or equal.
First Coat: 1 coat Regal AquaVelvet (319) or equal.
Second Coat: 1 coat Regal AquaVelvet (319) or equal.

Interior Drywall to Receive Wallcovering

Primer: 1 coat "Shield Z Mold and Mildew Proof Commercial Wallcovering Primer" made by Zinsser.

Interior Painted Wood

Satin Finish/Latex
Primer: 1 coat Moore's Fresh Start 023 or equal.
First Coat: 1 coat Regal Aqua Pearl 310 or equal.
Second Coat: 1 coat Regal Aqua Pearl 310 or equal.

Semi-Gloss Finish/Latex
Primer: 1 coat Moore's Fresh Start 023 or equal.
First Coat: 1 coat Moore's Regal Aquglo 333 or equal.
Second Coat: 1 coat Moore's Regal Aquaglo 333 or equal.

Concrete Floors

Semi-Gloss Finish/Water-Based Epoxy
Primer: 1 coat I.M.C. Polyamide Epoxy Clear Sealer/Finish (CM36/M37) or equal.

First Coat: 1 coat I.M.C. Polyamide Epoxy Hi-Build Gloss (M36/M39) or equal.
Second Coat: 1 coat I.M.C. Polyamide Epoxy Hi-Build Gloss (M36/M39) or equal.

Concrete Sealer: "Super Diamond VOX" by Euclid Chemical Company.

Apartment Interior Finishes:.	
Living/Dining/Bedroom Walls	Paint, Flat
Kitchen Walls	Paint, Flat
Master Bathroom Walls	Stone mosaic tile below 42"; 12"X24" stone tile above 42"
Second Bathroom Walls	12"X24" stone tile.
Living/Dining/Bedroom/Kitchen Ceilings	Painted Gypsum Board
Bathroom Ceilings	Painted Gypsum Board
Living/Dining/Bedroom/Kitchen/Foyer Floors	25/32" Thick Solid wood plank (White Oak) Select Grade with a 5-1/4" face width
Master Bathroom Floor	Mosaic stone tile
Second Bathroom Floor	Mosaic stone Tile
Mechanical Room/Washer Dryer Floor	Vinyl Tile
Apartment Kitchen Equipment:.	
Convection Oven	30" Wolf under counter: S030TE/S/TH
Refrigerator	30" Subzero Integrated Combination: IT-30CIID36"
Dishwasher	Subzero Integrated Combination: IT-36CIID
	Miele 21428162USA
Cooktop	30" Wolf Induction: C1304C
	36" Wolf Induction: C1365C
Ventilation Hood	30" Wolf Cooktop Wall Hood: VW30B
	36" 28539150USA Wolf Cooktop Wall Hood: VW36B
Kitchen Garbage Disposal	GE GFB760
Kitchen Sink	Elkay EULUG2317L or equal
Kitchen Faucet	Watermark: NB-MV92300
Kitchen Cabinet	Upper cabinets: White melamine boxes with white oak veneer and edge banned doors. Base cabinets: White melamine boxes with white oak veneer and edge banned doors.
Kitchen Countertop	1 ¼" Carrara Marble
Kitchen Backsplash	Carrara Marble
Bathroom Type 1 Master	
Lavatory	Kohler K-2882
Lavatory Fitting	Watermark 22-2.2-TIA
Shower Receptor	
Shower Fittings	Controls: Watermark – 22-THRMKT20
	Hand Shower: Watermark – HSS-KIT104

	Shower Head: Watermark – SH-TIT50 Shower Drain: Watermark – SD7
Tub Tub Fittings Toilet	Kohler - K1821 or Kohler – K-1130 Tub Filler: Watermark – 22-8.1-TIA Toto CST412MF.10
Bathroom Type 2 2nd Bath	
Lavatory Lavatory Fitting Tub Tub/Shower Fittings	Kohler K-2882 Watermark 22-2.2-TIA Kohler – K-837 Controls: Watermark 22-THRMKT20-TIA Shower Head: SH-TIT50 Tub Filler: Watermrk TBSPT-22
Toilet	Toto CST412MF.10
Bathroom Type 3 Powder Room	
Lavatory	-Kohler – K2883 on Watermark Console – CON24-LFST
Lavatory Fitting Toilet	Watermark 22-1.2 Toto CST486FG
Laundry Closet:	
Washer/Dryer	LG WM3170CW Washer or equal LG DLE2250W Dryer or Equal

X. Finish Schedule: Other Areas:

1. Gym

a) Wall:	Paint & mirror panels
b) Base:	Vinyl
c) Flooring:	9.5mm rubber mat. From Roll material
d) Ceilings:	Exposed Steel and Deck

2. Cellar Corridor:

a) Wall:	Paint
b) Base:	Vinyl
c) Flooring:	Conc./Paint
d) Ceiling:	Paint

3. Cellar Tenant Storage:

a) Wall:	Paint
b) Base:	None
c) Flooring:	Conc./Paint
d) Ceiling:	Conc./Paint

4. Cellar Superintendant Storage:

a) Wall:	Paint
b) Base:	None
c) Flooring:	Conc./Paint
d) Ceiling:	Conc./Paint
e) Storage Cubicles:	Steel Wire

5. Residential Vestibule

a) Wall:	Stone Tile, Paint
b) Base:	Stone Tile, Wood
c) Flooring:	Stone Tile
d) Ceiling:	Paint

6. Stairs

a) Wall:	Paint
b) Base:	Paint/Vinyl
c) Flooring:	Paint on concrete
d) Ceiling:	None

7. Corridor

e) Wall:	Fabric Wall Covering, Wood Planks
f) Base:	Blackened Steel
g) Flooring:	Carpet
h) Ceiling:	Wood Ceiling Grid

Y. Safety and Warning Devices:

1. Hardwired smoke detectors/carbon monoxide sensors are provided outside of bedrooms in residential units, as required by law. Area smoke detectors are installed in the electrical and mechanical equipment rooms.

Z. Additional Information:

1. Floor-to-floor heights are as follows:

a) Ground Floor lobby to 2nd Floor: 17'-7"
b) Second Floor to Third Floor: (not used for residential)
c) Third Floor to Fourth Floor: 11'-2"
d) Fourth Floor to Fifth Floor: 10'-8"
e) Fifth Floor to Roof: 10'-5 ¾"
f) Bedrooms: 10'-0" Finished Ceiling Elevation
g) Bathrooms: 8'-0" – 8'- 4" Finished Ceiling Elevation
h) Kitchens: 8'-0"- 8'-4" Finished Ceiling Elevation
i) Mechanical rooms at cellars: Varies, minimum of 8'-0"
j) Storage rooms at cellars: minimum of 8'-0" Finished Ceiling Elevation
k) Boiler Room at Roof: minimum of 8'-0" Finished Ceiling Elevation
l) Electrical rooms: Varies, minimum of 8'-0" Finished Ceiling Elevation
m) Pump Room: minimum of 8'-0" Finished Ceiling Elevation

2. The commercial and residential portions of the building shall have a shared sprinkler system.

3. Documents to be transferred to the condominium management upon transfer of control from sponsor-operation and maintenance (O&M) manuals; manuals for mechanical equipment; equipment warranties; roof warranty: major equipment start-up sheets; control system as-builts; original test and balance report for HVAC system; indoor air quality report: Final As-Built drawings as maintained during Construction, i.e. structural, mechanical, electrical, plumbing and shop drawings.

4. Tenant Protection Plan: The residential portion of the building will be occupied by unit owners prior to obtaining the FCO. A Tenant Protection Plan will be distributed to each residential unit owner. Such

plan shall contain a statement that the building contains dwelling units that will be occupied during construction and shall indicate in sufficient detail the specific units that are or may be occupied during construction, the means and methods to be employed to safeguard the safety and health of the occupants, including, where applicable, details such as temporary fire-rated assemblies, opening protective, or dust containment procedures. The elements of the tenant protection plan may vary depending on the nature and scope of the work but at a minimum shall make detailed and specific provisions for: Egress, Fire Safety, Health Requirements, Compliance with Housing Standards, Structural Safety and Noise Restrictions. .

* * * * *

Thaddeus Briner
Principal
Architecture Dimit

08/04/15
Date



EXHIBIT E

THE SORTING HOUSE CONDOMINIUM
318 West 52nd Street
New York, New York 10019

AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM

Establishing a Condominium for Premises with the street address 318-322 West 52nd Street, County of New York, City and State of New York, pursuant to Article 9-B of the Real Property Law of the State of New York.

Name of Condominium: THE SORTING HOUSE CONDOMINIUM

Declarants: UNITED STATES POSTAL SERVICE, having an office at 421 8th Avenue, Room 4004, New York, New York 10001-8015

and

RC 51 DEVELOPMENT LLC, having an office
c/o Cadence Property Group LLC
65 W. 13th Street
New York, New York 10011

Date of Declaration: _____, 201_

This Declaration affects land on the official Tax Map of the City of New York, New York County, Block 1042 Lots 1601 and 1602 (f/k/a Lot 44).

Record and Return to:

ROMER DEBBAS LLP
275 Madison Avenue
Suite 801
New York, New York 10016
Attention: Louis Sherman, Esq.

AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM
of
THE SORTING HOUSE CONDOMINIUM

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

UNITED STATES POSTAL SERVICE, having an office at 421 8th Avenue, Room 4004, New York, New York 10001-8015 ("USPS"), recorded a Declaration of Condominium and By-Laws, dated September 6, 2013 and recorded in the Office of the Register of the City of New York (the "City Register's Office") on January 16, 2014 in CRFN 2014000021977 (the "Original Declaration"), against the land and building located at 318-322 West 52nd Street, New York, New York, thereby creating 322 West 52nd Street Master Condominium (the "Condominium"). Under the Original Declaration, the Condominium consisted of two (2) units – the Commercial Unit (a/k/a Unit 1 and Lot 1601) and the Residential Unit (a/k/a Unit 2 and Lot 1602). USPS has retained ownership of the Commercial Unit in the Condominium and has conveyed to RC 51 Development LLC, having an office c/o Cadence Property Group LLC, 65 W. 13th Street, New York, New York 10011 ("RC 51"), the Residential Unit in the Condominium. Accordingly, USPS and RC 51 (hereinafter collectively referred to as the "Declarant") own all of the units in the Condominium. Declarant desires to amend and restate the Original Declaration, as follows:

ARTICLE 1

SUBMISSION OF PROPERTY

1.1 Declarant hereby resubmits the Land, the Building and other improvements to be erected thereon (collectively hereinafter referred to as the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act"), and pursuant thereto does hereby establish a condominium to be known as The Sorting House Condominium.

1.2 Attached to this Amended and Restated Declaration (hereinafter referred to as the "Amended Declaration") and made a part hereof are the amended and restated 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"). Except where the context otherwise requires, "Declaration" shall refer to this Amended Declaration, including the By-Laws annexed hereto.

ARTICLE 2

THE LAND

The Land consists of that certain parcel of land formerly designated as Block 1042, Lot 44, and now known as Block 1042, Lots 1601 and 1602, on the Tax Map of the City of New York, New York County, and more particularly described on Schedule A annexed hereto and made a part hereof.

ARTICLE 3

THE BUILDING

As of the date hereof, the Building consists of three stories above ground and a cellar level. RC 51 intends to erect two additional stories in the Residential Unit above the third story of the Building.

The existing Building (including the cellar and floors 1, 2 and 3) is classified under the 1968 New York City Building code. The expansion stories (floors 4 and 5) are classified under the 2008 New York City Building Code. The construction type of the building is filed as 1C. The foundation of the existing Building consists of footings bearing on competent soil and/or rock. The cellar level contains a concrete slab on grade. The existing superstructure is made up of an original, westerly portion and a newer, easterly addition, built in 1992. The westerly portion is three stories of concrete-encased steel framing with a reinforced concrete slab. The easterly addition, also three stories, has steel framing with spray-on fireproofing, with a reinforced concrete slab on metal deck. The existing perimeter walls are all masonry walls. The westerly portion of the building has unreinforced bearing walls, and the easterly portion has reinforced masonry and brick veneer at the perimeter. The expansion stories (floors 4 and 5) will be framed using a metal deck with lightweight concrete topping slab and steel framing. The exterior walls will consist of metal studs with both lightweight panel finishes and brick cavity wall assemblies. Interior walls and ceilings will be gypsum board on metal stud framing. The new roofing material at floor 4 (the south terraces) will be a metal roof deck with concrete, tapered insulation, membrane and flashing. The new roof on top of floor 5 (the main roof) will be tapered insulation, membrane and flashing, with no concrete. Hot and cold water distribution for domestic uses will be provided via insulated copper piping. Cast iron bell and spigot and no-hub sanitary risers to each floor will provide sanitary drainage and venting. Storm drainage piping will be bell and spigot and no-hub cast iron. Sprinkler piping will be both steel with threaded joints and Victaulic fittings.

ARTICLE 4

DEFINITIONS

Unless otherwise defined in this Declaration or in the By-laws, all capitalized terms in the Condominium Documents shall have the meanings specified for said terms in the Condominium Act.

4.1 "*201_ Equivalent Dollars*" means the equivalent purchasing power at any date of the value of the same number of United States dollars in calendar year 201_; the "201_ Equivalent Dollars" of any dollar amount shall be determined by multiplying that amount by 1, plus a fraction expressed as a percentage (but not less than zero), the numerator of which is the difference obtained by subtracting (i) the Urban Consumer Price Index for January 201_ from (ii) the monthly Urban Consumer Price Index most recently published prior to the date such determination of 201_ Equivalent Dollars is sought to be made, and the denominator of which is the Consumer Price Index for January 2015. The "Urban Consumer Price Index" as used herein means the New York-Northern New Jersey Consumer Price Index for all Urban Consumers (1982-84 = 100).

4.2 "*Affiliate*" of a party means (i) a person or entity who or which owns more than 25% of the legal or beneficial interest in that party, or (ii) a person or entity who or which has voting control or other decision-making control with respect to that party, or (iii) an entity with respect to which the party owns more than 25% of the legal or beneficial interest.

4.3 *"Appurtenant Interests"* means the interests appurtenant to the ownership of a Unit, including the Common Interest appurtenant to the Unit, the right to use any Limited Common Elements appurtenant to the Unit, and the Unit Owner's undivided interest in any and all assets of the Condominium.

4.4 *"Attorney General"* means the New York State Attorney General, who is the head of the New York State Department of Law.

4.5 "*Board of Managers*" or "*Board*" or "*Condominium Board*" means the Board of Managers of the Condominium.

4.6 "*Building*" means any Improvements now or hereafter erected on the Land and all alterations and replacements made to such Improvements.

4.7 "*By-laws*" means the By-laws of the Condominium, which By-laws are annexed to the Declaration, as such By-laws may be amended from time to time.

4.8 "*City Register's Office*" means the New York County Office of the Register of The City of New York.

4.9 "*Commercial Common Charges*" means those Common Charges assessed against the Commercial Unit for purposes of meeting Commercial Common Expenses.

4.10 "*Commercial Common Elements*" means those Common Elements located in or serving exclusively the Commercial Area.

4.11 "*Commercial Common Expenses*" means the Commercial Unit's share of General Common Expenses.

4.12 "*Commercial Limited Common Element*" means a Limited Common Element, if any, serving the Commercial Unit and restricted in use to the Owner or other occupant of that Unit.

4.13 "*Common Charges*" means the annual assessments payable in monthly installments by Unit Owners for the purpose of meeting Common Expenses. Assessments, both special and otherwise, will be characterized and treated as Common Charges of the Unit Owner to whom assessed, all as more fully described in the By-laws.

4.14 "*Common Elements*" means those facilities and areas of the Property that are not part of a Unit and which are necessary or convenient to the existence, management, operation, maintenance and/or safety of the Property, or normally in common use.

4.15 "*Common Expenses*" means all costs and expenses in connection with repair, maintenance, replacement, restoration, operation of, and alteration, addition or improvement to, the Common Elements, including but not limited to insurance and establishment of reserves for repairs and replacements.

4.16 "*Common Interest*" means the proportionate undivided percentage of interest in fee simple absolute in the Common Elements allocated and appurtenant to a Unit, as set forth in the Declaration. The total of all Common Interest percentages appertaining to all Units equals 100%.

4.17 "*Commercial Area*" means the Commercial Unit, the Commercial Common Elements and any Commercial Limited Common Elements.

4.18 "*Commercial Unit*" means the Unit identified as a Commercial Unit on Schedule B to the Declaration and on the Tax Lot Drawings, together with the Common Interest appurtenant to that Unit.

4.19 "*Commercial Unit Owner*" means the Owner of the Commercial Unit.

4.20 "*Condominium*" means the Property submitted to the Condominium Act.

4.21 "*Condominium Act*" means Article 9-B of the New York State Real Property Law, as same may be amended from time to time.

4.22 "*Condominium Documents*" means this Declaration and the By-laws attached hereto, as same may be amended from time to time.

4.23 "*Condominium Operating Budget*" means the operating budget for a given fiscal year of Condominium operation, prepared by or on behalf of the Board of Managers, to meet the Common Expenses of the Condominium.

4.24 "*Construction Lender*" means Pacific Western Bank, a California state-chartered bank, as agent, together with its successors and assigns in such capacity, so long as the Construction Loan has not been repaid in full.

4.25 "*Construction Loan*" means the construction loan made by Construction Lender to RC 51 to finance construction of the Project.

4.26 "*Consumer Price Index*" (or "*CPI*") means the Consumer Price Index for all Urban Consumers (CPI-U), published by the US Department of Labor Bureau of Labor Statistics, for New York, Northern New Jersey and Long Island, All Items (1982-1984=100).

4.27 "*Declaration*" means this Declaration and all exhibits hereto, as same may be amended from time to time.

4.28 "*Default Rate*" means a rate of interest equal to the lesser of (a) the floating rate equal to 4% over the annual rate of interest announced by JP Morgan Chase Bank from time to time at its New York office (or any successor thereto) as its base or reference rate of interest (or announced by such other Institutional Lender as shall be designated by the Board of Managers if JP Morgan Chase Bank ceases to publish such rate), or (b) the then maximum lawful rate of interest in New York State.

4.29 "*Department of Buildings*" means the NYC Department of Buildings.

4.30 "*Department of Law*" means the New York State Department of Law, which is headed by the New York State Attorney General.

4.31 "*Emergency Situation*" means a situation (a) impairing or imminently likely to impair structural support of any portion of the Building or causing or imminently likely to cause bodily injury to persons or physical damage to the Building or any property in, on, under, within, upon or about the Building, (b) causing or imminently likely to cause substantial economic loss to a Unit Owner or to a tenant of a Unit, (c) causing or imminently likely to cause loss of any utility, elevator or other essential services to the Building, or (d) causing or imminently likely to cause interference with ingress to and egress from the Building.

4.32 *"Facility(ies)"* means, without limitation, the following items (grouped more or less functionally) which are set forth only for the purpose of illustrating the broad scope of that term: structural columns, system, equipment, apparatus, connector, radiator, heat exchanger, mechanism, device, machinery, induction unit, fan coil unit, motor, pump, control, tank or tank assembly, installation, 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, incinerator, canopy, 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 or planting tub or box. A "*Facility Area*" is the area or room in which the Facility is located.

4.33 "*First Unit Closing*" means the first closing of a sale of a Residential Unit pursuant to the Offering Plan.

4.34 "*First Year of Condominium Operation*" means the initial 12-month period of Condominium operation commencing on the date of the First Unit Closing.

4.35 "*First Year's Budget*" means the projected operating budget for the First Year of Condominium Operation, which is included in the Plan as, and referred to from time to time as, "Schedule B."

4.36 "*floor area*" shall have the meaning given in the Zoning Resolution.

4.37 "*General Common Charges*" means those Common Charges attributable to General Common Expenses.

4.38 "*General Common Elements*" means those portions of the Property other than the Units, the Residential Common Elements, the Commercial Common Elements and Limited Common Elements.

4.39 "*General Common Expenses*" means those Common Expenses attributable to the General Common Elements.

4.40 "*Governmental Authority*" means the federal government of the United States, any state, regional, local or political subdivision thereof with jurisdiction, and any Person with jurisdiction, exercising executive, legislative, judicial, regulatory, administrative or quasi-administrative functions of or pertaining to government or quasi-governmental issues (including,

without limitation, any court, arbiter, department, agency, office, board, commission, bureau or instrumentality) of any nature whatsoever, whether now or hereafter in existence.

4.41 "*Improvements*" means the Building and any and all other improvements now or hereafter erected on the Land and all alterations, additions and replacements to such improvements.

4.42 "*Institutional Lender*" means the holder of any first mortgage covering a Unit or Units, (a) which is a Permitted Mortgage or a mortgage encumbering a Unit then owned by Sponsor or its designee, and (b) the initial holder of which is (i) Sponsor or its designee, (ii) a savings bank, savings and loan association, bank, trust company, insurance company, real estate investment trust or mortgage trust, or (iii) a Federal, state, municipal, teachers', union or corporate employee, welfare, pension or retirement fund or system.

4.43 "*Insurance Trustee*" shall mean (a) the Construction Lender, so long as any portion of the Construction Loan remains outstanding, or (b) thereafter an Institutional Lender designated and engaged by the Board of Managers, in either case to receive, hold and disburse, on behalf of the Board of Managers, insurance proceeds in the event of a casualty, and condemnation proceeds in the event of a taking, to the extent required in those instances pursuant to the By-laws.

4.44 "*Land*" means the land submitted to the Declaration upon which the Improvements comprising the Condominium are constructed, as more fully described in the Declaration.

4.45 "*Limited Common Element*" means a Common Element that serves one or more specified Unit(s) and no other Units, and restricted in use to the Owner(s) of that (those) Unit(s).

4.46 "*Main Roof*" means the roof over the highest level of the Building.

4.47 "*Managing Agent*" means any management company or agent engaged by the Board of Managers to manage the Condominium.

4.48 "*Mortgagee*" means any Institutional Lender (i) holding, insuring or guaranteeing a mortgage of record encumbering a Unit (including, without limitation, the Construction Lender while it holds a mortgage securing a Unit owned by Sponsor), or (ii) having made a mezzanine loan to Sponsor or to Commercial Unit Owner and holding a pledge of ownership interests in connection therewith.

4.49 "*Offering Plan*" (or "*Plan*") means the Offering Plan for the Sale of Residential Units at the Property filed by RC 51 with the Department of Law, as said Plan may be amended from time to time.

4.50 "*Owner*" *or* "*Unit Owner*" means, collectively, all parties owning a Unit in fee simple absolute.

4.51 "*Permitted Mortgage*" means (i) a first mortgage of record made by a Unit Owner to a Mortgagee and secured by that Owner's Unit, (ii) any mortgage of record made by RC 51 to a Mortgagee and secured by one or more Units owned by RC 51, (iii) the Construction Loan, while any portion remains outstanding, and (iv) a pledge of ownership interests in RC 51 to an Institutional Lender securing a mezzanine loan made to RC 51 by said lender.

4.52 "*Permitted Mortgagee*" means a Mortgagee holding, guaranteeing or insuring a Permitted Mortgage.

4.53 "*Permittee*" means the Unit Owners, Permitted Mortgagees, tenants of Residential Units or the Commercial Unit, any party who by lease, license or otherwise is entitled to use or occupy space within the Building, and their respective beneficiaries, officers, directors, employees, agents, partners, shareholders, contractors, guests, family members, invitees and licensees, it being understood that the term "Permittees" shall in no event or circumstance create or be deemed to create any rights under the Condominium Documents generally to members of the general public unless expressly set forth in the Condominium Documents.

4.54 "*Person*" means any individual, corporation, general or limited partnership, limited liability company, limited liability partnership, joint venture, estate, trust, joint stock company, unincorporated association, any other entity, any Governmental Authority, and any fiduciary acting in such capacity on behalf of any of the foregoing.

4.55 "*Project*" means development and construction of the Residential Area.

4.56 "*Property*" means the Land and the Improvements now or hereafter erected on the Land.

4.57 "*Recognized Mortgage*" and "*Recognized Mortgagee*" shall have the meaning given in Article 7, Section 9 of the By-laws.

4.58 "*Recreational Amenity Area*" means, collectively, the passive recreation area on the Main Roof and the fitness room on the cellar level of the Building, all as shown on the Tax Lot Drawings, and the equipment and facilities located in and serving those areas.

4.59 "*Replacement Reserve Fund*" means a fund established and maintained by the Board of Managers for the periodic maintenance, repair and replacement of the Common Elements, which fund shall be funded, at a minimum, out of regular assessments for Common Charges but may be supplemented as the Board in its discretion may determine.

4.60 "*Residential Area*" means the Residential Units, Storage Bin Area, Storage Bins, Residential Common Elements and Residential Limited Common Elements.

4.61 "*Residential Common Charges*" means those Common Charges assessed against the Residential Unit Owners for the purpose of meeting Residential Common Expenses.

4.62 "*Residential Common Elements*" means those Common Elements located in and/or serving exclusively the Residential Area.

4.63 "*Residential Common Expenses*" means those Common Expenses incurred in connection with the Residential Common Elements plus the Residential Units' share of the General Common Expenses.

4.64 "*Residential Common Interest*" means a proportion, the numerator of which is the Common Interest attributable to a particular Residential Unit, and the denominator of which is the aggregate Common Interest attributable to all Residential Units. The proportion is expressed as a percentage appurtenant to each Residential Unit, and is included on ***Schedule B*** to the Declaration. The total of all Residential Common Interests equals 100%.

4.65 "*Residential Limited Common Element*" means a Limited Common Element serving a specified Residential Unit and no other Unit, and restricted in use to the Owner or other occupant of that Unit.

4.66 "*Residential Unit*" means any Unit designated as a Residential Unit on Schedule B to the Declaration and on the Tax Lot Drawings, together with the Common Interest appurtenant to such Unit.

4.67 "*Residential Unit Owner*" means the Owner of a Residential Unit.

4.68 "*Rooftop Terrace Unit*" means the Unit designated as a Rooftop Terrace Unit on Schedule B to the Declaration and on the Tax Lot Drawings, together with the Common Interest appurtenant to that Unit.

4.69 "*Rules and Regulations*" means the rules and regulations adopted by the Board of Managers pertaining to the use of the Condominium, as same may be amended from time to time.

4.70 "*Sales Office*" means the office maintained by RC 51 and/or its Selling Agent at or near the Property for the sale and/or leasing of Residential Units.

4.71 "*Selling Agent* " means Halstead Property Development Marketing LLC which firm has been engaged by RC 51 to sell the Residential Units under the Plan, or any successor thereto or replacement thereof.

4.72 "*Signs*" means collectively any signs, awnings, marquees or canopies affixed to the Property or any part thereof, as well as any banners, flags, pennants or the like suspended from or attached to one or more Signs or the Property or portions thereof.

4.73 "*Special Allocation*" means the special allocation of certain General Common Expenses between the Residential Area and the Commercial Area, based on the special or exclusive use or availability or exclusive control of particular Units or Common Elements, or services provided in connection therewith, and thus not allocated based on Common Interest.

4.74 "*Special Assessment*" means an assessment in addition to Common Charges enacted by the Board of Managers and payable by all Unit Owners, or imposed by the Board of Managers against a particular Unit Owner in accordance with the Condominium Documents.

4.75 "*Sponsor*" means RC 51 Development LLC and its designated successors and assigns.

4.76 "*Sponsor's Architect*" means _____ and any successor thereto or replacement thereof.

4.77 "*Sponsor Control Period*" means the period ending on the later of (i) approximately one hundred twenty (120) days after closing of title to 90% of the Residential Units offered under the Offering Plan, or (ii) the third (3rd) annual anniversary of the First Unit Closing, but in no event later than the fifth (5th) annual anniversary of the First Unit Closing.

4.78 "*Sponsor Veto Control Period*" means the period during which Sponsor owns Residential Units representing at least 25% in Common Interest, but in no event longer than a period ending on the 5th annual anniversary of the First Unit Closing.

4.79 "*Spouse*" shall have the meaning given in Article VIII, Section 7 of the By-laws.

4.80 "*Storage Bin*" means any steel mesh storage bin constructed by Sponsor in the Storage Bin Area.

4.81 "*Storage Bin Area*" means an area on the cellar level of the Building comprising Residential Common Elements and in which such area the Storage Bins shall be located when and if constructed by Sponsor.

4.82 "*Tax Lot Drawings*" means the drawings of the Property, certified by Sponsor's Architect delineating the Units and the Common Elements, approved by the Real Property Assessment Department of the City of New York and filed simultaneously with the

recording of this Declaration in the City Register's Office as more fully described in the Declaration, as same may be amended from time to time.

4.83 "*Terrace*" means a private roof terrace appurtenant to a particular Residential Unit built on the portion of the Main Roof or roof setback adjacent to a particular Residential Unit, as shown on the Tax Lot Drawings.

4.84 "*Unit*" means any space in the Building intended for independent use or ownership and designated as a Unit in the Declaration, together with such Unit's Common Interest.

4.85 "*Unit Closing*" means the closing and conveyance of fee title to a Unit.

4.86 "*Unit Closing Date*" means the date on which the Unit Closing for that Unit occurs.

4.87 "*Unit Owner*" or "*Owner*" means collectively, all parties owning a Unit in fee simple absolute.

4.88 *"Unit Owner Installations"* means any installations, decorations, additions, improvements and alterations (including without limitation, any elevators, elevator shafts and pits, mechanical rooms, pipes, wires, ducts, vents, cables, conduits, utility lines and equipment, HVAC systems and equipment, condensers, cooling towers and chillers and refrigeration equipment, electrical panels and associated distribution equipment, communication systems and equipment, satellite dishes and antennas, plumbing and heating fixtures and equipment and associated pipes and equipment to which they are attached), which a Unit Owner shall be authorized in accordance with the Condominium Documents to install in or on the Building or said Unit Owner's Unit, from and after the date of this Declaration, within a wall or ceiling, or under a floor, or affixed elsewhere in or to the Building, provided such installations are used solely in connection with such Owner's Unit.

4.89 "*Visible Area*" means any portion of a Unit or a Common Element (including, without limitation, glass enclosed areas), visible from (i) any other Unit or (ii) from West 52nd Street, or (iii) from the buildings or other improvements abutting the Property.

4.90 "*Working Capital Fund*" means the funds deposited by Residential Unit Owners with the Board of Managers at the time of their Residential Unit Closing, to provide working capital for operation of the Residential Area, as more fully described in the By-laws.

4.91 "*Zoning Resolution*" means the Zoning Resolution of the City of New York, as same may be amended from time to time.

4.92 "*Zoning Variance*" means the determination of the NYS Board of Standards and Appeals permitting conversion of the Property to residential and commercial use, as such Project is described in this Plan.

ARTICLE 5

THE UNITS

Schedule B annexed hereto and made a part hereof sets forth the following data with respect to the Units for the proper identification thereof: Unit designation; tax lot number; approximate square foot area; number of rooms (for Residential Unit); location; the portions of the Common Elements (as hereinafter defined) to which the Unit has immediate access or the right to exclusive use; and the percentage of interest in the Common Elements. The land area of the Property and the location of the Building are shown on a Site Plan made by Sponsor's Architect and filed in the City Register's Office simultaneously with the recording of this Declaration. The locations of the Units are shown on the Tax Lot Drawings.

ARTICLE 6

DIMENSIONS OF UNITS

6.1 The Commercial Unit consists of that part of the Building as indicated on the Tax Lot Drawings. The horizontal boundaries of the Commercial Unit shall be the boundaries as shown on the Tax Lot Drawings, with the lower horizontal boundary being the upper surface of the cellar slab and the upper horizontal boundary being the layer immediately below the underside surface of the slab between the second story and the third story, excluding the Residential Units, General Common Elements and Limited Common Elements. The vertical boundaries of the Commercial Unit shall be the boundaries as shown on the Tax Lot Drawings, which shall be measured from the exterior surface of the exterior walls to the center line of the block work of any interior walls and partitions separating the Commercial Unit from the other Units or the Common Elements. Included within the Commercial Unit are the following items, as more particularly described on the Tax Lot Drawings:

(i) the windows on the first and second stories, except those that are located in the Residential Area;

(ii) all columns, girders, beams, supports and bearing walls on the portion of the Commercial Unit located on the cellar level and on the first and second stories;

(iii) the slab between the first story and the second story;

(iv) all systems and installations inside the Commercial Unit for services such as power, light and water to the extent such systems and installations service only the Commercial Unit; and

(v) all other facilities in the Building which exclusively serve or benefit or are necessary exclusively for the existence, maintenance, operation or safety of the Commercial Unit.

6.2 Each Residential Unit consists of that part of the Building as indicated on the Tax Lot Drawings. The horizontal boundaries of a Residential Unit shall be the boundaries as shown on the Tax Lot Drawings, with the lower horizontal boundary being the upper surface of the floor slab and the upper horizontal boundary being the underside surface of the highest ceiling slab, excluding the Commercial Unit, General Common Elements and Limited Common Elements. The vertical boundaries of each Residential Unit shall be the boundaries as shown on the Tax Lot Drawings, which shall be measured from the exterior surface of the exterior walls to the center line of the block work of any interior walls and partitions separating a Residential Unit from another Unit or the General Common Elements.

6.3 The Rooftop Terrace Unit consists of that part of the Main Roof as indicated on the Tax Lot Drawings. The Rooftop Terrace Unit shall include all "Excess Floor Area Development Rights" (as hereinafter defined) pertaining to the Land. As used herein, the term Excess Floor Area Development Rights means all "Floor Area Development Rights" in excess of "Retained Floor Area Development Rights" (as said terms are hereinafter defined). As used herein, the term Floor Area Development Rights means the rights, as determined in accordance with the Zoning Resolution of the City of New York, effective as of December 15, 1961, as amended from time to time (the "Zoning Resolution"), which are appurtenant to a zoning lot, to develop such zoning lot by erecting thereon a structure or structures with a total floor area determined by (i) multiplying the area of the zoning lot by the maximum allowable floor area ratio for structures in the zoning district or districts in which such zoning lot is located, and (ii) any bulk and density rights permitted under the Zoning Resolution and which may be authorized to be developed by the appropriate agency of the City of New York from time to time. As used herein, the term Retained Floor Area Development Rights means all Floor Area Development Rights pertaining to the Land that are utilized in the Building and other improvements to be constructed thereon as shown on the Tax Lot Drawings.

The Rooftop Terrace Unit Owner shall have the right to transfer to one or more other properties any and all air or developmental rights that now or may hereafter exist with respect to the Property after construction of the Building. Following such transfer, no expansion of the Building will be possible. The Board of Managers, on behalf of the Unit Owners, shall be obligated to execute and deliver to the Owner of the Rooftop Terrace Unit any and all documents deemed necessary by the Owner of the Rooftop Terrace Unit in connection with (a) the inclusion in the Rooftop Terrace Unit of all Excess Floor Area Development Rights described in this

section, and (b) a sale or other transfer of such Excess Floor Area Development Rights by the Owner of the Rooftop Terrace Unit, including without limitation all zoning lot certifications and zoning lot development agreements.

ARTICLE 7

COMMON ELEMENTS

7.1 (a) The General Common Elements of the Condominium (the "General Common Elements") consist of the Land described in Article 2 of this Declaration and, as indicated on the Tax Lot Drawings, those portions of the Building not included in any of the Units pursuant to Section 6.1 or Section 6.2 and not a Limited Common Element pursuant to Section 7.4 and will include, without limitation, the following:

(i) the water meter room in the cellar of the Building;

(ii) the foundation and foundation walls;

(iii) the water delivery system from the point of entry to the Building to the point of sub-metering; and

(iv) the fire stairs.

(b) Notwithstanding subdivision (a) of this Section 7.1, the General Common Elements shall also include any other point-of-entry utility room designated by RC 51 in writing to the Board and USPS if such point-of-entry utility is common to the Commercial Unit and any other Unit. RC 51 shall amend this Declaration and the Tax Lot Drawings to reflect such additional General Common Elements, which amendments shall meet the requirements of the New York Condominium Act. The amendment to this Declaration shall be executed by the Board, but the recording thereof and the filing of the revised Tax Lot Drawings and all costs in connection therewith shall be the obligation of RC 51. Such amendment to this Declaration shall not require consent of the Board or consent of USPS.

7.2 The Residential Common Elements are as shown on the Tax Lot Drawings and consist of Common Elements serving only the Residential Area, and include, without limitation, the following:

7.2.1 canopy and canopy structure at main residential entrance to the Building, if any;

7.2.2 residential entrance, vestibule, lobby, package room and mailroom on the ground floor of the Building;

7.2.3 Recreational Amenity Area, storage bin/bicycle storage room and trash room on the cellar level of the Building, and all mechanical equipment, furnishings and appliances associated therewith;

7.2.4 the Storage Bin Area on the cellar level of the Building.

7.2.5 Stairways A and B and all stairwells and landings associated therewith;

7.2.6 two (2) elevators (both of which will function as passenger and service elevators), together with all shafts, pits, bulkheads, cabs and mechanical equipment associated therewith;

7.2.7 intercom system installed in the Building;

7.2.8 cable television, data and communications systems installed in the Building as of the date of this Declaration;

7.2.9 sub-meter system and associated Facilities installed to measure electrical, water and gas consumption in Residential Units and the Residential Common Elements;

7.2.10 the windows on the third, fourth and fifth stories, other than windows which open from a Residential Unit;

7.2.11 all columns, girders, beams, supports and bearing walls on the cellar level, other than those which are part of the Commercial Unit, and on the third, fourth and fifth stories;

7.2.12 all slabs above the second story;

7.2.13 the structural concrete roof or floor slab or other structural roof or structural floor construction material, the asphalt or other roofing material thereover, the roof membrane, flashing, and similar waterproofing or other roofing elements of the Main Roof and of the roofs over the second floor and third floor of the Building, the roof drainage system installed in or on such Main Roof and roofs over the second floor and third floor (except to the extent same are Limited Common Elements as discussed below), and all parapets, fencing and railings on such roofs (including, without limitation, screens or fences separating common roof space from a Terrace or from roof equipment, but excluding such screening or fencing dividing one roof Terrace from another roof Terrace, except as provided otherwise below;

7.2.14 all passages and corridors, areas, rooms and other spaces located at the Property and serving or benefiting more than one Residential Unit and/or Residential Unit Owner; and

7.2.15 all other Facilities of the Property (including but not limited to shafts, pipes, pipe risers and branch or distribution piping concealed behind walls, wires, ducts, vents, cables, chases, conduits and lines), which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of more than one Residential Unit and/or more than one Residential Unit Owner.

7.3 The Commercial Common Elements are as shown on the Tax Lot Drawings and consist of Common Elements serving only the Commercial Unit, and include, without limitation, the following:

7.3.1 mechanical shafts which service only the Commercial Unit;

7.3.2 the elevator and elevator shafts which service only the cellar and the first and second stories of the Building; and

7.3.3 the equipment rooms on the cellar floor of the Building which service the Commercial Unit.

7.4 **Limited Common Elements.**

7.4.1 Limited Common Elements are Common Elements that serve only a specified Unit or Units and thus are restricted in use to the Owner (or Owners, as applicable) of that Unit (or Units, as applicable), and/or to such other occupant(s) of the Unit(s) as the Owner(s) shall permit, subject to the right of the Board of Managers to enter upon such Limited Common Elements to make structural repairs or structural replacements thereto, and subject to the Rules and Regulations.

7.4.2 The Residential Limited Common Elements include, without limitation, the following:

(a) The railings, parapets, waterproofing and drainage elements in or on a Terrace are Residential Limited Common Elements appurtenant to the Unit to which the Terrace appertain. Accordingly, with respect to Terraces, the asphalt or other roofing material over the structural concrete roof or floor slab or other structural roof or structural floor construction material, the roof membrane, flashing, and similar waterproofing or other roofing elements protecting the interior of the Building and located under any pavers, decking or other flooring on a Terrace, as well as any railing thereon, in each case appurtenant to a Residential Unit as shown on the Tax Lot Drawings, as well as any drainage system installed in or on such Terrace, are Residential Limited Common Elements appurtenant to the Unit.

(b) Terrace enclosures or dividers are Residential Limited Common Elements appurtenant to the Unit to which the Terrace is appurtenant. If a divider or enclosure separates two (2) Terraces, both Unit Owners will be obligated to maintain and repair said divider or enclosure, with the costs to be shared equally between them unless the necessity for

such maintenance or repair was the result of the negligence of one Owner or such Owner's tenant, guest or invitee, in which case the cost shall be borne by said Owner exclusively. Any dispute as to a Unit Owner's responsibility in such situation that cannot be resolved by and between the affected Unit Owners, shall be an Arbitrable Dispute under the Condominium Documents.

(c) Doors accessing Residential Units from public corridors or from a street are Residential Limited Common Elements appurtenant to the Unit they serve.

7.4.3 Each Unit Owner of a Residential Unit to which a Terrace is appurtenant shall be obligated, at the Unit Owner's sole expense, for day-to-day maintenance, including, without limitation, cleaning of debris, snow and ice from drains therein (notwithstanding that drains may be characterized as a General or Residential or a Limited Common Element) so that water flows freely through the drains and does not back up, sweeping and vacuuming, and general cleaning, maintenance and repair of said Terrace, in accordance with the applicable provisions of this Declaration and the By-laws, and applicable law. Owners of Residential Units to which a Terrace is appurtenant will also be responsible for maintaining any decking or pavers or partitions, gates, lighting and plantings installed on that Terrace.

7.4.4 In no event shall Limited Common Elements ever include or be deemed to include load bearing walls.

7.5 The Residential Common Elements shall be maintained, repaired and replaced at the sole cost and expense of the Owner of the Residential Units. The Commercial Common Elements shall be maintained, repaired and replaced at the sole cost and expense of the Owner of the Commercial Unit.

ARTICLE 8

DETERMINATION OF PERCENTAGES IN GENERAL COMMON ELEMENTS

The percentage interest of each Unit in the General Common Elements (the "Common Interest") is as set forth on Schedule B.

Such percentages are based upon method (iv) contained in Section 339-i of the New York Condominium Act, that is, upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

ARTICLE 9

COMMON PROFITS AND EXPENSES

9.1 The common profits of the Property shall be distributed among, and the common expenses of the Property (the "Common Charges") shall be charged to, the Unit Owners according to their respective Common Interests.

9.2 Notwithstanding the provisions of Section 9.1, the common profits of the Property shall be distributed among, and the Common Expenses shall be charged to, the Unit Owners subject to the following provisions: (a) pursuant to Section 339-b of the New York Condominium Act, in charging expenses of insurance to the Unit Owners consideration may be given to premium rates which are higher on some Units than on others; (b) pursuant to Section 339-m of the New York Condominium Act, profits and expenses may be specially allocated and apportioned by the Board of Managers to one or more Commercial Units in a manner different from common profits and expenses, in accordance with the Projected Budget for First Year of Condominium Operation contained in the Offering Plan; (c) pursuant to Section 339-m of the New York Condominium Act, profits and expenses may be specially allocated and apportioned based on special or exclusive use or availability or exclusive control of particular Units or Common Elements by particular Unit Owners, in a manner different from common profits and expenses.

Notwithstanding the foregoing, the approval of the Commercial Unit Owner shall be required with respect to all matters which materially affect (i) the structural integrity of the Building, (ii) the exterior façade of the Commercial Unit, (iii) the Building systems which affect the Commercial Unit, (iv) the monetary contribution of the Commercial Unit Owner, or (v) postal operations of USPS or the use and enjoyment of the Commercial Unit, provided that (1) such approval shall not be unreasonably withheld, conditioned or delayed and (2) the approval of the Commercial Unit Owner shall not be required with respect to (A) an annual increase in Common Charges assessed against the Commercial Unit (1) if such increase, expressed as a percentage of the prior year's Common Charges assessed against the Commercial Unit, is not greater than the CPI Increase (as hereinafter defined), and (2) if such increase, expressed as a percentage of the prior year's Common Charges assessed against the Commercial Unit, is not greater than the increase in Common Charges assessed against the Residential Units, expressed as a percentage of the prior year's Common Charges assessed against the Residential Units, and (B) any allocation of funds by the Board of Managers between two or more line items in the Condominium's budget. As used herein, the term "CPI Increase" means the percentage increase in the Consumer Price Index for the first month of the Condominium's then current fiscal year over the Consumer Price Index for the first month of the preceding fiscal year of the Condominium. As used herein, "Consumer Price Index" means the Consumer Price Index published by the Bureau of Labor Statistics of the U.S. Department of Labor, All Items, New

York, New York – Northeastern, N.J., for urban wage earners and clerical workers, or any successor or substitute index appropriately adjusted.

ARTICLE 10

USE OF UNITS

10.1 So long as USPS owns the Commercial Unit, the entire Commercial Unit may be continuously used as a United States Postal Service facility (other than such portions thereof as are reasonably required for storage or office purposes in connection with such use); provided that if USPS ceases to use the Commercial Unit as a United States Postal Service Facility, USPS shall nevertheless at all times cause the Commercial Unit to be (x) well maintained in accordance with the By-Laws, (y) heated, and (z) well lit as viewed from the sidewalk adjacent to the Commercial Unit. Upon a conveyance or lease of the Commercial Unit in accordance with the terms of Section 11.3(b) hereof, the Commercial Unit may be used for any lawful purposes, except that the Commercial Unit may not be used as or for any use which is not in compliance with the current R-8 zoning of the Property, or as or for (a) the sale of alcoholic beverages (unless such sales are by a (i) restaurant or (ii) bar ancillary to a restaurant, or (iii) a retail food store, or (iv) a retail store selling alcoholic beverages on an incidental or secondary basis), (b) a massage parlor (but excluding any spa or similar operation providing massages for patrons), (c) a tattoo parlor, (d) a pornographic or erotic bookstore or video store or any "adult entertainment" use (meaning such stores or uses that are pornographic or obscene or such that, as of the date of the Original Declaration, are prohibited from permitting patrons that are under the age of eighteen (18) or the like, (e) a pinball or video game arcade, (f) a pet store, (g) a pawn, consignment or other so-called second hand shop, (h) the conduct of a business operation the principal business of which is the sale of merchandise of the types or qualities commonly known as "odd lot," "close out," "clearance," "discontinued," "cancellation," "second," "factory reject," "sample," "floor model," "demonstrator," "obsolescent," "over-stock," "distressed," "bankruptcy," "fire sale" or "damaged", (i) any purpose or business which is noxious or unreasonably offensive because of the emission of noise, smoke, dust or odors; (j) the operation of a hotel or motel or extended stay facility; (k) a "car-hop" or "carry-out" restaurant business whose customers consume food items sold for off-premises consumption; (l) banquet hall business which serves its guests on a special, catered basis as distinguished from a restaurant business open to the public at large on a random basis; (m) any "amusement operation," so-called, which term shall mean and include any activity consisting wholly or in substantial part of the furnishing of entertainment or amusement facilities, regardless of whether as a business or as a part or aspect of a business (including, without limitation, off-track betting parlors, movie theaters, "penny arcades," so-called; amusement games or devices (electronic or otherwise), "discos," so-called; so-called "strip shows," and live entertainment of any kind); or for a massage parlor; (n) any automobile or truck sales, storage, service, fueling, washing, or repair operation;

(o) any business using outdoor space in its regular operations, such as lumber yards, boat sales yards and the like; (p) any central laundry or dry cleaning plant or laundromat (except that this prohibition shall not be applicable to one on-site dry cleaning store whose primary business is the dropoff and pickup of clothing by the ultimate consumer, including dry cleaning machines as incidental supporting facilities); (q) any veterinary hospital, animal raising facilities or pet shop; (r) any training or educational facility, including, but not limited to, beauty schools, barber colleges, reading rooms, places of instruction or other operations catering primarily to students or trainees rather than to customers (except that this prohibition shall not prohibit a tenant or other operator from offering to the general public, as an incidental part of its primary retail use, activities such as book readings and computer-training sessions; (s) any auto parts store or gas or service station; (t) any operation primarily used as a storage warehouse operation; (u) any use which is a public or private nuisance; (v) mail, internet and/or telephone sales; (w) a so-called "head shop"; (x) a billiards parlor; (y) a bingo parlor or any establishment conducting games of chance; (z) a bowling alley; (aa) a funeral parlor; (bb) a discotheque or dance hall; (cc) a skating rink; (dd) an employment or placement agency; (ee) a school; (ff) a governmental or quasi-governmental bureau or department; (gg) a tenant which has diplomatic or sovereign immunity or is not subject to service of process in New York or is not subject to the jurisdiction of the courts of New York; or (hh) a check cashing service. If insurance premiums for the Condominium increase as the direct result of the nature of the business being conducted in the Commercial Unit, other than retail, restaurant or other standard, customary commercial use, the owner of that Unit shall pay the amount of the increase to the Condominium.

10.2 (a) The Commercial Unit Owner shall have the right to erect, affix, maintain, repair and/or replace signs, awnings, canopies, lights (including seasonal lighting and displays), lighting fixtures and facilities and other promotional materials or items (including, without limitation, retail storefronts) in or on any of the interior and exterior features of the Commercial Unit; provided that such signage shall not be in the form of flashing or neon lights and that such fixtures, materials or items are reasonably related to the business operations of the Commercial Unit, conform to all legal requirements governing the same and are reasonably compatible with the architectural integrity and first-class appearance and operation of the Building.

(b) Notwithstanding the terms of subdivision (a) and (b) of this Section, the signage for the Commercial Unit and the location of such signage, both as described in Schedule C to this Declaration, shall be permitted. The signage for the Residential Area and the location of such signage shall be subject to the approval of the Commercial Unit Owner, which approval shall not be unreasonably withheld.

(c) USPS will make provisions for security in the twenty-four (24) hour vestibule portion of the Commercial Unit in accordance with standards established by the Office of the Inspector General or the Postal Inspection Service, as those standards may change from time to time. In the event the Board is not satisfied with the provisions for security as provided by USPS, the Board, subject to the USPS's approval, which approval shall not be unreasonably

withheld, may place a guard in the vestibule at the sole cost and expense of the Residential Unit Owners.

(d) RC 51 undertakes to install sound attenuation equipment (the "Attenuation Equipment") in the Commercial Unit, which RC 51 shall certify to USPS and to the Board shall be sufficient to permit residential occupancy of the Residential Units in accordance with all applicable laws, ordinances, rules, regulations and codes. The maximum sound level emanating from the Commercial Unit following the installation of the Attenuation Equipment is hereinafter referred to as the "Noise Standard". The Owner of the Commercial Unit shall (i) maintain, repair and replace the Attenuation Equipment at its sole cost and expense, (ii) not make any changes in the operation of the Commercial Unit after the installation of the Attenuation Equipment which would result in a violation of the Noise Standard, and (iii) otherwise limit noise emanating from the Commercial Unit or from outside the Commercial Unit to the extent caused by its employees or invitees in accordance with the Noise Standard. Neither RC 51, the Board, any Owner or occupant of a Residential Unit nor any mortgagee of a Residential Unit shall have any claim against USPS based upon USPS's operation of a United States Postal Facility in the Commercial Unit or any noise in connection with such operation, all such claims being forever waived, unless such operation is not in accordance with the Noise Standard. A claim that the Commercial Unit Owner has violated the Noise Standard (a "Noise Claim") may be asserted by RC 51, the Board or any Owner or occupant of a Residential Unit (a "Noise Claimant") by providing to the Commercial Unit Owner reasonable supporting documentation that the noise emanating from the Commercial Unit or from outside the Commercial Unit to the extent caused by the employees or invitees of the Owner of the Commercial Unit violates the Noise Standard. Within thirty (30) days of the receipt by the Commercial Unit Owner of notice of the Noise Claim, the Commercial Unit Owner shall limit such noise so that the Commercial Unit Owner is in compliance with the Noise Standard, which shall be evidenced by reasonable supporting documentation delivered to the Noise Claimant and, if the Board is not the Noise Claimant, to the Board. If the Commercial Unit Owner fails to comply with the terms of the preceding sentence, the Noise Claimant may seek all available remedies at law and equity.

10.3 So long as the Commercial Unit is used as a Post Office serving the general public (the "Post Office Use"), no other Unit may be used for the operation of a business as to which any portion of its use is of a competitive nature with the Post Office Use, including the operation of a mail center such as a UPS store, FedEx station or the like, a mailbox facility such as Mailboxes, Etc., provided that unmanned drop boxes for FedEx, UPS, Lonestar Overnight or similar companies shall be permitted.

ARTICLE 11

ALTERATIONS, ADDITIONS AND IMPROVEMENTS; SUBDIVISION AND COMBINATION OF UNITS

11.1 (a) Subject to the further provisions hereof, and except to the extent prohibited by law, each Unit Owner shall have the right, at its own expense and without the requirement of consent of the Board, the other Unit Owner or anyone else, to make non-structural alterations, additions and improvements to the interior of its Unit. No Unit Owner shall make any structural alterations, additions or improvements, interior or exterior, ordinary or extraordinary in, to and upon its Unit, without obtaining the prior written consent of the Board, which consent shall not be unreasonably withheld or delayed in the event (i) the nature and location of such installation does not interfere materially with the use then being made of any other Unit or any Limited Common Element, (ii) the integrity of the Building shall not be adversely affected, and (iii) the Unit Owner complies with zoning requirements and all other laws, ordinances and regulations of all governmental authorities having jurisdiction; provided that USPS, so long as it owns the Commercial Unit, shall not be obligated to obtain such consent of the Board but shall otherwise be bound by the terms of this Section. Requests to the Board which have not been denied within thirty (30) days after all requisite supporting material has been supplied to the Board shall be deemed to have been approved.

(b) Excluding USPS so long as it owns the Commercial Unit, no Unit Owner shall make any structural addition, alteration, or improvement in or to its Unit without first (i) obtaining and maintaining during the course of such work such insurance as the Board may reasonably prescribe, (ii) executing and delivering to the Board an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, and (iii) executing and delivering to the Board an agreement indemnifying and holding harmless the Board, its members and officers, and all Unit Owners from and against any liability, cost or expense arising out of or connected to such work. The Unit Owner shall also bear the cost of any increased insurance premiums, as reasonably determined by the Board resulting from its alterations, additions or improvements. If any mechanic's or other lien shall be placed against any Unit as a result of any alteration or improvement or maintenance, repair or replacement made by the Owner of such Unit, the Owner making such alteration or improvement or performing such maintenance, repair or replacement shall cause such lien to be discharged of record, by bonding or otherwise, within ninety (90) days after the filing of such lien.

(c) Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit which has been approved by the Board (or for which approval is not required

hereunder) will be executed by the Board, without, however, incurring any liability on the part of the Board to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. All responsibility with respect to any such addition, alteration or improvement shall remain with the Unit Owner. The Unit Owner shall reimburse the Board for all costs and expenses reasonably incurred by the Board in connection with such application, including without limitation reasonable attorneys' fees and other professional fees.

(d) RC51 has commenced certain renovations, rehabilitations and improvements to the Building pursuant to the Offering Plan (collectively the "Residential Renovations"). Notwithstanding anything to the contrary contained herein, Sections 11.1 and 11.2 shall not apply to the Residential Renovations.

11.2 (a) Subject to any applicable building code, fire code, zoning or other requirements of governmental authorities, each Owner of a Unit shall have the right to subdivide its Unit, in which event such Unit Owner will have the right to reapportion, among the units created by such subdivision, its Common Interest, provided the aggregate Common Interest appurtenant to all of such units after such subdivision is equal to the Common Interest appurtenant to such Unit before such subdivision. Such subdivision will be reflected in a duly recorded amendment to this Declaration and the Tax Lot Drawings prepared by such Unit Owner and meeting the requirements of the New York Condominium Act. The amendment to this Declaration shall be executed by the Board, but the recording thereof and the filing of the revised Tax Lot Drawings and all costs in connection therewith shall be the obligation of the Unit Owner. Such amendment to this Declaration shall not require consent of the Board or consent of the other Unit Owners.

(b) Subject to any applicable building code, fire code, zoning or other requirements of governmental authorities, each Owner of a Unit, after having subdivided its Unit into two or more units in accordance with Section 11.2(a),shall have the right to combine two or more of such units, and to reapportion among the combined units its Common Interest, provided the aggregate Common Interest appurtenant to the combined units after such combination is equal to the Common Interest appurtenant to the applicable units before such combination. Such combination will be reflected in a duly recorded amendment to this Declaration and the Tax Lot Drawings prepared by the Unit Owner and meeting the requirements of the New York Condominium Act. The amendment to this Declaration shall be executed by the Board, but the recording thereof and the filing of the revised Tax Lot Drawings and all costs in connection therewith shall be the obligation of the Unit Owner. Such amendment to this Declaration shall not require consent of the Board or consent of the other Unit Owners.

(c) Any amendment made pursuant to this Section 11.2 shall in no event change the Common Interest of or require a physical modification of any Unit not affected by the subdivision or combination.

11.3 (a) Except as set forth in Article VIII of the By-Laws and in subdivisions (b) and (c) of this Section, a Unit Owner may sell, assign, transfer, mortgage, pledge or lease all or any part of its Unit and its proportionate interest in the Common Elements, at any time without restriction. Any conveyance of a Unit will include the Unit's Common Interest.

(b) If at any time USPS decides to sell or lease the Commercial Unit or any portion thereof (the "Available Unit"), USPS shall provide written notice (the "Notice of Sale or Lease") thereof to RC 51, which notice shall set forth (i) the date on which the Available Unit will be available for transfer or lease to RC 51, and (ii) the terms and conditions upon which USPS is offering to sell or lease the Available Unit to RC 51, including a request for RC 51 to make its best price or rent proposal, as the case may be. Following the delivery of the Notice of Sale or Lease, RC 51 may elect to purchase or lease the Available Unit, as the case may be, within thirty (30) days following the date RC 51 receives the Notice of Sale or Lease, time being of the essence. If (a) RC 51 fails to make an offer for the Available Unit in a writing delivered to USPS within thirty (30) days following the date RC 51 receives the Notice of Sale or Lease, time being of the essence, or (b) RC 51 timely delivers an offer but RC 51's offer is not acceptable to USPS, in the exercise of USPS's sole discretion, then USPS shall be free for a period of twelve (12) months following the delivery of the Notice of Sale or Lease to market the Available Unit to others on such terms and conditions as USPS may determine, provided however, that if USPS is ready and willing to accept an offer from a third party for the Available Unit previously offered to RC 51 at a purchase price or rental less than 95% of the purchase price or rental, as the case may be, proposed by RC 51, then prior to accepting such third party offer, USPS shall offer the Available Unit in writing to RC 51 at the price or rental offered by the third party (the "Subsequent Available Unit Offer"). If within ten (10) business days of receipt by RC 51 of the Subsequent Available Unit Offer, RC 51 fails to accept such Subsequent Available Unit Offer in a writing delivered to USPS by the end of such ten (10) business day period, time being of the essence, then RC 51 shall have no further right to acquire or lease, as the case may be, the specific Available Unit that was the subject of the Subsequent Available Unit Offer on any terms. This right is personal to RC 51 and cannot be exercised by any person or entity other than RC 51 or an Affiliate of RC 51. If USPS does not sell or lease, as the case may be, the Available Unit offered to RC 51 within twelve (12) months following the delivery of the Notice of Sale or Lease, the procedures set forth in this Section shall once again apply to the Available Unit previously offered to RC 51. Notwithstanding anything to the contrary contained herein, this Section 11.3(b) shall apply only to the USPS, and not to any subsequent bona fide unaffiliated owner of the Commercial Unit.

(c) USPS agrees not to offer to sell all or any of the condominium units which may hereafter be created on the second floor of the Building until the earlier of (i) the conveyance by RC 51 of at least eighty (80%) of the Residential Units, or (ii) January 16, 2024, and USPS agrees not to sell or lease all or any of its condominium units for a use which is incompatible with residential use.

11.4 No subdivision or combination made pursuant to this Article shall result in a change in the amount or quality of Common Elements directly affecting or servicing any other Unit without the prior written consent of all affected Unit Owners. References herein to the Units shall be read, as the context requires, as references to all of the Units existing from time to time.

11.5 RC 51 shall diligently complete the Residential Renovations in a workmanlike manner in accordance with the Schematic Design Drawings approved by USPS and in accordance with all applicable codes and laws. RC 51 shall cause a guarantor to provide a completion guaranty to USPS, provided that (a) such guarantor shall be the same person or entity which provides a completion guaranty, if any, to RC 51's construction lender or equity provider, and (b) the terms of such guaranty shall be substantially similar to the terms of the completion guaranty required by such lender or equity provider; provided that if such lender or equity provider does not require RC 51 to provide a completion guaranty, RC 51 shall provide to USPS a completion guaranty in a form substantially similar to the form of completion guaranty required by publicly traded commercial real estate lenders in New York City. RC 51 shall provide copies to USPS of RC 51's agreements for financing the construction of the Residential Renovations. RC 51 shall not, nor permit its contractors to, materially interfere with USPS's operations in performing the Residential Renovations. RC 51 shall procure and maintain the insurance required by its construction lender, naming USPS as an additional insured where appropriate, and RC 51 shall provide proof of such insurance upon request. USPS shall reasonably cooperate with RC 51, at RC 51's expense, in connection with the performance of the Residential Renovations.

ARTICLE 12

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York is hereby designated as agent of the Board upon whom process against it may be served. Service of process on the Secretary of State as agent of the Board shall be made by personally delivering to and leaving with him or her or his or her deputy, or with any person authorized by the Secretary of State to receive such service, at the office of the Department of State in Albany, New York, duplicate copies of such process together with the statutory fee, which shall be a taxable disbursement. Service of process on the Board shall be complete when the Secretary of State is so served. The Secretary of State shall promptly send one of such copies by certified mail, return receipt requested, to the Board of Managers, c/o Cadence Property Group LLC, 65 W. 13th Street, New York, New York 10011.

ARTICLE 13

ENCROACHMENTS

If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of any of the Buildings, or (b) alteration or repair to the Common Elements made by the Board of Managers or made by a Unit Owner in accordance with this Declaration or the By-Laws, or (c) repair or restoration of any of the Buildings (or any portion thereof) or a Unit after damage by fire or other casualty, or (d) condemnation or eminent domain proceedings of all or any portion of any of the Buildings or a 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 so long as the Buildings shall stand, provided that the creation of such encroachment was not intentional and that it does not materially impair the utilization of the portion of the Buildings encroached upon for its intended and assigned purpose.

ARTICLE 14

EASEMENTS

14.1 The Owners of the Residential Units and the residents thereof shall have a non-exclusive easement for egress over the stairways in the cellar level and first and second floors of the Building.

14.2 The Owners of the Residential Units and the residents thereof shall have a non-exclusive easement over the areas adjacent to the stairways in the cellar level and first floor of the Building, as shown on the Tax Lot Drawings, for the purpose of maintaining mechanical and utility rooms.

14.3 The Owner of the Commercial Unit shall have a non-exclusive easement for egress over the stairways on the third, fourth and fifth floors of the Building and over the areas adjacent to the stairways on the third, fourth and fifth floors of the Building, as shown on the Tax Lot Drawings, for the purpose of maintaining its HVAC equipment located in the rear yard of the Building.

14.4 RC 51 and its successors and assigns, including without limitation the Owners and residents of the Residential Units, shall have a non-exclusive easement over and upon the stairs in the Commercial Unit as fire exits.

14.5 The Board shall have an easement to inspect, use, maintain, repair, alter, remove and replace the pipes, wires, ducts, conduits and other utility lines and appurtenances serving the Residential Area wherever on the Property they may be located.

14.6 The Commercial Unit Owner shall have an easement to inspect, use, maintain, repair, alter, remove and replace the pipes, wires, ducts, conduits and other utility lines and appurtenances serving the Commercial Area wherever on the Property they may be located.

14.7 The Board of Managers shall have a right of access to each Unit, the General Common Elements, the Residential Common Elements, the Commercial Common Elements and the Limited Common Elements to inspect the same, to remove violations therefrom and to maintain, repair or replace the General Common Elements contained therein or elsewhere in the Building, provided that such right of access shall be exercised so as to minimize disturbance of the Property to the extent reasonably feasible and the affected Unit Owners and their lessees, licensees and other occupants. Such entry shall be permitted on not less than one (1) day's notice, except that no notice will be necessary in the case of an emergency.

14.8 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 each other Unit and the General Common Elements. Each Unit shall have an easement in common with the other Units for ingress and egress through all Units and all General Common Elements as required by an emergency, including without limitation an easement for egress through each lobby and entrance in the Building and over and through the area between each such entrance and the sidewalk. Each Unit shall further have easements over the General Common Elements as are reasonably necessary to allow use of said Units for the purposes set forth herein.

14.9 The Board shall have the right to grant such additional electric, gas or other utility easements or relocate any existing utility easements in any portion of the Property as the Board shall deem necessary or desirable for the proper operation and maintenance of the Building, or any portion thereof, 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. 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 easements, provided such right of access shall be exercised so as to minimize disturbance of the Property to the extent reasonably feasible and the affected Unit Owners.

14.10 Each Unit Owner whose Unit is benefited by Limited Common Elements shall have an easement of access through the General Common Elements and an exclusive easement or easement for use in common (as appropriate) for the enjoyment thereof.

14.11 In addition to the reservation of any other rights hereunder, (a) RC 51 shall have an easement upon and over the Property, including the Commercial Area, in order to complete

construction of the Residential Units and other improvements described in the Offering Plan, including, but not limited to, transportation of construction materials; provided that in no event shall the exercise of said easement have any material adverse affect on the operations of USPS in the Commercial Area or its rights hereunder, (b) RC 51 and USPS each shall have the exclusive right to grant easements over, under, through and across General Common Elements for installation of cable television lines and utilities serving the Residential Units, on the part of RC 51, or the Commercial Unit, on the part of USPS, and the General Common Elements of the Condominium, and such other equipment as may be necessary for the installation and operation of the same, and RC 51 reserves the right to install cable television lines and such other equipment as may be necessary for the installation and operation of the same in any portions of the Building, (c) RC 51 shall have an easement to install risers to connect the utility rooms in the cellar level of the Building serving the Residential Units to said Units or to equipment on the roof of the Building, provided that such connection does not interfere with the operation of USPS in the Commercial Unit or with the occupants of the Residential Units, and (d) the Commercial Unit Owner shall have an easement to install risers to connect the utility rooms in the cellar level of the Building serving the Commercial Unit to said Unit, provided such connection does not interfere with the occupants of the Residential Units.

14.12 In connection with the use and leasing of the Commercial Unit, or parts thereof, and at the sole expense of the Commercial Unit Owner, the Commercial Unit has the right and easement from time to time to install, repair, replace and/or maintain pipes, wires and utilities in any General Common Element located below-grade, on the ground level or second floor and/or to modify or alter as part of such installation or maintenance any utilities or building services which are part of the General Common Elements, provided such installation, maintenance, modification or alteration does not unreasonably interfere with the use of the Residential Units or the rights appurtenant thereto, or any General Common Element for the purpose intended and is performed in a good and workmanlike manner, in accordance with all applicable legal and warranty requirements and in a manner which is consistent with the architectural integrity and first-class appearance and operation of the Building. In the event any work performed in the Building by the Commercial Unit Owner damages or affects the Building in a detrimental way, the Commercial Unit Owner will repair the damage to the reasonable satisfaction of RC 51, provided that the RC 51 owns any Residential Unit, or thereafter the Board, or shall pay for the repair of any damage.

14.13 RC 51 and its successors, assigns or licensees shall have, and the Units and Common Elements shall be subject to, an easement (a) to erect, install, maintain and/or operate, Facilities and equipment for transmission and receipt of radio, video, cellular, Internet, satellite and/or optical frequency communications signals and/or other telecommunications Facilities and equipment, and appropriate conduits and/or wiring therefor (collectively, "**Telecommunications Facilities**"), on the Main Roof of the Building (and on appropriate other areas of the Building) for use by residents or tenants of the Building or by any other parties, and (b) to maintain any encroachment on any Unit or any Common Element resulting from the installation, operation and/or maintenance, repair, alteration, rebuilding or replacement of the Telecommunications Facilities. RC 51 will be entitled to use, assign, lease, license or

otherwise transfer its rights with respect to the foregoing easement and shall be entitled to retain all fees and income received in connection with same, and the Board of Managers shall not have any rights to such income or any portion thereof. Any installation and operation of Telecommunications Facilities shall be in accordance with applicable law. If RC 51 exercises its rights pursuant to the foregoing easement, RC 51 shall have a non-exclusive easement over and access to the Main Roof and other portions of the Building or through the core thereof for installation and maintenance of Telecommunications Facilities. Any Telecommunications Facilities installed by RC 51 pursuant to this provision shall be the exclusive property of RC 51, and neither the Board of Managers nor any Unit Owner or resident of the Building shall have any right thereto.

14.14 The user of any easement granted by this Article 14 shall have the responsibility of repairing any damage resulting therefrom. No fee or charge may be imposed by the Board for any easement granted herein.

14.15 So long as USPS owns the Commercial Unit, all easements and rights of access affecting the Commercial Unit shall be subject to USPS's normal security requirements.

ARTICLE 15

COVENANT OF FURTHER ASSURANCES

15.1 Any party subject to the terms of this Declaration, whether such party is a Unit Owner or a lessee or licensee of a Unit Owner, or the occupant of a portion of a Unit, a member of the Board of Managers, an officer of the Condominium, or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action as such other party may reasonably request, at the expense of the requesting party, 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.

15.2 If any Unit Owner, other than USPS so long as it owns the Commercial Unit, or any other party subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action which the Board of Managers, Unit Owner or such other party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, then the Board of Managers 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.

ARTICLE 16

UNITS SUBJECT TO DECLARATION, BY-LAWS AND RULES AND REGULATIONS

All provisions of this Declaration, the By-Laws and the Rules and Regulations annexed thereto, 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 every part thereof and interest therein, and all of the provisions thereof shall be binding upon and inure to the benefit of the Unit Owners, and his or its heirs, executors, administrators, 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 and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations as they may be amended from time to time. The acceptance of a deed of conveyance or the entering into of a license, lease or other agreement regarding occupancy of a Unit or any portion thereof shall constitute an agreement that the provisions of this Declaration, the By-Laws, and Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, licensee, 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 stipulated at length in each and every deed of conveyance, license, lease or other occupancy agreement.

ARTICLE 17

POWERS OF ATTORNEY

17.1 Each Unit Owner, other than USPS so long as it owns the Commercial Unit, shall grant to the persons who shall from time to time constitute the Board an irrevocable power of attorney, coupled with an interest, (i) to take all actions on behalf of the Condominium as authorized by this Declaration or by the By-Laws, and (ii) to execute, acknowledge and deliver any consent, covenant, restriction, easement or declaration or any amendment thereto affecting the Condominium or the Common Elements that the Board deems necessary to comply with applicable law, ordinance or regulation.

17.2 Each Unit Owner, other than USPS so long as it owns the Commercial Unit, shall grant to each other Unit Owner an irrevocable power of attorney, coupled with an interest, to execute, acknowledge and deliver any consent, covenant, restriction, easement or declaration or any amendment thereto which may be necessary to effectuate the purposes of Section 10.2 hereof.

ARTICLE 18

AMENDMENTS TO DECLARATION

18.1 Except for the rights of RC 51 and/or the Commercial Unit Owner set forth in this Article 18 and elsewhere in this Declaration or in the By-laws to amend this Declaration or the By-laws without the vote of any other Unit Owners with respect to modifications affecting only their own Unit(s) (and/or, with respect to RC 51, arising out of its obligations and role as Sponsor of the Offering Plan), and the right of the Board of Managers to cause this Declaration and/or the By-laws to be amended to reflect the alteration of Common Elements by the Board (or otherwise) and/or the alteration, combination or division of Unit(s) by Unit Owners (or otherwise), and to make related changes arising out of such modifications, as discussed in this Declaration and in the By-laws, this Declaration and the By-laws generally may be modified, altered, amended or added to with respect to the Residential Area only at a duly called meeting of Unit Owners, subject to the rights of Recognized Mortgagees to consent to certain amendments, as set forth in the By-laws, provided that:

(a) a notice of the meeting containing a full statement of the proposed amendment has been sent to all Unit Owners in accordance with Article III, Section 5 of the By-laws;

(b) Residential Unit Owners representing at least 66⅔% in number and Residential Common Interest of all Residential Units, voting in person or by proxy approve the amendment at the meeting; and

(c) the amendment, in the form approved at the meeting, is duly recorded in the City Register's Office.

18.2 (a) RC 51 and its successors and assigns shall have the further right, without the necessity of calling a meeting and without the prior consent of the Board of Managers, the Commercial Unit Owner, Recognized Mortgagees or any other holders, insurers or guarantors of Unit mortgages, to execute (or to require the Board of Managers to execute) and to record in the City Register's Office, an amendment to this Declaration and/or to the By-laws annexed hereto, to reflect changes in number, size, layout, etc. in Residential Units owned by RC 51 and any reapportionment of Common Interest necessitated by such change, and to file simultaneously with said amendment, any amendment to the Tax Lot Drawings necessitated by such change, pursuant to the rights of RC 51 set forth in the Condominium Documents and to reflect any related modifications arising out of such changes. In connection with the foregoing, RC 51, may, without limitation, amend this Declaration to subdivide a Unit owned by it into one or more Residential Units and combine separate Residential Units owned by it into one or more Residential Units, and in so doing, may alter boundary walls or otherwise, and may include in such reconfiguration of space any wall, public hallway or portion thereof, or any other space

abutting such Residential Unit(s) even if same comprise Residential Common Elements, and if appropriate, reapportion Common Interest among Residential Units affected by such change. However, Common Interest need not be increased in connection with such modification if the change involves incorporation of a portion of public hallway space into a Residential Unit.

(b) Commercial Unit Owner and its successors and assigns shall have the further right, without the necessity of calling a meeting and without the prior consent of the Board of Managers, or any Residential Unit Owner, Recognized Mortgagees or any other holders, insurers or guarantors of Unit mortgages, to execute (or to require the Board of Managers to execute) and to record in the City Register's Office, an amendment to this Declaration and/or to the By-laws annexed hereto, to reflect changes in number, size, layout, etc. in the Commercial Unit and any reapportionment of Common Interest necessitated by such change, and to file simultaneously with said amendment, any amendment to the Tax Lot Drawings necessitated by such change, pursuant to the rights of Commercial Unit Owner set forth in the Condominium Documents and to reflect any related modifications arising out of such changes. In connection with the foregoing, Commercial Unit Owner, may, without limitation, amend this Declaration to subdivide a Unit owned by it into one or more Commercial Units and combine separate Commercial Units owned by it into one or more Commercial Units, and in so doing, may alter boundary walls or otherwise, and may include in such reconfiguration of space any wall, public hallway or portion thereof, or any other space abutting such Commercial Unit(s) even if same comprise Commercial Common Elements, and if appropriate, reapportion Common Interest among Commercial Units affected by such change. However, Common Interest need not be increased in connection with such modification if the change involves incorporation of a portion of public hallway space into a Commercial Unit.

(c) Subject to the terms of Section 18.6, RC 51, its Affiliates and its successors and assigns shall also have the right, regardless of how many Residential Units it owns or how many other Residential Unit Owners shall exist, to amend this Declaration and the By-laws annexed hereto, and the Tax Lot Drawings, without calling a meeting, to effect changes and/or corrections consistent with RC 51's rights and obligations hereunder and/or as Sponsor under the Offering Plan, including, without limitation, to correct mathematical mistakes, scrivener's errors or inconsistencies, and/or as may be required by a Recognized Mortgagee in connection with the Construction Loan or otherwise. RC 51 shall deliver to USPS (a) a copy of any such proposed amendment to this Declaration and notice of RC 51's intent to record such amendment at least ten (10) business days prior to the submission of such amendment to the New York City Register's Office for recordation, and (b) a copy of the recorded amendment promptly following the recordation of such amendment. Notwithstanding the preceding sentence, USPS shall no right to approve, disapprove or modify any such amendment.

(d) Consent by each Unit Owner to any and all of the foregoing amendments or filings by RC 51 or a Commercial Unit Owner shall be deemed given by virtue of the fact that the Unit Owner holds title to a Unit. Such consent may be confirmed pursuant to this provision

in the text of the amendment itself, or in a confirmatory certification by an officer of the Board of Managers attached to the amendment. RC 51 may make such amendments without consent of any other party, subject to the provisions of the Construction Loan while same is outstanding. Any amendments and filings made by RC 51 or a Commercial Unit Owner pursuant to the above provisions shall be at RC 51's or such Commercial Unit Owner's sole cost and expense, unless RC 51, if applicable, shall arrange otherwise with a party on whose behalf the modifications are being made.

18.3 An instrument evidencing an amendment to this Declaration must be duly recorded in the City Register's Office. Such instrument need not contain the written consent of the required number of Unit Owners, but shall contain a certification by RC 51, the Board of Managers, or the Commercial Unit Owner, as applicable, that the consents, if any, required for such change have been received and filed with the Board of Managers or are deemed given pursuant to the terms of the Condominium Documents. With certain exceptions, as discussed above and below, the costs and expenses of preparing and recording an amendment to the Declaration pursuant to this Article 18 shall be borne by the Unit Owners as a Common Expense. If an amendment is necessitated as a result of alteration work performed by a Unit Owner, the Unit Owner shall bear the expense of preparing and recording the amendment, although the Board of Managers shall bear the responsibility of recording such amendment, provided the Board of Managers has approved same in accordance with this Declaration and the By-laws.

18.4 Any amendment affecting only the Residential Units shall be executed by RC 51 or by the Board of Managers as attorney-in-fact for the Unit Owners. The Board of Managers is hereby authorized by the Unit Owners to so act as their attorney-in-fact. The Board of Managers may require a Residential Unit Owner to execute or otherwise confirm consent to an amendment if the amendment concerns the Residential Unit Owner's Unit. Notwithstanding the foregoing, no party shall be deemed to be the attorney-in-fact for USPS.

18.5 Copies of amendments to this Declaration will be furnished by the Board of Managers to Unit Owners (as a General Common Expense) if the amendment is prepared and recorded by the Board of Managers and affects the entire Condominium or the Residential Area. Amendments filed by the Board of Managers on behalf of a Residential Unit Owner shall be duplicated and distributed to all Unit Owners at the amending Unit Owner's sole cost and expense. Amendments filed by a Commercial Unit Owner shall be duplicated and distributed to all Unit Owners by the Commercial Unit Owner at its sole cost and expense.

18.6 No amendment to this Declaration and/or the By-laws may be enacted which (i) adversely affects RC 51's or any Commercial Unit Owner's rights hereunder with respect to the sale or leasing of Units owned by it or the making of alterations, additions and improvements to Units owned by it, or (ii) which adversely affects RC 51's or any Commercial Unit Owner's rights, increases RC 51's or any Commercial Unit Owner's obligations or liabilities, changes the dimensions or description of RC 51's or any Commercial Unit Owner's Unit, Common Elements

or Limited Common Elements (other than to correct scrivener's errors), or alters any of their respective appurtenant rights or interests hereunder, in any way whatsoever, without RC 51's (with respect to RC 51's Units, Common Elements, Limited Common Elements, rights, obligations, liabilities and interests) or such Commercial Unit Owner's (with respect to such Commercial Unit Owner's Units, Common Elements, Limited Common Elements, rights, obligations, liabilities and interests) prior written consent, except that the consent of RC 51 shall not be necessary if such amendment is required in connection with a Veto-Proof Expense (as defined in the By-Laws). No amendment shall be enacted that changes the Common Interest allocated to a Unit pursuant to this Declaration, without the prior consent of all Unit Owners. The foregoing prohibition shall not be applicable, however, in the case of, and shall not prevent, a Unit Owner from reallocating Common Interest among Units it owns, in connection with the subdivision or combination of such Unit Owner's Units by that Unit Owner. Said provision shall also not prohibit RC 51, as Sponsor of the Offering Plan, from making an amendment changing Common Interest appurtenant to Units not owned by RC 51, when the modifications sought to be made are de minimus and are necessary to correct arithmetic or other errors in the calculation of Common Interest set forth in the Declaration, or (subject to the terms of the first two sentences of this Section) otherwise necessary to carry out Sponsor's obligations under the Offering Plan, and consent of all Unit Owners to such amendment shall be deemed given. RC 51 and any Commercial Unit Owner may make such alterations and amendments without the prior consent of any other Person. The consent of all other Unit Owners to any such reallocation by RC 51 or a Commercial Unit Owner of the Common Interest among its own Units in accordance with the foregoing and the applicable provisions of the Condominium Documents, shall be deemed given by the acceptance of a deed for a Unit, and Sponsor or the Commercial Unit Owner may proceed accordingly without any other consents required.

ARTICLE 19

TERMINATION OF CONDOMINIUM

19.1 The Condominium shall continue until:

(a) terminated by certain events of casualty loss, condemnation or proceedings in eminent domain as provided in the By-Laws; or

(b) terminated by withdrawal of the Property from the provisions of the New York Condominium Act by the affirmative vote of Unit Owners representing at least 80% in number and in common interest of the Unit Owners; provided that (A) no such vote shall be effective without the approval of RC 51 so long as it owns a Unit, and (B) such vote shall be subject to the rights of Recognized Mortgagees to consent, as set forth in Article XI of the By-Laws.

Such termination shall be reflected by the recording of an appropriate instrument with the City Register's Office.

19.2 In the event said withdrawal is authorized, the Property shall be subject to an action for partition by any Unit Owner or its lienor as if owned in common, in which event the net proceeds of sale shall be divided among the Unit Owners in proportion to their respective Common Interests, provided that no payment shall be made to a Unit Owner until there has first been paid out of such share of the net proceeds all liens on said Unit, in order of priority of such liens.

ARTICLE 20

SEVERABILITY

The invalidity of any provision of this Declaration or the unenforceability of any provision as against any person or under certain circumstances shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provisions had never been included herein, and shall be valid and enforced to the fullest extent permitted by law.

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 nor the intent of any provision thereof.

ARTICLE 23

GENDER

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

ARTICLE 24

ENFORCEMENT

The Board or any Unit Owner may enforce all of the provisions set forth herein by injunction or other remedy at law or in equity. Failure by the Board or by any Unit Owner to enforce any provision shall not be deemed a waiver of the right to do so subsequently. Notwithstanding anything to the contrary, for so long as USPS owns or has an interest in the Commercial Unit or any portion thereof, any conflict between this Article 24 and the CDA (as defined in Section 25.2 below) shall be controlled by the CDA.

ARTICLE 25

EXPEDITED ARBITRATION

25.1 In the event of a dispute regarding the terms of this Declaration, the By-Laws or the Condominium's Rules and Regulations between the Board, on the one hand, and either RC 51 or the Commercial Unit Owner, on the other, any party to such dispute may submit such dispute to expedited arbitration by giving all of the parties to such dispute demand therefor. The terms of the expedited arbitration shall be as follows:

(i) The total time from date of demand for arbitration to final decision shall not exceed thirty (30) days;

(ii) Within ten (10) business days after giving such demand for arbitration, the parties shall use good faith efforts to select one mutually acceptable arbitrator. If the parties are unable to agree on a mutually acceptable arbitrator within such ten (10) business day period, then either party may request, within ten (10) business days thereafter, that the American Arbitration Association (AAA) select one arbitrator from the National Panel of Real Estate Industry Arbitrators without a submittal of lists and subject to challenge only for good cause shown. The arbitrator selected shall be authorized to make a determination as to each and every component of such dispute;

(iii) All notices, consents, approvals, demands, or requests given under this Section may be made by email, facsimile or other electronic communication with a written copy sent by messenger or by overnight courier delivery service;

(iv) The arbitrator shall be instructed that the parties intend that a decision be issued within thirty (30) days after the initial demand for arbitration. The time, date, and place of the hearing (which shall be in New York County, New York) shall be set by the arbitrator in his discretion, provided that there be at least ten (10) days prior notice to the parties of the hearing;

(v) There shall be no discovery or post-hearing briefs except by order of the arbitrator;

(vi) The arbitrator shall issue his decision within ten (10) days after the close of the hearing; and

(vii) Deviations from the above time limitations shall not affect the arbitrator's authority to decide the case.

25.2 As to any dispute involving USPS, to the extent of any conflict between Section 25.1 and the provisions of the United States Contract Disputes Act of 1978 (41 U.S.C. 601-613) (the "CDA"), the provisions of the CDA shall control.

ARTICLE 26

SUCCESSORS AND ASSIGNS

The rights and obligations of a Unit Owner set forth herein shall inure to the benefit of, and be binding upon, any successor or assign of such Unit Owner.

ARTICLE 27

NOTICES

Notwithstanding anything to the contrary contained herein, notices required by this Declaration and pertaining to USPS or RC 51 shall be effective only if made in writing and sent by certified or registered mail, return receipt requested, or sent by USPS Express Mail, to the following:

RC 51: RC51 Development LLC
Address: c/o Cadence Property Group LLC
65 W. 13th Street
New York, New York 10011

Declarant: United States Postal Service
Attention: Postmaster-Manhattan
Address: 421 8th Avenue, Room 4004
New York, NY 10001-8015

with copies to:

Manager, Customer Service Operation
USPS New York-Manhattan West Side HUB
421 8th Avenue
New York, NY 10001-8015

and

Station Manager
United States Postal Service
Radio City Station
322 West 52nd Street
New York, NY 10019-9998

All such notices shall be deemed received on the date of the return receipt or acknowledgment of delivery. Each of RC 51 and USPS may change its notice address by giving thirty (30) days prior notice to the other party.

ARTICLE 28

NON-RECOURSE

Limit On USPS's Liability. Notwithstanding anything to the contrary contained in the By-Laws, this Declaration or any related agreement or instrument, all liability and claims against USPS are strictly limited to an action for equitable relief and/or for direct damages enforceable only against USPS's interest in the Commercial Unit, and in no event shall any recovery or judgment be sought or enforced against any of USPS's other assets or against any of USPS's Board of Governors, officers, employees or agents. Further, in no event shall any claimant be entitled to seek or obtain any other damages of any kind, including without limitation, consequential, indirect or punitive damages.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by duly authorized officers thereof this _____ day of _____, 201__.

UNITED STATES POSTAL SERVICE

By:_____
Name:
Title:

RC 51 DEVELOPMENT LLC

By:_____
Name:
Title:

STATE OF)
ss.:
COUNTY OF)

On the _____ day of _____ in the year 201__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she 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)
ss.:
COUNTY OF)

On the _____ day of _____ in the year 201__ before me, the undersigned, a Notary Public in and for said State, personally appeared Howard Glatzer, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

SCHEDULE A

PARCEL 1:

All that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of West 52nd Street distant, 266 feet 4 inches westerly from the corner formed by the intersection of the southerly side of West 52nd Street and the westerly side of 8th Avenue;

RUNNING THENCE southerly and parallel with 8th Avenue part of the distance through a party wall, 100 feet 5 inches to the center line of the block;

THENCE westerly along the center line of the block and parallel with the southerly side of West 52nd Street, 133 feet 8 inches;

THENCE northerly and parallel with the westerly side of 8th Avenue, 100 feet 5 inches to the southerly side of West 52nd Street;

THENCE easterly along the southerly side of West 52nd Street, 133 feet 8 inches to the point or place of BEGINNING.

PARCEL 2:

All that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of 52nd Street, distant 216 feet 8 inches westerly from the corner formed by the intersection of the southerly side of 52nd Street and the westerly side of Eighth Avenue;

RUNNING THENCE southerly parallel with Eighth Avenue and part of the distance through a party wall, 100 feet 5 inches,

THENCE westerly parallel with 52nd Street, 49 feet 8 inches;

THENCE northerly parallel with Eighth Avenue and part of the distance through another party wall, 100 feet 5 inches to the southerly side of 52nd Street;

THENCE easterly along the said southerly side of 52nd Street, 49 feet 8 inches to the point or place of BEGINNING.

The Sorting House Condominium
318 West 52nd Street
New York, New York 10019
Block 1042

SCHEDULE B

Unit Designation	Tax Lot Number	Approximate Square Footage of Unit	Number of Rooms	Location	Limited Common Elements	Percentage Interest in Common Elements
Commercial Unit a/k/a Unit 1	1601	Cellar - 11,110 1st floor - 14,837 2nd floor - 15,517	N/A	Portions of cellar level and first floor of Building, and second floor of Building	1st floor – mechanical shafts – 37 sq. ft. 2nd floor – mechanical shafts – 37 sq. ft 3rd floor – mechanical shafts – 41 sq. ft 4th floor – mechanical shafts – 39 sq. ft 5th floor – mechanical shafts – 39 sq. ft Roof – equipment rooms – 592 sq. ft	78%
Rooftop Terrace Unit						
[Residential Units]						
Total						100%

SCHEDULE C

Commercial Unit Signage and Location

EXHIBIT F

AMENDED AND RESTATED BY-LAWS
of
THE SORTING HOUSE CONDOMINIUM

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. Creation of the Condominium. The land (the "Land") located between West 51st and West 52nd Streets and between Eighth Avenue and Ninth Avenue, in the County of New York and State of New York, more particularly described on Schedule A of the Amended and Restated Declaration of Condominium (the "Amended Declaration") recorded in the Office of the City Register (the "City Register's Office") simultaneously herewith, and the Building (the "Building") currently existing on said Land and to be constructed on said Land have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act") by the recording of the Declaration of Condominium and By-Laws on January 16, 2014 in CRFN 2014000021977 (the "Original Declaration"), thereby creating THE SORTING HOUSE CONDOMINIUM (the "Condominium"). Unless otherwise provided herein, all terms used in these By-Laws shall have the same meaning as ascribed thereto in the Amended Declaration.

Section 2. Applicability of By-Laws. The provisions of these By-Laws shall govern the operation of the Condominium and the use and occupancy thereof. The term "Property" as used herein shall include the Land, the Building and all other improvements thereon (including the Units and the Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of the New York Condominium Act.

Section 3. Application. All present and future owners, mortgagees, lessees and occupants of Units, and any other persons who may use the facilities of the Property in any manner, are subject to these By-Laws, the Declaration and the Rules and Regulations attached hereto as Schedule A, each as amended from time to time.

Section 4. Office. The office of the Condominium and of the Condominium Board of Managers shall be located at the Property or at such other place, reasonably convenient thereto, as may be designated from time to time by the Board of Managers.

ARTICLE II

CONDOMINIUM BOARD OF MANAGERS

Section 1. Number and Term.

(a) The affairs of the Condominium shall be governed by the Condominium Board of Managers (the "Board" or "Board of Managers"). The Board will consist of three (3) members (the "Members"), who shall be elected by the Owners of the Residential Units.

(b) The initial Board shall be elected at the first meeting of Unit Owners, and shall serve until the first annual meeting of Unit Owners, or until their successors are elected. Thereafter the Board shall be elected annually at the regular meeting of Unit Owners, to serve for one year, or until their successors are elected.

(c) The Sponsor, as the owners of the unsold Residential Units, may have voting control of the Condominium Board of Managers, except that the Sponsor may not control such Board after the later of the third anniversary of the date of the first closing of title to a Residential Unit, or 120 days after the closing of title to ninety (90%) percent of the Residential Units, but in no event later than the fifth anniversary of the first closing of title to a Residential Unit. The Sponsor shall designate all three (3) members of the Board until the first annual meeting of Unit Owners, at which time one of the members designated by the Sponsor shall resign and one (1) member will be elected by the then Residential Unit Owners other than the Sponsor.

Section 2. Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all acts and things on behalf of the Condominium except those which by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. The powers and duties of the Board of Managers shall be subject to the last paragraph of this Section and shall include, but shall not be limited to, the following:

(a) Operation, care, upkeep and maintenance of the Common Elements.

(b) Determination of the Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property, subject to the terms of Article VI.

(c) Collection of Common Charges and assessments from the Unit Owners, and imposition and collection of reasonable late charges for late payment thereof.

(d) Employment and dismissal of a managing agent and other personnel necessary for the maintenance and operation of the Common Elements.

(e) Adoption and amendment of Rules and Regulations covering the details of the operation and use of the Common Elements; provided that no Rules or Regulations may

adversely and materially interfere with the use and enjoyment of the Units or the day-to-day operation of the Post Office in the Commercial Unit.

(f) Opening and maintaining bank accounts on behalf of the Condominium and designating the signatories required therefor. The Condominium may authorize a manager or managing agent to be the signatory on such accounts, and shall cause all officers or employees having fiscal responsibilities to be bonded, as it deems appropriate.

(g) Obtaining and reviewing of insurance for the Condominium pursuant to the provisions of Article VII, Section 1 hereof.

(h) Adjusting and settling claims under insurance policies obtained pursuant to Article VII Section 1 and executing and delivering releases on settlement of such claims on behalf of all Unit Owners, all holders of mortgages or other liens on the Units and all owners of any other interest in the Property.

(i) Making of repairs, additions and improvements to, or alterations of, the Common Elements and repairs to and restoration of the Common Elements in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(j) Exercising on behalf of the Condominium all powers conferred on it by law and by the Declaration, except as specifically vested in the Unit Owners to the exclusion of the Board.

(k) Subject to the security requirements of USPS so long as it owns the Commercial Unit, entering Units during reasonable hours to the extent necessary for the operation of the Condominium or for making emergency repairs necessary to prevent damage to the Common Elements. In connection with such entry the Board shall make reasonable efforts to minimize interference with the occupants of the Unit. Unless the Board reasonably feels that an emergency requires otherwise, no action shall be taken under this subsection (k) until the affected Unit Owner has been afforded notice of, and a reasonable opportunity to cure, the alleged condition or violation.

(l) Purchasing supplies and equipment, entering into contracts and generally having the powers of a manager in connection with the operation of the Condominium.

(m) Bringing and defending actions pertinent to the operation of the Condominium and the enforcement of the Declaration, these By-Laws and any Rules and Regulations adopted by the Board.

(n) Borrowing money and thereby incurring debt on behalf of the Condominium in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations, improvements or additions to or alterations of, the Residential Common Elements, working capital, bad debts and unpaid Common Charges, depreciation, obsolescence or similar purposes, or otherwise in connection with any permitted action or

activity of the Board. However, (a) the consent of Residential Unit Owners representing a majority in number and Common Interest authorized to vote and present in person or by proxy and voting at a meeting duly called and held for such purpose in accordance with the provisions of these By-laws, shall be required for the borrowing of any sum more than $75,000 in any one fiscal year in 2016 Equivalent Dollars (regardless of the balance of loans outstanding from previous years) and (b) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant Common Interest without the consent of the Owner of the Unit so affected, subject to the provisions of subparagraph (p) below. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this subparagraph (n) or elsewhere in these By-laws is not repaid by the Board, a Residential Unit Owner who pays to the creditor such Residential Unit Owner's proportionate share of the sum based on such Residential Unit Owner's Common Interest, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Residential Unit Owner's Unit. The foregoing sentence shall be deemed incorporated into each and every loan agreement or promissory note entered into or made by the Board of Managers pursuant to the authority granted it in the Condominium Documents.

(o) Borrowing money on behalf of the Residential Area when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, the Residential Area or otherwise in connection with any permitted action or activity of the Board with respect to the Residential Area, provided, however, that (i) the consent of Residential Unit Owners representing at least 66-2/3% in Residential Common Interest authorized to vote and present in person or by proxy at a meeting duly called and held for such purpose in accordance with these By-laws, shall be required for any borrowings in excess of the aggregate amount of $75,000 in 2016 Equivalent Dollars (including the pro rata share of the Residential Area with respect to any borrowing made by the Board of Managers pursuant to Section 2(n) of this Article) in any one fiscal year (regardless of the balance of any loans outstanding from previous years), (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant Common Interest without the consent of the Owner of such Unit, and (iii) no Commercial Unit Owner will be liable for repayment of any portion of any such loan. If any sum borrowed by the Board pursuant to the authority contained in this subparagraph (o) is not repaid by the Board, a Residential Unit Owner who pays to the creditor an amount equal to said Unit Owner's Residential Common Interest of the total amount owed, shall be entitled to obtain from the creditor a release of any judgment or any lien which said creditor has filed or has the right to file against such Residential Unit Owner's Unit.

(p) Any borrowing under subparagraphs (n) or (o) of this Section 2 shall be subject to the following conditions:

(i) no lien to secure repayment of any sum borrowed may be created on any Unit or its Common Interest without the consent of the Unit Owner and its mortgagee(s);

(ii) if any sum borrowed by the Board on behalf of the Condominium pursuant to the authority contained in this paragraph is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as its Common Interest bears to the Common Interests of all the Unit Owners shall be entitled to obtain from a creditor a release of any judgment or other lien which said creditor shall have the right to file against the Unit Owner's Unit, and the other Unit Owners shall cooperate in all ways necessary in order to obtain such release;

(iii) subject to the consent of each mortgagee of a Unit, the Board, on behalf of the Unit Owners, may incur debt to provide for major and minor maintenance, repairs, additions, improvements, replacements, working capital, bad debts and unpaid common expenses, depreciation, obsolescence and similar purposes, provided that (1)such debt is incurred no earlier than the fifth anniversary of the first conveyance of a Residential Unit following the recording of the Amended Declaration and (2) the incurrence of such debt shall require the consent of all Unit Owners; and

(iv) subject to the consent of each mortgagee of a Unit, in connection with a debt incurred by it, the Board, on behalf of the Unit Owners, may (1) assign the rights in and to receive future income and Common Charges, (2) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds, (3) agree that, to the extent of any amounts due under any of the provisions of the agreements under which the debt was incurred and subject to the provisions of subdivision two of Section 339-l of the Real Property Law, all Common Charges received and to be received by it, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and the same shall be expended for such purpose before expending any part of the same for any other purpose, and (4) agree that at the lender's direction it will increase Common Charges assessed against Residential Units (but not against the Commercial Unit) to the extent necessary to pay any amount when due under any of the provisions of the agreements under which the debt was incurred. The preceding sentence shall not be construed to authorize the Board to create a lien on the Common Elements. Any such assignment may provide that, in the event of a default, the lender shall have the right of the Board to file liens in the lender's name on Residential Units (but not the Commercial Unit) for unpaid Common Charges pursuant to Sections 339-z and 339-aa of the Real Property Law and the right to foreclose such liens pursuant to Section 339-aa of the Real Property Law.

(q) Establishing a reserve fund to be used only for capital expenditures.

(r) Levying fines against the Unit Owners for violations of the Rules and Regulations established by it to govern the conduct of the Unit Owners as provided in Article VII Section 5 of these By-Laws, and such fines may be collected as if they were additional Common Charges owed by the Unit Owner against whom such fines were levied.

Notwithstanding anything set forth above, the Board must undertake the expenditure of any amounts reasonably necessary to comply with applicable laws and regulations.

Any action of the Board which exclusively benefits one or more Unit Owners shall be taken at the sole expense of said affected Unit Owners. The Board may not, without the written consent of a Unit Owner, take any action which materially and adversely affects such Unit Owner unless the Declaration or these By-laws specifically permit the taking of such action.

Notwithstanding anything to the contrary contained in the Condominium Documents, so long as RC 51 or its designee(s) owns Residential Units representing at least 25% in Residential Common Interest, but in no event for longer than a period ending five (5) years after the date of the First Unit Closing (such period referred to as the "Veto Control Period"), the Board of Managers may not, without the prior written consent of RC 51 and its designee(s), (1) make or permit to be made any addition, alteration or improvement to the General Common Elements or Residential Common Elements except those required by law, (2) assess any Common Charges or special assessments for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of the amounts of such funds, if any, set forth in Schedule B to the Offering Plan, (3) increase the number or change the type of employees from those described in Schedule B to the Offering Plan, (4) enter into any service or maintenance contract for work that is not required by law or provided for in Schedule B to the Offering Plan, (5) borrow money on behalf of the Condominium, or (6) exercise a right of first refusal to purchase or lease a Unit. RC 51's consent to the foregoing shall not be withheld for expenses described in Schedule B to the Offering Plan or required (a) to comply with applicable law or regulations, (b) to remedy any violation which it is the responsibility of the Board of Managers to cure, or (c) to remedy any work order of an insurer (each, a "Veto-Proof Expense). Subject to the foregoing, RC-51 and its designee(s) shall have the right to withhold its consent to any of the foregoing actions.

Without limiting the foregoing, the approval of the Commercial Unit Owner shall be required with respect to all matters which materially affect (i) the structural integrity of the Building, (ii) the exterior façade of the Commercial Unit, (iii) the Building systems which affect the Commercial Unit, (iv) the monetary contribution of the Commercial Unit Owner, or (v) postal operations of USPS or the use and enjoyment of the Commercial Unit, provided that (1) such approval shall not be unreasonably withheld, conditioned or delayed and (2) the approval of the Commercial Unit Owner shall not be required with respect to (A) an annual increase in Common Charges assessed against the Commercial Unit (1) if such increase, expressed as a percentage of the prior year's Common Charges assessed against the Commercial Unit, is not greater than the CPI Increase (as hereinafter defined), and (2) if such increase, expressed as a percentage of the prior year's Common Charges assessed against the Commercial Unit, is not greater than the increase in Common Charges assessed against the

Residential Units, expressed as a percentage of the prior year's Common Charges assessed against the Residential Units, and (B) any allocation of funds by the Board of Managers between two or more line items in the Condominium's budget. As used herein, the term "CPI Increase" means the percentage increase in the Consumer Price Index for the first month of the Condominium's then current fiscal year over the Consumer Price Index for the first month of the preceding fiscal year of the Condominium. As used herein, "Consumer Price Index" means the Consumer Price Index published by the Bureau of Labor Statistics of the U.S. Department of Labor, All Items, New York, New York – Northeastern, N.J., for urban wage earners and clerical workers, or any successor or substitute index appropriately adjusted.

Section 3. Managing Agent and Manager.

(a) The Board may employ a managing agent or manager at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including but not limited to the duties listed in subdivisions (a), (c), (d), and (l) of Section 2 of this Article II. The Board may delegate to the manager or managing agent all of the powers granted to the Board by these By-Laws, other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j), (k), (m), (n), (o), (p), (q) and (r) of Section 2 of this Article II.

(b) The compensation for the managing agent and/or manager will be at a competitive rate. Any agreement with a manager or managing agent shall be for a term not to exceed three (3) years. Any agreement with a manager or managing agent shall provide that the books and records of the Condominium shall be returned to the Board by the manager or managing agent upon demand.

Section 4. Removal.

(a) Any Member may be removed from the Board without cause by the Unit Owner which elected him or her.

(b) A Member may be removed from the Board for "Cause" (as hereinafter defined) by a majority of the Unit Owners in Common Interest. As used herein, "Cause" shall mean (i) conviction of a felony, (ii) conviction of any lesser crime or offense involving the property of the Condominium, or (iii) willful misconduct or gross negligence in connection with the performance of his or her duties as a Member.

(c) In the event of the death, resignation or removal of a Member, a successor shall be selected by the Unit Owner which would then be entitled to elect him or her, and such successor shall serve for the unexpired term of his or her predecessor.

Section 5. Vacancies. Vacancies of Members shall be filled only by the Unit Owner which is then entitled to elect the Member.

Section 6. Regular Meetings. Meetings of the Board may be called by the President of the Condominium or by a majority of the Members, upon at least three (3) business days' notice to the other Members. Each Member shall be entitled to cast one vote with respect to each question upon which the Board votes.

Section 7. Waiver of Notice. Any Member may at any time waive notice of any meeting of the Board in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Board shall constitute a waiver of notice by him or her of the time and place thereof. Any one or more Members of the Board or any committee thereof may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. If all Members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 8. Quorum of Board; Action by Board

(a) At all meetings of the Board, the presence of at least two (2) Members shall constitute a quorum for the transaction of business. If at any meeting of the Board there shall be 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.

(b) Subject to the provisions of Section 2 of this Article II, the votes of a majority of the Members of the Board shall constitute the decision of the Board.

(c) Any action required or permitted to be taken by 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 proceedings of the Board.

Section 9. Fidelity Bonds. The Board shall obtain adequate fidelity bonds for the Members, officers of the Condominium, any managing agent or manager and any other employees handling or responsible for Condominium funds. The premiums on such bonds shall constitute a common expense.

Section 10. Compensation. No Member shall receive any compensation from the Condominium for acting as such.

Section 11. Liability of Managers.

(a) No Member or officer of the Condominium shall have any personal liability to the Condominium or to any Unit Owner for damages for any breach of duty in his or her capacity as Member or officer, provided that this provision does not eliminate or limit the

liability of a Member or officer if a judgment or other final adjudication adverse to him or her establishes (a) that his or her acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

(b) The Condominium, through the Unit Owners, shall indemnify to the fullest extent permitted by law any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any Member or officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that he, his testator or intestate, was a Member or officer of the Condominium or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity; provided that no indemnification may be made to or on behalf of any Member or officer if a judgment establishes that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled. The payments contemplated to be made to any person entitled to the benefit of the indemnification provisions provided for herein shall be made from time to time on an ongoing basis as expenses are incurred by an indemnified party. Notwithstanding the foregoing, the Commercial Unit Owner shall have no liability for any portion of the indemnification obligation under this subdivision if the action taken by the Member or Officer of the Condominium which is the subject of such action or proceeding related solely to the Residential Area.

(c) The Unit Owners shall indemnify and hold harmless each of the Members against all contractual liability to others arising out of contracts made by the Board on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the Members shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the Members shall be limited to such proportion of the total liability thereunder as its Common Interest bears to the Common Interests of all Unit Owners. Every agreement made by the Board on behalf of the Condominium shall provide that the Members are acting only as agent for the Unit Owners and shall have no personal liability thereunder. Notwithstanding the foregoing, the Commercial Unit Owner shall have no liability for any portion of the indemnification obligation under this subdivision if the contract in question relates solely to the Residential Area.

(d) Each Unit Owner's liability pursuant to this Section 11 shall be limited to such proportion of the total liability thereunder as its Common Interest bears to the Common Interests of all Unit Owners.

ARTICLE III

UNIT OWNERS

Section 1. First Meeting. The first meeting of Unit Owners shall take place on the first anniversary of the recording of the Amended Declaration.

Section 2. Annual Meetings. Annual meetings shall be held not more than sixty (60) days nor less than thirty (30) days before the beginning of the Condominium's fiscal year, at a time and place specified in a notice given by the Board.

Section 3. Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board.

Section 4. Special Meetings. It shall be the duty of the President of the Board of Managers to call a special meeting of all Unit Owners or the Residential Unit Owners (a) if so directed by resolution of the Board of Managers, or (b) upon a petition signed and presented to the Secretary by not less than 25% in number of all Unit Owners, with respect to calling meetings of all Unit Owners, or (c) upon the written request of the Commercial Unit Owner. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record at the Property or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary, at least thirty (30) but not more than forty (40) days prior to such meeting. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or these By-Laws, the notice of meeting shall be mailed at least thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 6. Quorum. The presence at a meeting in person or by proxy of a majority of the Unit Owners, in number only, shall constitute a quorum at all meetings of Unit Owners.

Section 7. Majority of Unit Owners. As used in these By-laws the term "majority of Unit Owners" shall mean those Owners of Units representing more than 50% of the total authorized votes of all Unit Owners. The term "majority of Residential Unit Owners" shall mean those Owners of Residential Units representing more than 50% of the total authorized votes of all Residential Unit Owners. In all cases, such majority must be present in person or by proxy and voting in favor of one position at any meeting of the Unit Owners or at a separate meeting of the Residential Unit Owners, as applicable, in order to constitute a valid vote of a majority of the Unit Owners or of the Residential Unit Owners, as the case may be, when such vote is required.

Section 8. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum has not attended, the Unit Owners who are present at such meeting may adjourn such meeting from time to time, without further notice to the absent Unit Owners, until a quorum is present or represented. Alternatively, written notice of the time and place of the reconvening of an adjourned meeting may be given to each Unit Owner, not less than five (5) business days before such reconvening to which no quorum requirement shall then apply. However, no vote of the Unit Owners shall constitute the consent of any Unit Owner not voting with the prevailing side at that time, if such consent is required under the Declaration.

Section 9. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

(a) Roll call.

(b) Proof of notice of meeting.

(c) Reading of minutes of preceding meeting.

(d) Reports of officers.

(e) Report of Board of Managers.

(f) Reports of committees.

(g) Election of inspectors of election (when so requested).

(h) Election of members of the Board of Managers (when so required).

(i) Unfinished business.

(j) New business.

Section 10. Voting.

(a) Each Unit Owner (except the Board of Managers or its designee voting at a meeting to elect members of the Board of Managers but including RC 51 and its

designee(s) with respect to each Unit they own), shall be entitled to cast one (1) vote either in person or by proxy for each Unit owned by said Owner, for each item voted upon at each meeting of all Unit Owners. Accordingly, the total number of votes that may be cast at meetings of all Unit Owners is equal to the number of Units in the Condominium.

(b) Each Residential Unit Owner (including RC 51 and its designee(s) with respect to each Residential Unit they own), shall be entitled to cast one (1) vote, either in person or by proxy, for each .0001% of Residential Common Interest attributable to said Owner's Residential Unit(s), for each item voted upon at each meeting of all meetings of Residential Unit Owners. Accordingly, the total number of votes that may be cast at all meetings of Residential Unit Owners is 1,000,000. Votes attributable to one Unit may not be split or cumulated.

(c) Each Commercial Unit Owner (including RC 51 and its designee(s) with respect to each Commercial Unit they own) shall be entitled to cast one (1) vote, either in person or by proxy, for each .0001% of the proportion that the Common Interest attributable to such Unit's Owner's Commercial Unit bears to the aggregate Common Interest attributable to all Commercial Units, for each item voted on at all meetings of Commercial Unit Owners. Accordingly, the total number of votes that may be cast at all meetings of Commercial Unit Owners is 1,000,000. Votes attributable to one Unit may not be split or cumulated.

Section 11. Action by Unit Owners. The vote of a majority of Unit Owners, in number only, shall be required to take any action at any meeting of Unit Owners, except (a) where in the Declaration or these By-Laws or by law, a greater vote is required, or (b) where in the Declaration or these By-Laws the Commercial Unit Owner's approval is required.

Section 12. Action Without Meeting. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if, upon not less than thirty (30) days prior notice to all Unit Owners, Unit Owners sufficient in number and in Common Interest to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or these By-laws consent in writing to the adoption of a resolution authorizing such action and such writing is filed with the records of the Condominium, subject to the Commercial Unit Owner's approval where required in the Declaration or these By-Laws.

ARTICLE IV

OFFICERS

Section 1. Designation. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board. The Board may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other Officers, must be Members of the Board.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by vote of the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. President. The President shall be the chief executive officer of the Condominium. He or she shall preside at all meetings of the Unit Owners and of the Board. He or she 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 representatives of the Unit Owners from time to time as he may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Condominium. The President shall be an ex-officio member of all committees of the Board.

Section 4. Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board or by the President, and shall have such other powers and duties as are usually vested in the office of vice president of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 5. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board; he or she shall have charge of such books and papers as the Board may direct; and he or she shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 6. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping or supervising the keeping of full and accurate financial records and books of account showing all receipts and disbursements necessary for the preparation of all required financial data. He or she shall be responsible for the deposit of all funds and other securities in the name of the Board, or the managing agent, in such depositories as may from time to time be designated by the Board, and he or she shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York. He or she shall disburse Condominium funds in the manner directed by the Board, making proper vouchers for all disbursements. He or she shall submit to the President and Board, at regular meetings of the Board or whenever they may require it, an account of all of his or her transactions as Treasurer, as well as the financial condition of the Condominium.

Section 7. Removal or Resignation of Officers. Any officer may be removed from office at any time by the Board, with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified

therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8. **Agreements, Deeds, etc.** The Board shall designate such officers or other persons, singly or in combination, to execute agreements, deeds, leases, checks and other instruments on behalf of the Condominium.

Section 9. **Compensation of Officers.** No officer shall receive any compensation from the Condominium for acting as such.

ARTICLE V

NOTICES

Section 1. **Notices.** All notices required or desired to be given hereunder (except for notices of regular annual or special meetings of the Unit Owners and except all meetings of the Board) shall be sent by registered or certified mail, return receipt requested, postage prepaid, or by reputable overnight courier service, addressed: (i) if to the Board, to the principal office of the Board or to such other address as the Board may hereafter designate from time to time;(ii) if to a Unit Owner, to the Property address of such Unit Owner or to such other address as may have been designated from time to time, in writing, to the Board; or (iii) if to a mortgagee, to the address designated by said mortgagee from time to time, in writing, to the Board. All notices shall be deemed to have been given (a) if mailed, on the date of receipt, and (b) if by reputable overnight courier, when received. As of the recording of the Amended Declaration, notice addresses are as follows:

Board of Managers: Address:	c/o Cadence Property Group LLC 65 West 13th Street New York, NY 10011
Commercial Unit Owner: Attention: Address:	United States Postal Service Postmaster-Manhattan 421 8th Avenue, Room 4004 New York, NY 10001-8015

with copies to:

Manager, Customer Service Operation
USPS New York-Manhattan West Side HUB
421 8th Avenue
New York, NY 10001-8015

and

Station Manager
United States Postal Service
Radio City Station
322 West 52nd Street
New York, NY 10019-9998

Section 2. Waiver of Service of Notice. Whenever any notice is required to be given by law or under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

Section 3. Consents and Approvals. All requests for consents and approvals under these By-Laws shall be given by written notice.

ARTICLE VI

COMMON CHARGES AND ALLOCATION OF EXPENSES

Section 1. Determination of Common Expenses and Fixing of Common Charges. (a) The Board shall from time to time, at least annually: (i) prepare a budget for the Condominium for the following year in the form annexed hereto as Schedule B; provided that each line item in the Condominium budget shall not exceed then current market rate amounts for such line items in Manhattan projects of a scope and size similar to the Condominium; (ii) reasonably determine the amount of the Common Charges payable by the Unit Owners to meet the common expenses of the Condominium (as defined in Section 339-e of the Real Property Law of the State of New York and determine the portion of General Common Expenses to be paid by Residential Unit Owners as part of their Residential Common Charges and, subject to the terms of Article VI, Section 1(b), the portion of General Common Expenses to be paid by the Commercial Unit Owner as part of its Commercial Common Charges); and (iii) allocate and assess such Common Charges among the Unit Owners in accordance with the Declaration. The Board shall apply all funds according to the approved budget, subject to re-allocation between categories in the approved budget. The Board shall advise all Unit Owners promptly, in writing, of the amount of Common Charges payable by each of them as determined by the Board as aforesaid and, not later than thirty (30) days next preceding the date upon which the first monthly installment of newly-determined Common Charges is due, shall furnish copies of such budget on which such Common Charges are based, to all Unit Owners. The Board may revise the budget during

the fiscal year to provide for unforeseen expenses, provided that any such revised budget shall be subject to the approval of the Commercial Unit Owner, if such budget results in a percentage increase in the Common Charges assessed against the Commercial Unit in excess of the CPI Increase (which in this event shall be the percentage increase in the Consumer Price Index for the month in which such revised budget is adopted over the Consumer Price Index for the first month of the Condominium's then current fiscal year), which approval shall not be unreasonably withheld, conditioned or delayed. Upon request of any Unit Owner, the Board will provide reasonable detail with respect to the budget, including a breakdown of budget categories and a comparison of the budget to actual expenses of the Condominium.

(b) The initial Condominium Operating Budget will be the First Year's Budget set forth in the Offering Plan, as same may be amended from time to time. Unless and until the Commercial Unit Owner agrees otherwise, the allocation of General Common Expenses between the Residential Area and the Commercial Area in a particular year's Condominium Operating Budget shall be made on the same basis as contained in the First Year's Budget, as said basis is explained in the Notes attached thereto. Expenses attributable exclusively to the maintenance and operation of the Residential Area shall be borne by Residential Unit Owners and expenses attributable exclusively to maintenance and operation of the Commercial Area shall be borne by the Commercial Unit Owner. The portion of General Common Expenses attributable to the Residential Area shall be allocated among Residential Units based on Residential Common Interest. Any changes in categories of expenses or method of allocation from those set forth in the First Year's Operating Budget that would materially and adversely affect the Commercial Unit or the Commercial Unit Owner, may not be adopted without the prior written consent of the Commercial Unit Owner, which consent may be withheld in the reasonable discretion of such Owner.

(c) Notwithstanding anything to the contrary contained in this Section 1, as permitted by Section 339-m of the New York Condominium Act, certain General Common Expenses will be allocated to the Commercial Unit, as set forth in the proposed First Year's Budget contained as Schedule B of the Offering Plan, on a basis other than the Commercial Unit's Common Interest.

(d) All costs and expenses which are incurred by the Board for the repair, maintenance and operation of a particular Unit or Units, as the case may be, shall be borne solely by the owner(s) of such Unit(s). Notwithstanding this section, the power of the Board is subject to the restrictions contained in Section 2 of Article II.

Section 2. **Special Assessments.** In addition to the foregoing duty to determine the amount of and assess Common Charges, the Board shall have the right to levy special assessments each year to meet unforeseen common expenses not set forth in the budget for such year, provided that if such expenses (exclusive of emergency expenses as are reasonably determined by the Board to be necessary to prevent imminent harm to persons or property) in the aggregate exceed $10,000 in 2016 Equivalent Dollars in the applicable year, then the Commercial Unit Owner shall not be responsible for paying any portion of such excess unless the Commercial Unit Owner shall have approved of such excess in writing,

such approval not to be unreasonably withheld. With respect to an expense which exclusively or specially benefits one Unit or more than one Unit but fewer than all Units, the special assessment shall be allocated and assessed against the Unit or Units which are so benefited. With respect to an expense which benefits all Units, the special assessment shall be allocated and assessed against all Units in the same manner as other common expenses, and may be payable either in one lump sum or in installments, as the Board shall determine, provided, however, that the Board shall give each Unit Owner not less than thirty (30) days' written notice prior to the date upon which such special assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purposes thereof. The Board shall have all rights and remedies for the collection of special assessments as are provided herein for the collection of Common Charges.

Section 3. Payment of Common Charges. Each Unit Owner shall be obligated to pay the Common Charges assessed by the Board pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board shall determine. The Board may also impose a reasonable late charge for late payment of Common Charges, which shall be added to the Unit Owner's Common Charges due on the first day of the following month, and which shall be a lien upon the Unit Owner's Unit if not paid.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against the Unit subsequent to a sale, transfer or other conveyance. A purchaser of a Unit shall be liable for the payment of Common Charges assessed and unpaid against such Unit prior to the acquisition by it of such Unit except that, to the extent permitted by law, a mortgagee acquiring title to a Unit pursuant to the remedies contained in the mortgage or otherwise, or other purchaser of a Unit at a foreclosure sale of such Unit, shall not be liable for, and such Unit shall not be subject to a lien for, the payment of Common Charges assessed prior to such acquisition or foreclosure sale.

Section 4. Default in Payment of Common Charges. In the event any Unit Owner shall fail to make prompt payment of its Common Charges or any assessment as determined by the Board, such Unit Owner shall be obligated to pay interest at the rate of 18% per annum on such unpaid Common Charges computed from the due date thereof, in addition to any late fee which may have been imposed pursuant to Section 3 of this Article VI, together with all expenses, including attorneys' fees, paid or incurred by the Board in any proceeding brought to collect such unpaid Common Charges or assessments or in an action to foreclose the lien on such Unit arising from said unpaid Common Charges or assessments; provided that so long as USPS owns the Commercial Unit, no lien hereunder may be filed against the Commercial Unit. The Board shall have the right and obligation to attempt to recover such Common Charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A lien for non-payment of Common Charges granted pursuant to Section 339-z has priority over all other liens except (i) liens for taxes on the Unit in favor of any assessing unit, school district, special district, county or other taxing unit, and (ii) all sums unpaid on a first mortgage of record.

Section 5. Statement of Common Charges. The Board (or managing agent on its behalf) shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit Owner.

Section 6. Prompt Payment Act. Notwithstanding anything to the contrary contained herein, USPS's liability for late payment or non-payment, and the Board's remedies, shall be governed exclusively by the Prompt Payment Act, 31 U.S.C. 3901 et seq.

ARTICLE VII

OPERATION OF THE PROPERTY

Section 1. Insurance.

(a) Insurance Required

The Board shall obtain and maintain, to the extent available, the following insurance:

(i) "All-risk" or "special form" policy insuring against fire and other hazards, insuring the Building, the Units, the Common Elements and the Limited Common Elements (the "Property Insurance"). The Property Insurance shall cover the interest of the Condominium, the Board and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to one hundred percent (100%) of the current replacement cost of the Common Elements of the Building, without deduction for depreciation, with loss payable to the Board, as insurance trustee for each Unit Owner and the holder of each Unit's mortgage. The Property Insurance shall also fully and adequately insure against fire and the risks covered by: (A) the "all risk" coverage endorsement (covering, without limitation, terrorism, flood and earthquake); (B) soft costs coverage; (C) demolition and increased cost of construction, due to changes in building laws; (D) full replacement cost coverage endorsement; and (E) all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "special cause of loss form" endorsement. The Property Insurance shall not cover damage to any furniture, fixture or other personal property in a Unit. The Property Insurance shall provide that adjustment of loss shall be made by the Board and that the net proceeds thereof shall be payable to the Board as trustee for each Unit Owner and the holder of each Unit's mortgage. Each Unit Owner, by accepting delivery of the deed to its Unit ("Unit Deed"), appoints the Board as Insurance Trustee (or any Insurance Trustee or Substitute Insurance Trustee designated by the Board) as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the

performance of all other acts necessary to accomplish such purpose. he Property Insurance shall provide that the insurance will not be prejudiced by any acts or omissions of individual Unit Owners and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all Unit Owners and mortgagees of Units, and recovery thereunder shall not be affected on account of the availability of proceeds under any polices obtained by individual Unit Owners covering their own Units and shall include a Special Condominium Endorsement (so called) or its equivalent. A certificate of insurance, showing the amount of insurance, shall be issued to the Owners of each Unit and the original or a certificate thereof shall, upon request, be delivered to the mortgagee of each Unit;

(ii) Worker's compensation insurance if the Board shall have any employees;

(iii) Commercial general liability covering all Common Elements written on an occurrence basis under which the Board is the named insured party, in the broadest form of such coverage from time to time available. Each such policy shall be non-cancelable and non-amendable with respect to any additional named insured parties without at least thirty (30) days' prior notice to each such party, and a duplicate original or certificate thereof shall be delivered to each such party. As of the date hereof, the minimum limits of liability of such insurance shall not be less than $3,000,000 combined single limit per occurrence and on a per location basis. Such limits of insurance may be satisfied by a combination of Commercial General Liability coverage and Excess Liability coverage. Such liability insurance shall at least cover each of the Members of the Board, the managing agent or the manager, if any, and each Unit Owner, and with cross liability endorsement to cover liabilities of the Condominium to a Unit Owner, and a severability of interest provision precluding the insurer's denial of a Unit Owner's claim because of negligent acts by the Board or other Unit Owners. The Board shall periodically reevaluate the amount of public liability insurance to be carried by it as set forth in this paragraph to the end that the limits of such insurance shall be the greater of (x) the amounts specified in this paragraph or (y) the limits of such liability insurance as are carried by other comparable condominiums in New York City;

(iv) Fidelity Bonds (the "Fidelity Bonds") in blanket form for all officers, Board Members and employees of the Condominium and all other persons handling or responsible for funds administered by the Condominium, whether or not they receive compensation for their services. The total amount of fidelity bond coverage shall not be less than the estimated maximum funds, including reserve funds, in the custody of the Board or the management agent, as the case may be, at any given time during the term of such bond, and, in any event, the aggregate amount shall not be less than a sum equal to three (3) months' aggregate assessments on all Units plus reserve funds, or one and

one-half (1.5) times the insured's estimated annual operating expenses and reserves, whichever is greater. The Fidelity Bonds shall name the Condominium as an obligee and shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expression. The Fidelity Bonds shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Board and to the mortgagees which are listed as scheduled holders of first mortgages in the insurance policy;

(v) Director's and Officers Liability Insurance for all officers and Board Members of the Condominium, in an amount equal to limits of such liability insurance as are carried by other in comparable condominiums in New York City, but no less than $1,000,000; and

(vi) Such other insurance or such higher amounts as the Board may determine is necessary or appropriate.

(b) Program Compliance

All insurance obtained and maintained by the Board shall conform to applicable requirements of Freddie Mac and Fannie Mae so long as Freddie Mac or Fannie Mae holds one or more mortgages on Units in the Condominium or any interest therein.

(c) Unit Owner Insurance

(i) Each Unit Owner may carry property and liability insurance at its own expense, provided that all such policies shall contain waivers of subrogation, and further provided, that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by a Unit Owner. Unit Owners shall provide Certificates of Insurance to the management company, the Board and all others who may be entitled thereto. Insurance coverage carried by Unit Owners shall be subject to all provisions of these By-Laws. Any work done to a Unit pursuant to a Unit Owner's insurance coverage shall be subject to Article VII, Section 3 of these By-Laws.

(ii) The Commercial Unit Owner or its tenants shall carry comprehensive general liability insurance of not less than five million dollars ($5,000,000.00) combined single limit per occurrence and on a per location basis naming the Condominium, the Board, and any managing agent or manager, if any, as additional insured, and shall deliver copies of all such policies, or certificates thereof, and proof of payment of premiums to the Board and to such managing agent or manager.

(iii) Notwithstanding anything to the contrary contained herein, USPS shall have no obligation to maintain any insurance or to self-insure.

(d) Insurance Cost

(i) The cost of all such insurance obtained and maintained by the Board shall be a Common Expense of the Condominium.

(ii) Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance on the Building or the contents thereof without the prior written consent of the Board, provided, however, that as to the Commercial Unit, the use of the Commercial Unit as permitted under the Amended Declaration or these By-Laws shall not require the prior written consent of the Board. If the Board grants such consent, it may condition such consent upon the agreement of the Unit Owner responsible for such increase to pay the amount of such increase. In the event consent is not required as to the Commercial Unit, but such use increases the rate of insurance on the Building or the contents thereof, the owner of the Commercial Unit shall pay the amount of such increase.

(iii) Notwithstanding anything to the contrary in this Section, the Commercial Unit Owner shall be responsible for increases in insurance premiums based upon the use of the Commercial Unit.

(e) Insurance Proceeds

Subject to the provisions of Article VII Section 8 of these By-Laws, insurance proceeds received by the Board shall be held in trust in an identified and segregated fund for the benefit of the Unit Owners and all mortgagees of all Units.

(f) Insurance Carrier

The insurance required hereunder shall be provided by insurance companies that carry an A.M. Best Company, Inc. policy holder rating of A or better and an A.M. Best Company, Inc., financial category rating of Class IX or better.

(g) Certificates of Insurance: Condominium

All such policies and certificates of insurance shall meet the following requirements:

(i) The effective date, expiration date and perils insured against shall be stated therein;

(ii) The same shall be signed by a duly authorized agent or officer of the issuing company;

(iii) The address of the Condominium shall be specifically stated therein;

(iv) The amount of insurance applicable to the Condominium shall be shown (such insurance may be by so-called blanket or master insurance policies covering other premises, property or insureds in addition to that required hereunder, but only so long as the limits required hereunder are maintained in effect);

(v) The same shall state that coverage with respect to the Condominium cannot be materially changed or canceled at the request of the insured or by the issuing company without at least thirty (30) days' prior written notice to each named insured; and

(vi) The required additional insureds and mortgagees shall be named.

(h) Certificates of Insurance; Units

Unit Owners shall deliver to the Board certificates evidencing the Insurance required herein or the renewal of such insurance, on or before thirty (30) days prior to the expiration of coverage as set forth in the immediately preceding certificate. All such certificates of insurance shall meet the following requirements:

(i) The effective date, expiration date and perils insured against shall be stated therein;

(ii) The same shall be signed by a duly authorized agent or officer of the issuing company;

(iii) The identity of the Unit shall be specifically stated therein; and

(iv) The same shall state that coverage cannot be materially changed or canceled at the request of the insured or by the issuing company without at least thirty (30) days' prior written notice to the Board.

(i) Non-Subrogation

Insurance carried by the Board shall not be prejudiced by any acts or omissions of individual Unit Owners.

(j) Only during periods of construction of the Building or a portion thereof, the Board may elect to provide for the coverage described in subdivision (a)(i) of this Section by causing the parties identified in said subdivision to be named as additional insureds under a builders risk policy then maintained by the party or parties who may then be constructing the Building or portions thereof.

(k) All policies of physical damage insurance shall contain waivers (i) of subrogation (to the extent generally available under a special form or equivalent policy), (ii) of any defense based on co-insurance, (iii) of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners, and (iv) of invalidity arising from any acts of the insured or any Unit Owners, shall contain a New York standard mortgagee clause in favor of each mortgagee, which shall provide that the proceeds thereof shall be paid to such mortgagee as its interest may appear, and shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days prior written notice to the Board and at least thirty (30) days prior written notice to the holders of all mortgages on the Units.

(l) All policies carried by Unit Owners for their own benefit shall contain waivers of subrogation (to the extent generally available under a special form or equivalent policy) against the Condominium and the Board and further provide that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies shall be so endorsed as to state that they will in no way conflict with any insurance carried by the Board.

Section 2. Repair or Reconstruction After Fire or Other Casualty.

(a) In the event of damage to or destruction of the Building as a result of fire or other casualty (a "Casualty Loss"), the Board shall arrange for the prompt repair and restoration of the Building (the "Work") and the Board shall disburse the proceeds of all insurance policies in appropriate progress payments to the contractors engaged in such repairs and restoration; provided that if 75% or more of the Residential Area is destroyed or substantially damaged and (i) the Residential Unit Owners, representing more than 80% in Residential Common Interest, do not duly and promptly resolve to proceed with repair or restoration, and (ii) the Construction Lender consents thereto, then (x) the Residential Area will not be repaired and shall be subject to an action for partition at the suit of any such Unit Owner or lienor, as if owned in common, (y) except as set forth in the next clause (z), the net proceeds of sale following such partition, together with the net proceeds of insurance policies maintained by the Condominium that are allocated to the Residential Area, shall be paid to the Residential Unit Owners in accordance with their respective Residential Common Interests, after first paying the amount of any unpaid liens on their Units, in the order of the priority of such liens, and (z) if the Commercial Unit remains in existence following such destruction or damage, the insurance proceeds shall first be used to make the Building operable as a commercial building consisting solely of the Commercial Unit. Any cost of such repair and restoration of the Common Elements in excess of the net insurance proceeds shall constitute a common expense and the Board shall assess all the Unit Owners for such deficit. However, if the deficiency is for Work to repair a Casualty Loss impacting only the Commercial Unit, the Commercial Unit Owner shall be responsible exclusively for the deficiency, and if the deficiency is for Work to repair a Casualty Loss impacting only the Residential Area, the Residential Unit Owners shall be responsible exclusively for the deficiency. This subdivision (a) shall constitute an express waiver by the Unit Owners of the provisions of Section 339-cc(1) of the New York Condominium Act.

(b) In the event of a repair or restoration pursuant to subparagraph (a) of this Section 2 and in the event that the net proceeds of insurance received by or payable to the Board shall exceed the cost of such repair or restoration, then the excess of such insurance proceeds shall be paid by the Board to the Unit Owners in proportion to their respective Common Interests after first paying out of the share due each Unit Owner such amounts as may be required to reduce unpaid liens on any Unit in the order of priority of such liens.

Whenever in this Section the words "promptly repair" are used it shall mean repairs are to begin not more than sixty (60) days from the date of receipt by the Board of proceeds of insurance on account of such damage or destruction, whether or not sufficient to pay the estimated costs of such work.

Section 3. Maintenance and Repairs.

(a) All maintenance, repairs and replacements in and to a Unit, including the windows and doors that open from a Unit, shall be made by the Unit Owner at the Unit Owner's expense, except as otherwise specifically provided herein. Each Unit Owner shall be expressly responsible for any damages and liabilities which may result from any failure to maintain the good condition of the Unit. Without limiting the foregoing, the Commercial Unit Owner shall be responsible for the maintenance, repair and replacement of (i) all electrical closets, utility lines, pipes, wires, conduits, vents, ducts, shafts, vestibules, flues, plumbing, chimneys, equipment, fixtures, machinery, furnishings and all facilities and fixtures for the furnishing of utilities and services to the extent the foregoing are located within and exclusively serve the Commercial Unit and do not contribute to the structure or support of the Building or any other Unit, and (ii) the sound attenuation equipment installed by RC 51 in the Commercial Unit. In the event any repair of any such item or area is performed by the Condominium, all costs thereof shall be assessed against the Commercial Unit Owner.

(b) Each Owner shall maintain its Unit in good working order; provided however, that USPS shall maintain the Commercial Unit in the manner in which it had been maintaining the Building prior to the recording of the Original Declaration and in accordance with applicable law.

(c) All maintenance, repairs and replacements in and to Residential Common Elements shall be made by the Residential Unit Owners in accordance with Section 7.6 of the Declaration. Without limiting the foregoing, (i) the Residential Unit Owners will be solely responsible for all costs associated with maintaining the utilities rooms located in the cellar of the Building, which are Residential Common Elements, including the costs of all utilities to service such utilities rooms, the cost of removal of refuse from the utilities rooms, the costs of pest extermination in the utilities rooms (which extermination shall be carried out not less than four times per calendar year), the cost of repair to the utilities rooms, and the cost of replacement of any portions of, or all of, the utilities rooms upon damage thereto, and (ii) in the event of an emergency the Board may enter any service, refuse, meter or utility room without notice to any Unit Owner. As used herein, "emergency" means a reasonable expectation of imminent harm to persons or property.

(d) All maintenance, repairs and replacements to the General Common Elements, as well as all maintenance, repairs and replacements of any pipes, wires, conduits and public utility lines, any portion of which is located in a Residential Unit and serves the Commercial Unit, or vice versa, shall be made by the Board of Managers and be charged to all the Unit Owners as a common expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner or the Unit Owner's lessees, invitees, licensees or agents, in which case such expense shall be charged to such Unit Owner; provided that (A) the Residential Unit Owners shall be responsible, at their sole cost and expense, for (i) the maintenance and repair of the sidewalk in front of the entrance to the residential portion of the Building, and (ii) the programming of the elevator which services the Commercial Unit so that it stops at the cellar level of the Building, and (B) the Commercial Unit Owner shall be solely responsible for the maintenance and repair of the remaining portion of the sidewalk in front of the Building, at its sole cost and expense.

Section 4. Additions, Alterations or Capital Improvements by Board of Managers.

(a) All alterations, additions or capital improvements in or to any General Common Elements shall be made by the Board and the cost and expense thereof shall be charged to all Unit Owners as a common expense. However, if the addition, alteration or improvement shall cost more than $75,000 in 2016 Equivalent Dollars, such addition, alteration or improvement must be approved by (i) a majority of Residential Unit Owners, voting at a meeting duly called in accordance with the By-Laws, and (ii) the Commercial Unit Owner.

(b) Additions, alterations or improvements to the Common Elements that are general in nature and cost $75,000 in 2016 Equivalent Collars or less, may be made by the Board of Managers and the cost thereof shall be a General Common Expense.

(c) If the Board of Managers determines that a proposed addition, alteration or improvement of a Residential Common Element (or a Residential Limited Common Element, if applicable) is general in character, the cost thereof shall be a Residential Common Expense, shared by all Residential Unit Owners in accordance with the By-laws. However, if the addition, alteration or improvement shall cost more than $75,000 in 2016 Equivalent Dollars, such addition, alteration or improvement must be approved by a majority of Residential Unit Owners, voting at a meeting duly called in accordance with the By-Laws. If the Board of Managers determines that an addition, alteration or improvement is exclusively or substantially for the benefit of the Residential Unit Owner that requested it, the cost shall be a Special Assessment against such Owner. If more than one Residential Unit Owner requested the addition, alteration or improvement, the cost shall be assessed in such proportion as the Board of Managers shall determine to be fair and equitable. The foregoing shall not prevent the Residential Unit Owners affected by such addition, alteration or improvement from agreeing in writing, before or after the assessment is made, to be assessed in different proportions.

(d) Notwithstanding the foregoing, during the Sponsor Control Period, the Board of Managers may not make any addition, alteration, or improvement to the General Common Elements or the Residential Common Elements, respectively, without RC 51's prior written consent.

(e) Notwithstanding anything to the contrary contained herein, Unit Owners shall be obligated to approve alterations, additions or capital improvements necessary to comply with the requirements of any state or local building codes applicable to the General Common Elements or the Residential Common Elements.

Section 5. Rules and Regulations. Subject to the terms of Article II, Section II of these By-Laws, rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board. Copies of such rules and regulations shall be furnished by the Board to each Unit Owner prior to time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board, are annexed hereto and made a part hereof as Schedule A. No rules or regulations shall impair the operation of the Postal Service in the Commercial Unit. All such rules and regulations shall be enacted and enforced in a non-discriminatory fashion.

Section 6. Abatement and Enjoinment of Violations by Unit Owners.

(a) The violation of any rule or regulation adopted by the Board, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to any other rights set forth in these By-Laws: (i) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists, and to summarily abate and remove at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provision hereof (provided, however, that no prior notice shall be required in the event that the Board shall determine that action is immediately necessary for the preservation or safety of the Property or any persons or required to avoid the suspension of any necessary service to the Condominium), and/or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

(b) The violation or breach of any of the provisions of these By-Laws, the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to any Unit Owner shall give to the aggrieved Unit Owner a right of action for damages or the right to enjoin, abate or remedy by appropriate legal proceedings, either in law or in equity, the continuance of any such violation or breach.

(c) The expenses of any proceeding brought under this Section 6 and all other costs and expenses, including reasonable attorneys' fees, incurred hereunder by the Board or a Unit Owner, as the case may be, together with interest thereon at the highest legal rate from the date of expenditure, shall immediately be payable by the defaulting Unit Owner to the Board in the event set forth in (a) above and to the aggrieved Unit Owner in the event set forth in (b) above.

(d) Notwithstanding the foregoing, for so long as USPS owns the Commercial Unit or any interest therein, the foregoing provisions of this Section 6 shall not apply to the United States Postal Service or the Commercial Unit, and any alleged violation or breach shall be governed solely by the United States Contract Disputes Act of 1978(41 U.S.C. 601-613) (the "CDA") and federal law.

Section 7. No Right of Partition. As provided in Section 339-i(3) of the Real Property Law, the Common Elements shall remain undivided and no right shall exist to partition or divide any thereof, except as otherwise specifically provided herein.

Section 8. Insurance Trustee.

(a) Any Insurance Trustee appointed by the Board to receive insurance proceeds and condemnation awards shall hold such monies for the benefit of the Unit Owners and any Recognized Mortgagees, as their interests may appear, and disburse such monies and act otherwise in accordance with the terms and provisions of these By-Laws. The Insurance Trustee shall be reimbursed for the reasonable out-of-pocket expenses (including reasonable counsel fees) incurred by the Insurance Trustee in connection with the services rendered by it, which the Insurance Trustee may deduct from the proceeds then held by it hereunder. If there are no proceeds from which to deduct such reimbursement, the Insurance Trustee shall be otherwise paid by the Unit Owners or the Board, as applicable, promptly after Insurance Trustee's request therefor. Any Insurance Trustee appointed to act hereunder shall execute an agreement (the "Depositary Agreement") with the Board accepting said appointment in such form as is reasonably approved by the Board.

(b) The Insurance Trustee shall not be liable or accountable for any action taken or disbursement made in good faith by the Insurance Trustee, except that arising from its own gross negligence or willful misconduct. The Insurance Trustee's reliance upon advice of independent counsel shall be conclusive evidence of good faith, but shall not be the only manner in which good faith may be shown.

(c) Unless otherwise specified in the Depositary Agreement, the Insurance Trustee shall purchase with any monies held by it pursuant hereto, to the extent feasible, negotiable United States Treasury bills or other United States Treasury obligations maturing within one (1) year from the date of purchase thereof, or such shorter period as, in the good faith judgment of the Insurance Trustee, would be necessary in order to have sufficient funds available for the disbursement of funds which may be required under these By-Laws. The Insurance Trustee shall hold all funds paid or delivered to it pursuant hereto, including any securities or other investments, in trust to be applied, after deducting the Insurance Trustee's costs and expenses, as provided in these By-Laws. Any interest paid or received by the Insurance Trustee on monies or securities held in trust, and any gain on the redemption or sale of any securities, shall be added to the monies or securities so held in trust by the Insurance Trustee. The monies received by the Insurance Trustee pursuant to any of the provisions of these By-Laws shall not be commingled with the Insurance Trustee's own

funds, unless otherwise agreed to by the Board, and shall be held by the Insurance Trustee in trust for the uses and purposes herein provided.

(d) The Insurance Trustee may resign by serving not less than sixty (60) days' prior notice on the Board. Within such sixty (60) day period, the Board shall appoint a substitute Insurance Trustee and the resigning Insurance Trustee shall transfer all funds, together with copies of all records, held by it as Insurance Trustee to such substitute, at which time its duties as Insurance Trustee shall cease. If an Insurance Trustee is not appointed within the sixty (60) day period, the resigning Insurance Trustee shall continue to hold, receive and invest any funds payable to the Insurance Trustee hereunder but shall have no other duties or obligations as Insurance Trustee other than to invest the funds as herein provided and to transfer all funds and records to the new Insurance Trustee when selected. The Insurance Trustee may, after not less than twenty (20) days prior written notice to the Board (given no sooner than forty (40) days after the resignation notice referred to above), deposit such funds with either a court of competent jurisdiction or with a bank or trust company in New York City who qualifies as an Insurance Trustee.

(e) As used herein, "Insurance Trustee" shall have the meaning ascribed to it in the Amended Declaration.

(f) In the event of any conflict between the terms of these By-Laws and the terms of the Depositary Agreement, the terms of the Depositary Agreement shall govern.

Section 9. Recognized Mortgagees.

(a) As used herein, the term "Recognized Mortgage" shall mean a Permitted Mortgage, as the same may be amended or modified from time to time, (i) which by its express provisions, or by separate agreement, is subordinate to the Amended Declaration, and (ii) a photostatic copy of which has been delivered to the Board. The term "Recognized Mortgagee" as used herein shall mean the Construction Lender and any holder of a Recognized Mortgage from time to time.

(b) If a Recognized Mortgagee shall have served on the Board and the Insurance Trustee a notice specifying the name and address of such Recognized Mortgagee (the Construction Lender being deemed to have given such notice), such Recognized Mortgagee shall be given a copy of each and every notice of a default hereunder and notice of a casualty or condemnation given by the Board or the Insurance Trustee (each such notice being hereinafter referred to as a "Recognized Mortgagee Notice"). After receipt of such notice from a Recognized Mortgagee, no Recognized Mortgagee Notice thereafter given shall be deemed to have been given unless and until a copy thereof shall have been so given to the Recognized Mortgagee. If a Recognized Mortgage so provides or otherwise requires, and notice thereof is given by the Recognized Mortgagee as provided above, then any insurance proceeds or condemnation award otherwise payable to a Unit Owner (and not the Insurance Trustee) hereunder shall, upon notice from a Recognized Mortgagee of such Unit Owner, be delivered instead to such Unit Owner's Recognized Mortgagee.

ARTICLE VIII

SALES AND LEASES OF UNITS

Section 1. Right of First Refusal.

(a) No Residential Unit Owner may sell or lease said Owner's Residential Unit or any interest therein except by complying with the following provisions:

(i) Any Residential Unit Owner who receives a bona fide offer (hereinafter called an "Outside Offer") for the sale or lease of said Owner's Residential Unit together with the Appurtenant Interests attributable to such Unit, which said Owner intends to accept, shall give written notice to the Board of Managers of such offer and of such intention, together with the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the Board shall reasonably require of selling Unit Owners, including without limitation, identification and a credit report and other financial information respecting the proposed buyer or lessee, and shall offer to sell or lease such Unit, together (in the case of a sale) with the Appurtenant Interests to the Board of Managers on behalf of the Residential Unit Owners, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of the other Residential Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within twenty (20) days after the Board of Managers has received notice of the Outside Offer in accordance with the foregoing, plus all additional information the Board has requested (i.e., within twenty (20) days after the date the application to the Board is complete), the Board may request an interview of the proposed purchaser or lessee. Any interview will be scheduled within fifteen (15) days of the request therefor. Within ten (10) days after such interview, or, if no interview has been requested by the Board, then within twenty (20) days after the date the application to the Board is complete, the Board shall elect, by notice to such Unit Owner, (1) to purchase or lease such Unit, as the case may be, together (in the case of a sale) with the Appurtenant Interests, (or to cause the same to be purchased or leased, as the case may be, by its designee, corporate or otherwise), on behalf of all other Residential Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner, or (2) to produce a purchaser who will purchase or lease such Unit, as the case may be, together (in the case of a sale) with the Appurtenant Interests on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner, or (3) to waive its right to the provisions of the foregoing clauses (1) and (2). Under no circumstances will the Commercial Unit Owner or the Rooftop Terrace Unit Owner be responsible for any portion of the purchase price paid by the Board of Managers pursuant to this Section or for any portion of the Common Charges payable with respect to any Residential Unit acquired by the Board of Managers. The Board's right embodied in clauses (1) and (2) of the foregoing sentence is referred to as the Board's "Right of First Refusal."

(ii) In the event the Board of Managers shall exercise its Right of First Refusal, title shall close or the lease shall be signed, as the case may be, at the office of the attorneys for the Condominium (or at such other location as the Board specifies) in accordance with the terms of the offer within sixty (60) days after the giving of notice by the Board of its

exercise of its Right of First Refusal. In the case of a sale, at the closing the Unit Owner shall convey the Unit and Appurtenant Interests to the Board, or to its designee, on behalf of all other Residential Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other transfer taxes arising out of such sale (unless, however, the terms of the Outside Offer expressly provide that the transfer taxes will be paid by the purchaser). Real estate taxes and Common Charges shall be apportioned between the Unit Owner and the Board, or its designee, as of the closing date.

(iii) In the event the Board of Managers waives its Right of First Refusal with respect to an Outside Offer, or fails to timely exercise its Right of First Refusal, or timely accepts the Outside Offer but fails to produce a purchaser or lessee and close or sign the lease, as the case may be, within the 60-day period mentioned above, the offering Unit Owner shall be free to sell and convey or lease such Unit, together (in the case of a sale) with the Appurtenant Interests within ninety (90) days after the expiration of the period in which the Board might have exercised its Right of First Refusal, to the maker of the Outside Offer (hereinafter the "Outside Offeror"), on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of such Outside Offer. In the event the offering Unit Owner shall not, within such 90-day period, sell and convey or lease such Unit, together (in the case of a sale) with the Appurtenant Interests to the Outside Offeror on the terms and conditions contained in the Outside Offer, then should such offering Unit Owner thereafter elect to sell or lease such Unit to the same or another Outside Offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1.

(iv) Any deed to or lease with an Outside Offeror shall provide that the acceptance thereof by the grantee or lessee shall constitute an assumption of the provisions of the Declaration, including the By-laws annexed thereto, and the Rules and Regulations, as all of the same may be amended from time to time.

(v) With the exception of a purchaser acquiring a Residential Unit pursuant to the Offering Plan, each grantee of a Residential Unit, at the time of closing on the acquisition of the Residential Unit, shall be required to deposit with the Board of Managers a sum equal to one month's Residential Common Charges then attributable to the Residential Unit for use by the Board for reserves, working capital or for such other purposes as the Board shall in its discretion determine. Purchasers acquiring a Residential Unit from Sponsor pursuant to the Offering Plan shall be obligated to deposit with the Board of Managers a sum equal to two month's Residential Common Charges for each Unit purchased, for deposit into the Working Capital Fund as described in the Offering Plan. The provisions of this subparagraph shall not apply to the Board exercising its Right of First Refusal to acquire a Residential Unit.

(vi) The Board shall have the right to require Residential Unit Owners (except for Declarant and/or its designee) to pay a fee to the Board and/or the Condominium's Managing Agent to cover expenses in conjunction with the processing of an application for the sale of a Residential Unit.

(vii) In the event the Board of Managers does not exercise its First Refusal, an Owner of a Residential Unit who acquired his or her Residential Unit from the Sponsor

and who sells or otherwise conveys his or her Residential Unit (excluding any conveyance which constitutes a gift or is otherwise made for no consideration) prior to the earlier of (a) the date of the conveyances by the Sponsor of the last unsold Residential Unit, or (b) the first anniversary of the Unit Owner's acquisition of his or her Unit from the Sponsor, shall remit to the Board of Managers, as a condition to the effectiveness of such conveyance, an amount (the "Transfer Fee") equal to ten (10%) percent of the sales price. The Transfer Fee shall be due and payable concurrently with the payment of the sales price or other consideration, and shall be in the form of an official or bank check issued by a member of the New York City Clearinghouse or in the form of a certified check drawn upon a bank which is a member of the New York City Clearinghouse, in either case payable to the Condominium or as otherwise directed by the Board or the Managing Agent.

(b) Any purported sale or lease of a Residential Unit in violation of this Section shall be voidable at the election of the Board, and if the Board shall so elect, the purported former Unit Owner or purported lessor shall be deemed to have empowered the Board of Managers if necessary, to institute legal proceedings to eject the purported new Unit Owner or purported lessee at the cost and expense of the purported former Unit Owner or purported lessor, who shall be obligated to reimburse the Board of Managers for all expenses incurred in connection with such proceeding, including without limitation legal fees and disbursements.

(c) There shall be no restrictions on the right of the Commercial Unit Owner or the Rooftop Terrace Unit Owner to sell or lease said Owner's Unit, except as set forth in Section 11.3 of the Declaration or as may be included elsewhere in these By-laws. Sale or lease of the Commercial Unit or the Rooftop Terrace Unit Owner shall not in any event be subject to a Right of First Refusal by the Board of Managers. However, the Commercial Unit Owner must regularly advise the Board of Managers in writing of the name of any tenant(s) or operator of its Commercial Unit, together with the name, telephone number and address of an individual who is authorized to take action or make decisions respecting the tenant(s) or operator, who may be contacted in event of emergency. The Commercial Unit Owner also must provide the Board of Managers with the name, address and telephone number of the Unit Owner's own representative who may be contacted in event of emergency or other problem.

(d) Leases of Residential Units must contain terms of at least twelve (12) consecutive months but may not exceed any maximum term the Board may impose.

(e) Notwithstanding the foregoing, if a Residential Unit is owned by an institution, corporation, limited liability company or other business entity, the Owner of that Unit may enter into a lease or occupancy agreement for that Unit with an employee of the Unit Owner without such lease or occupancy agreement being subject to the approval and right of first refusal by the Board, provided, however, that (a) at least fifteen (15) business days in advance of the commencement date of the lease or occupancy agreement the Residential Unit Owner provides the Board with the name of the tenant or occupant, position of employment for which tenant or occupant is engaged by the Unit Owner and the period of time such engagement is scheduled to last, and (b) the lease or occupancy agreement has a term of at least twelve (12) months or such other minimum lease/occupancy term as the Board shall then be requiring for leased Residential Units. All other conditions and

provisions set forth in the By-laws required to be incorporated into leases between Residential Unit Owners and their tenants shall be applicable to such entity/employee lease or occupancy agreement as well.

(f) Any lease or license or other occupancy agreement shall be consistent with and shall be deemed to incorporate by reference these By-laws and to provide that the tenant shall not sublet or sublicense the demised premises, or any part thereof, and that the Board of Managers shall have power to terminate such lease or license or other occupancy agreement and/or to bring summary proceedings to evict or otherwise remove the tenant. The form of any such lease for a Residential Unit shall be the then current form of apartment lease recommended by The Real Estate Board of New York, Inc., or such other form as may have been promulgated by the Board. Any and all leases or licenses for a Residential Unit shall include, and be deemed to include, a provision permitting the Board of Managers to evict the tenant and/or terminate the license due to the default by the Unit Owner under the Condominium Documents, or due to the default by the tenant or licensee itself under the lease or license. This subdivision shall not be applicable to the Commercial Unit or the Rooftop Terrace Unit.

(g) Each lease or license for any Residential Unit shall be deemed to incorporate into it the provisions of Real Property Law Section 339-kk. In addition, each lease or license for a Residential Unit and any lease or license agreement for all or part of the Commercial Unit, whether such lease or license has been entered into in accordance with these By-laws or otherwise, shall be deemed to have incorporated into it the following provisions:

(i) In the event the Owner of the Unit forming all or part of the demised premises under the lease or license shall be in default in payment of Common Charges for more than 30 days, the Board of Managers shall have the right to notify each and every tenant or licensee of the Unit Owner's default, and in said notice to direct tenant or licensee to pay all rent or license fees that would otherwise be due under the lease or license, directly to the Board of Managers. Upon receipt of such income the Board shall apply it against Common Charges owed by the defaulting Unit Owner.

(ii) In the event, however, that the Commercial Unit Owner has made an assignment of rents to a Permitted Mortgagee in connection with a Permitted Mortgage, and the Permitted Mortgagee has previously provided written notice to that effect to the Board of Managers, the Board of Managers shall endeavor to send a copy of the notification of the Unit Owner's default to the Permitted Mortgagee, at the same time as same is sent to the tenant. In such event, the Board shall refrain for a period of 30 days after giving a tenant notice of the Unit Owner's default, from directing tenant to pay its rent directly to the Board, in order to allow the Permitted Mortgagee to enforce its assignment of rents. If the Permitted Mortgagee notifies the Board in writing during such 30-day period that it has enforced its assignment of rents, the Permitted Mortgagee shall be required to make payments of Common Charges attributable to the Unit to the Board of Managers. If the Permitted Mortgagee shall not provide notice to such effect to the Board of Managers, then, at the expiration of the 30-day period following the Board's written notice to the tenant and the Permitted Mortgagee of the Unit Owner's default, the Board shall be entitled to direct tenant to pay rent directly to the Board as described above.

(iii) In the event the Commercial Unit Owner shall have leased all or substantially all of its Commercial Unit, the Board of Managers shall have the obligation, as well as the right, at said Unit Owner's request, to provide to the tenant of the Unit, a copy of all default notices the Board of Managers sends to the Commercial Unit Owner, and to accept cure of same by the tenant.

(h) Any purported sale or lease of a Residential Unit in violation of this Section 9.1 shall be voidable at the election of the Board of Managers, 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 or evict the purported tenant in the name of the Unit Owner as the purported landlord. The Unit Owner shall be obligated to reimburse the Board for all expenses (including without limitation attorney's fees and disbursements) incurred in connection with such proceedings.

Section 2. Consent of Unit Owners to Purchase or Lease of Units by Board of Managers; Discrimination Prohibited; Board to Act on Entire Proposed Transaction. The Board of Managers shall not exercise any Right of First Refusal to purchase or lease a Unit, or agree to purchase a Unit at a foreclosure sale, without the prior approval of a majority in Residential Common Interest of Residential Unit Owners. In accordance with regulations of the Department of Law, in determining whether or not to exercise its Right of First Refusal with respect to the sale or lease of a Unit, the Board of Managers may not discriminate against any Person on the basis of race, creed, color, national origin, sex, age, disability, marital status, or other grounds prohibited by law.

Section 3. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to said Owner's Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interest so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 4. Release by Board of Managers of Right of First Refusal. The Right of First Refusal contained in Section 1 of this Article may be released, terminated or waived by the Board of Managers in which event the Unit, together with the Appurtenant Interests, may be sold, leased or otherwise conveyed free and clear of the provisions of such Sections.

Section 5. Certificate of Termination of Right of First Refusal. A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article have been met by a Unit Owner, or have been duly waived by the Board of Managers and that the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers and the Unit Owners in favor of all Persons who rely thereon in good faith. Such certificate shall be furnished to any

Unit Owner who has in fact complied with the provisions of Section 1 of this Article or in respect to whom the provisions of such Section have been waived, upon request.

Section 6. Financing of Purchase of Units by Board of Managers. Acquisition of Units by the Board of Managers, or its designee, on behalf of all Unit Owners or on behalf of all Residential Unit Owners, as applicable, may be made from the working capital, operating funds or reserves, or Common Charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner (or against each Residential Unit Owner, as applicable), in proportion to said Owner's Common Interest or Residential Common Interest, as applicable, as a Common Charge, which assessment shall be enforceable as a Special Assessment in accordance with these By-laws, or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired by the Board of Managers. The net proceeds of sale of any Unit owned by the Board on behalf of all Residential Unit Owners, shall be applied as the Board in its discretion shall determine. So long as USPS owns the Commercial Unit, the Commercial Unit Owner shall have no liability under this Section.

Section 7. Exceptions. The restrictions set forth in the provisions of this Section 7 shall not apply with respect to (a) any sale, lease or other conveyance by a Unit Owner of said Unit Owner's Unit, together with the Appurtenant Interests, to said Unit Owner's Spouse or to any of the Unit Owner's adult children or to the Unit Owner's parent or parents or to the Unit Owner's grandparents or grandchildren or to the Unit Owner's adult siblings, or any one or more of them, or (b) the sale or lease of any Unit owned by RC 51 or a designee or Affiliate of RC 51 or any Units resulting from the subdivision or combination thereof, or (c) the acquisition or sale of a Unit, together with the Appurtenant Interests, by a mortgagee or any other bidder at a foreclosure sale, who shall acquire title to such Unit by foreclosure, or (d) the acquisition or sale of a Unit acquired by deed in lieu of foreclosure. The term "Spouse" as used in this Section 7 and elsewhere in these By-laws shall mean an adult person of the same or opposite sex to whom the Unit Owner is married and/or with whom the Unit Owner has registered as a domestic partner pursuant to the laws and/or regulations of the City and/or State of New York or other jurisdiction authorizing and providing for similar domestic partner registrations or for civil unions, or an adult lifetime partner whose relationship with the Unit Owner is long-term and characterized by emotional and financial commitment and interdependence.

Section 8. Gifts and Devises, etc. Any individual Unit Owner shall be free to convey or transfer his or her Unit and Appurtenant Interests by gift, or to devise his or her Unit and Appurtenant Interests by will, or to pass the same by intestacy, without restriction.

Section 9. Waiver of Right of Partition with Respect to Such Units as Are Acquired by the Board of Managers, or Its Designee, on Behalf of All Unit Owners as Tenants in Common. In the event that a Unit shall be acquired by the Board of Managers or a designee, on behalf of Unit Owners as tenants in common, all Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 10. Payment of Assessments. With the exception of Units being conveyed pursuant to judgment of foreclosure or pursuant to deed in lieu of foreclosure, no Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease said Owner's Unit, unless and until said Owner shall have paid in full to the Board of Managers all unpaid Common Charges and other assessments theretofore assessed against said Owner's Unit and until said Owner shall have satisfied all unpaid liens against such Unit. In addition, each Unit Owner (except the Board of Managers, RC 51 and any Affiliate, principal, partner or designee thereof), shall be obligated to pay any fee authorized by the Board of Managers to be paid to the managing agent of the Condominium, for services performed in connection with processing an application for the sale or lease of said Unit.

ARTICLE IX

CONDEMNATION

Section 1. Action to Contest Condemnation. The Board of Managers shall have the exclusive right to contest any condemnation or eminent domain proceeding which is directed at taking any portion of the Common Elements or which touches upon, concerns or affects the use of the Common Elements. No Unit Owner or tenant of a Unit shall impair or prejudice the action of the Board of Managers in contesting such condemnation. Such restriction or prohibition shall not preclude the Commercial Unit Owner (or a tenant of all or substantially all of the Commercial Unit, if permitted in such tenant's lease) from contesting the taking in such condemnation or eminent domain proceeding, through the Board of Managers, of said Owner's Unit, or of any trade fixtures or other equipment installed or located in the Unit. In any action contesting a taking by condemnation or eminent domain proceeding, the Board of Managers shall request the court to set forth the allocation of the condemnation award among the Unit Owners affected, taking into account their respective Common Interests, the effect of the taking on each Unit affected thereby, and any other relevant factors.

Section 2. Obligation to Restore. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements or any Unit, the Board of Managers shall be obligated to restore the Common Elements and all Unit Owners shall be obligated to restore their Units provided the Board makes available to the Unit Owners their applicable proportionate share of any condemnation proceeds. The foregoing obligation of the Board shall not be applicable, however, if the Property is subject to an action for partition in accordance with law or these By-laws or the Amended Declaration. All condemnation awards shall be used for restoration and reconstruction of the interest taken. The Board of Managers may engage a construction manager or general contractor to coordinate the work necessary to complete the restoration of the Unit(s), Limited Common Elements and the Common Elements as in the case of a casualty, and the cost thereof shall be a General Common Expense.

Section 3. Partition Action in Lieu of Continuation of Condominium after Partial Taking by Condemnation. If any condemnation or eminent domain proceeding results in the taking of:

(a) three-fourths or more of the Property, and (i) Unit Owners representing at least 80% in Residential Common Interest voting at a duly called meeting of the Unit Owners promptly resolve not to continue the Condominium, and (ii) the Commercial Unit Owner agrees to not continue the Condominium and (iii) the Construction Lender consents thereto, or

(b) less than three-fourths of the Property, but such taking substantially and adversely affects the use of the Property, and (i) Residential Unit Owners representing at least 80% in Residential Common Interest voting at a duly called meeting of the Unit Owners promptly resolve not to continue the Condominium, and (ii) the Commercial Unit Owner agrees to not continue the Condominium, and (iii) the Construction Lender consents thereto

then under either subdivision (a) or (b) of this Section the Property or so much thereof as shall remain, shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common.

(c) In the event that a partition action authorized pursuant to either subdivision (a) or (b) above is commenced, then (i) the net proceeds of the award from the condemnation or eminent domain proceeding, less an amount determined by the Board of Managers in its reasonable discretion to be necessary to maintain the Property during the period prior to sale of same, plus (ii) the net proceeds of sale arising out of the partition action, shall be considered one fund and shall be paid to and thereafter divided by the Insurance Trustee among all the Unit Owners in proportion to their respective fair market values immediately preceding such taking, as determined by an independent appraiser selected by the Board of Managers; provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of such Owner's share all liens on such Owner's Unit, if any, in the order of priority of such liens.

Section 4. Distribution of Condemnation Awards.

(a) Except (i) as provided in Section 3 above, and (ii) with respect to any award obtained by the Commercial Unit Owner for said Owner's Commercial Unit or for any trade fixtures or other equipment as further provided in Section 1 above, in the event all or part of the Common Elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to an Insurance Trustee selected by the Board of Managers if the award is more than $500,000.00 and to the Board of Managers if the award is $500,000.00 or less. This $500,000.00 limit shall automatically increase each calendar year by 5% over the limit of the previous year. The Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair, restoration or replacement of such Common Elements to the extent reasonably possible, and shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments, in the same manner as if the Common Elements were destroyed by casualty, as described in Article VII of these By-laws.

(b) If there shall be a surplus of such proceeds or if the Board of Managers or Insurance Trustee cannot reasonably repair, restore or replace the Common Elements taken, the proceeds shall be distributed among the Unit Owners, and the Common Interests of the

Condominium shall be reallocated among the remaining Units as the court shall have directed or as the Board of Managers shall equitably determine if there was no direction by the court, taking into account in the latter event the respective Common Interest of the Units affected thereby, the effect of the taking on each Unit affected thereby after the completion of any repair, restoration or replacement by the Board of Managers or Insurance Trustee, and any other relevant factors. Any court direction as to such distribution shall be final.

(c) After any determination of reallocation of Common Interest, the Board of Managers, on behalf of all Unit Owners, shall promptly prepare, execute and record an amendment to the Amended Declaration reflecting such reallocation.

Section 5. Temporary Taking. If the temporary use or occupancy of all or any part of a Unit or the Common Elements shall be taken by condemnation or in any other manner for any public or quasi-public purpose, (a) a Unit Owner shall be entitled, except as hereinafter set forth, to receive that portion of the award or payment for such taking which represents compensation (i) for the use and occupancy of the Unit, (ii) for the taking of any property of the Unit Owner or tenants of the Unit Owner in the Unit, and (iii) for moving expenses, and (b) the Board of Managers shall be entitled to receive that portion which represents the cost of restoring any Common Elements, whether located in the Unit, or elsewhere. A Unit Owner shall remain responsible for complying with all obligations under the Amended Declaration and By-laws, to the extent same are not affected by the taking, and shall also remain responsible for payment in full of Common Charges and any and all additional charges payable pursuant to the Declaration and By-laws. Any monies received by the Board as, or as part of, an award for temporary use and occupancy, shall be received, held and applied by the Board on account of Common Charges becoming due under the By-laws.

ARTICLE X

RECORDS AND AUDITS

Section 1. Records and Audits. The Board 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 of the Condominium.

The books and records of the Condominium, including copies of the Amended Declaration and these By-Laws, shall be subject to inspection by Unit Owners and by mortgagees of Units at reasonable times, during business hours, upon at least three (3) business days prior written notice.

ARTICLE XI

AMENDMENTS TO BY-LAWS

Section 1. General. Except as specified below, these By-Laws may be modified or amended by vote of not less than 66-2/3% in number and in Common Interest of all Units at a meeting of Residential Unit Owners duly held for such purpose.

Section 2. Rights of RC 51.

(a) RC 51 shall have the right, without the calling of a meeting and without the vote or consent of other Unit Owners or the Board of Managers, or the holders of Unit mortgages, to execute (or to require the Board of Managers to execute), and to record in the City Register's Office, an amendment to these By-laws to reflect changes in Units owned by RC 51 and the reapportionment of Common Interest and Residential Common Interest in and among such Units, in accordance with the provisions of Section 18.2 of the Declaration, and related changes arising out of such modifications. All expenses in connection with the preparation, recordation and filing of such amendment shall be paid by RC 51 or its designee, unless RC 51 shall otherwise arrange with the party on whose behalf the modifications are being made.

(b) With the exception of (i) the above requirement as to the voting percentage necessary to amend these By-laws, and (ii) the rights set forth in the By-laws or the Declaration permitting RC 51 and Commercial Unit Owner to make certain modifications pertaining exclusively to their Units, as to which the consent of other Owners is deemed given pursuant to the Declaration, the same rights, restrictions, conditions and obligations with respect to amending the Declaration as set forth in Article 18 therein, pertain to amendment of these By-laws.

Section 3. Rights of the Commercial Unit Owner. Notwithstanding anything to the contrary herein contained, the Commercial Unit Owner shall have the right, without the calling of a meeting and without the vote of other Unit Owners, the Board of Managers, or the holders of Unit mortgages, to execute (or to require the Board of Managers to execute), and to record in the City Register's Office, an amendment to these By-laws to reflect changes in its Commercial Unit, in accordance with the provisions of Section 18.2 of the Declaration and other provisions of these By-laws, and related changes arising out of such modifications, and the consent of all Unit Owners to any such amendment shall be deemed given. All expenses in connection with the preparation, recordation and filing of such amendment shall be paid by such Commercial Unit Owner. In no event may any amendment to the Condominium Documents be made which in any way adversely impacts upon the Commercial Unit, or the rights of the Commercial Unit Owner thereunder, without the prior written consent of such Commercial Unit Owner, which consent may be withheld by such Commercial Unit Owner in its sole discretion.

Section 4. Rights of the Rooftop Terrace Unit Owner. Notwithstanding anything the contrary herein contained, the Rooftop Terrace Owner shall have the right, without the calling of a meeting and without the vote of other Unit Owners, the Board of Managers, or

the holders of Unit mortgages, to execute (or to require the Board of Managers to execute), and to record in the City Register's Office, an amendment to these By-laws to reflect changes in its Rooftop Terrace Unit, in accordance with the provisions of Section 18.2 of the Declaration and other provisions of the By-laws and related changes arising out of such modifications, and the consent of all Unit Owners to any such amendment shall be deemed given. All expenses in connection with the preparation, recordation and filing of such amendment shall be paid by such Rooftop Terrace Owner. In no event may any amendment to the Condominium Documents be made which in any way adversely impacts upon the Rooftop Terrace Unit, or the rights of the Rooftop Terrace Unit Owner thereunder, without the prior written consent of such Rooftop Terrace Unit Owner, which consent may be withheld by such Rooftop Terrace Unit Owner in its sole discretion.

Section 5. Consent of Affected Unit Owners. No provision of these By-Laws, the Rules and Regulations or the Declaration relating to the use of the Units or the Common Elements (including Limited Common Elements) or the Common Interest of a Unit may be amended without the consent of each Unit Owner affected by such amendment. Further, these By-Laws, the Rules and Regulations and the Declaration may not be modified, added to or amended so as to eliminate, change or impair any rights granted to any Unit Owner, or so as to adversely affect such Unit Owner, without the prior written consent of such Unit Owner.

Section 6. Consent of Recognized Mortgagees. Notwithstanding the above, these By-Laws may not be amended without the prior written consent of the Recognized Mortgagee of a Unit if the proposed amendment would adversely affect the Unit or any such Recognized Mortgagee.

ARTICLE XII

MORTGAGES

Section 1. Notice to Board of Managers. A Unit Owner which mortgages its Unit shall notify the Board of the name and address of its mortgagee and shall file a conformed copy of the note and mortgage with the Board. A conformed copy of the satisfaction of any such mortgage shall also be filed with the Board promptly after the satisfaction of the applicable mortgage. The Board shall maintain such information in a book entitled "Mortgages of Units". The Unit Owner's failure to comply with the provisions of this section shall not affect the validity or enforceability of the mortgage.

Section 2. Performance by Mortgagees. Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Declaration or these By-Laws may be paid or performed by his mortgagee, and the Condominium shall accept such mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 3. Notice of Default.

(a) The Board, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice (by certified mail, return receipt requested) to each holder of a mortgage encumbering such Unit whose name and address has heretofore been furnished to the Board. The Board shall give subsequent notification in writing to said mortgagee if sixty (60) days have elapsed and the Unit Owner has failed to cure a default, notice of which default was previously given to the Unit Owner and the mortgagee. Mortgagees who are entitled to receive notices of default by the Unit Owner in accordance with the foregoing, shall also be entitled to cure said default.

(b) For a period of sixty (60) days following the giving of notice to a mortgagee of a default by a Unit Owner in payment of Common Charges or any assessment, the Board will not commence a proceeding to foreclose its lien for said Unit Owner's non-payment of Common Charges or any assessment. If the mortgagee fails to cure said default within said sixty (60) day period by paying the requisite Common Charges or assessment, the Board shall be free to commence a proceeding to foreclose its lien at its discretion. If the Unit Owner is in default under the mortgage held by the mortgagee at the same time the Unit Owner is in default under these By-Laws or the Declaration for non-payment of Common Charges or any assessment, the Board will not commence or prosecute a proceeding to foreclose its lien if the mortgagee has advised the Board in writing that it has commenced a proceeding to foreclose its mortgage (provided such proceeding is thereafter prosecuted with reasonable diligence in a commercially reasonable manner), or that the Unit Owner has agreed in writing to deliver to the mortgagee a deed in lieu of foreclosure.

Section 4. Examination of Books. Each mortgagee of a Unit and its authorized representative shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, on at least three (3) business days prior written notice, but not more often than twice each calendar year.

Section 5. Representatives of Mortgagees.

(a) The Permitted Mortgagees constituting a majority of the outstanding principal amount of all Permitted Mortgages encumbering the Residential Units may, at their election, designate in writing to the Board one or more (but not more than three (3)) representatives ("Residential Mortgagee Representatives"), which Residential Mortgagee Representatives shall be empowered to act on behalf of all holders of Permitted Mortgages encumbering the Residential Units with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. The holders of Permitted Mortgage(s) encumbering the Commercial Unit may, at their election, designate in writing to the Board the holder of the highest mortgage encumbering the Commercial Unit, or its designee, corporate or otherwise, as their representative (the "Commercial Mortgagee Representative"), which Commercial Mortgagee Representative shall be empowered to act on behalf of all holders of Permitted Mortgages encumbering the Commercial Unit with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. The Residential Mortgagee Representatives and Commercial Mortgagee Representative are sometimes referred to collectively herein as the "Mortgagee Representatives." If any Mortgagee Representatives are so designated and notice thereof is given to the Board, the act of any such Representative

(or a majority of such Representatives, if more than one is so designated) shall be deemed binding upon the holders of all Permitted Mortgages encumbering the Residential Unit(s) or the Commercial Unit, respectively.

(b) Any designation of a Residential Mortgagee Representative or Commercial Mortgagee Representative shall remain effective until a subsequent designation is made pursuant to the provisions hereof and notice of such subsequent designation is given to the Board.

(c) Each Mortgagee of a Unit shall receive timely notice of:

(i) any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing its mortgage;

(ii) any 60-day delinquency in the payment of common charges or other assessments owed by the owner of the Unit on which it holds a mortgage;

(iii) a lapse, cancellation or material modification of any insurance policy maintained by the Condominium; and

(iv) any proposed action that requires the consent of a specified percentage of mortgagees.

(d) Notwithstanding anything to the contrary contained herein, the Condominium may not be terminated as a result of substantial destruction of the Property or following a partial or total condemnation of the Property or for any other reason unless first consented to in writing by Mortgagees of Units representing at least 51% of the aggregate Common Interest appurtenant to Units which are encumbered by mortgages at the time of such consent.

(e) Any first Mortgagee who obtains title to a Unit pursuant to foreclosure or deed in lieu of foreclosure will not be liable for the Unit's unpaid common charges accrued before acquisition of title to the Unit by the first Mortgagee.

(f) For so long as any part of the Construction Loan remains outstanding, the Construction Lender shall constitute the sole Residential Mortgagee Representative.

ARTICLE XIII

MISCELLANEOUS

Section 1. Severability. The invalidity of any provision of these By-Laws or the unenforceability of any provision as against any person or under certain circumstances shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws, and, in such event, all of the other provisions of these By-

Laws shall continue in full force and effect as if such invalid provisions had never been included herein, and shall be valid and enforced to the fullest extent permitted by law.

Section 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, or the intent of any provision hereof.

Section 3. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4. Waiver. No restriction, condition, obligation, or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XIV

CONSENTS

Section 1. Whenever in these By-Laws or in the Declaration the Board is required to obtain the consent or approval of USPS, such consent or approval shall be deemed to have been given by USPS if (a) USPS fails to respond to the Board within thirty (30) days following USPS's receipt of the Board's first written request for such consent or approval, (b) the Board delivers to USPS a second reminder notice, which notice shall:

(i) state that USPS's thirty (30) day consent period has expired;

(ii) include a copy of the Board's first written request;

(iii) contain, on the front page of the notice, in capitalized, bold letters, a statement that USPS's consent shall be deemed granted if USPS fails to deny or grant its consent within thirty (30) days of its receipt of such second reminder notice under Article XIII, Section 1 of the Amended and Restated By-Laws of The Sorting House Condominium; and

(c) USPS fails to respond within thirty (30) days following USPS's receipt of such second reminder notice. This Section 1 shall be applicable only to USPS and not to any subsequent Owner of the Commercial Unit.

Section 2. Whenever in these By-Laws or in the Declaration the consent or approval of a Unit Owner is required, such consent or approval shall not be unreasonably withheld or delayed, provided that so long as USPS owns the Commercial Unit, USPS in its sole discretion may withhold its consent or approval with respect to any matter that may materially and adversely affect the use of the Commercial Unit as a post office.

ARTICLE XV

CONFLICTS

Section 1. **Conflicts with Declaration or Statute**. These By-Laws and the Rules and Regulations are intended to comply with the requirements of the New York Condominium Act and all other applicable laws. Except as set forth in Section 2(a) of Article VII of these By-Laws, in case any of these By-Laws or any provision of the Rules and Regulations conflict with the provisions of said statute, the Amended Declaration or any other applicable law, the provisions of said statute, the Amended Declaration, or such other applicable law, as the case may be, shall control.

ARTICLE XVI

NON-RECOURSE

Section 1. **Limit on USPS's Liability**. Notwithstanding anything to the contrary contained in the By-Laws, the Amended Declaration or any related agreement or instrument, all liability and claims against USPS are strictly limited to an action for direct damages enforceable only against USPS's interest in the Commercial Unit, and in no event shall any recovery or judgment be sought or enforced against any of USPS's other assets or against any of USPS's Board of Governors, officers, employees or agents. Further, in no event shall any claimant be entitled to seek or obtain against USPS any other damages of any kind, including without limitation, consequential, indirect or punitive damages.

SCHEDULE A

RULES AND REGULATIONS FOR THE SORTING HOUSE CONDOMINIUM

1. Nothing shall be done in any Unit or in, on or to the Common Elements which will impair the structural integrity of the Building or any Building system.

2. Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board of Managers.

3. No noxious activity shall be carried on in any Unit or in the Common Elements nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants; provided that the use of the Commercial Unit as a post office shall be considered a permitted activity. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with by and at the sole expense of the Unit Owners or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

4. The Residential Unit Owners shall be solely responsible for the maintenance, repair and replacement of the sidewalk immediately in front of the Residential Area on the ground floor of the Building. The Commercial Unit Owner shall be solely responsible for the maintenance, repair and replacement of the remainder of the sidewalk in front of the Building.

5. USPS shall have no obligation to give pass keys to the Board or its designated agents.

6. The Residential Units shall be used for residences only, with not more than one family occupying a Unit at one time, except that (a) any Unit may, in addition, be used for any lawful home occupation (as such term is defined in the New York City Zoning Resolution), provided (i) that such use does not violate zoning regulations or the Certificate of Occupancy for the Building, and (ii) the prior consent of the Board of Managers is obtained or, in the case of grantees from RC 51 or its designee, written notice of such use is given to the managing agent, and (b) any Unit which is used for non-residential purposes as of the date of recording of the Declaration may continue to be used for non-residential purposes. In the event that any Residential Unit is used for home occupation purposes permitted by law, clients or other invitees shall not be permitted for any purpose to wait in any lobby, public hallway or vestibule, unless such lobby, hallway or vestibule is part of the Unit. Notwithstanding the foregoing, RC 51 (or its designee) may, without the permission of the Board of Managers or anyone else, retain ownership of one or more Residential Units for use as models, sales, leasing or business or administrative offices and may place signage of any size in any location on the Property, including signage on scaffolding, as determined in the sole discretion of RC 51 (or such designee), in connection with the sale, management or rental of Units in the Condominium; provided that no such signage may be installed on the

exterior of the Commercial Unit without the prior written approval of the Commercial Unit Owner, which approval shall not be unreasonably withheld, delayed or conditioned.

7. Nothing shall be done or kept in any Unit or the Common Elements which will increase the rate of insurance on the Building, or contents thereof, without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements which will result in the cancellation of insurance on the Building, or contents thereof, or which would be in violation of any law. No Unit Owner or occupant or any of its agents, servants, employees, licensees or visitors shall at any time bring into or keep in its Unit or in the Common Elements any flammable, combustible or explosive fluid, material, chemical or substance. No waste shall be committed in the Common Elements.

8. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit.

9. No radio or television aerial or satellite dish shall be attached to or hung from a Unit or otherwise installed on the exterior of the Building except as the Board of Managers shall permit in its sole discretion. No sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of the Residential Area of the Building except such as are permitted pursuant to the Declaration, the By-Laws or shall have been approved in writing by the Board, nor shall anything be projected from any window without similar approval.

10. No swill, brine, offensive animal matter, noxious liquid, or other filthy matter of any kind, shall be allowed by any person to fall upon or run into any street, or Common Element or be taken to or put therein.

11. There shall be no obstruction of the Common Elements. The entrances, passages, public halls, elevators, vestibules, corridors, stairways and other areas within the Common Elements shall not be used for any other purpose than that for which they are intended. Nothing shall be stored in the Common Elements or the Residential Common Elements without the prior consent of the Board of Managers except as hereinafter expressly provided.

12. Except in storage areas, if any, designated as such by the Board, there shall be no playing, lounging, or parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches or chairs on any part of the Residential Common Elements or Residential Limited Common Elements. Storage by Residential Unit Owners in areas designated by the Board of Managers shall be at the Unit Owner's risk.

13. No clothes, sheets, blankets, laundry or other similar articles shall be hung out of a Unit, exposed on any part of the Common Elements or Limited Common Elements or

used as a window treatment. The Common Elements and Limited Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials. No rugs or mops shall be shaken or hung from or on any of the windows or doors. No Unit Owner shall sweep or throw or permit to be swept or thrown therefrom any dirt or other substance.

14. Each Unit Owner shall keep his or her Unit and appurtenant Limited Common Elements, if any, in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair the Unit in accordance with the provisions of the By-Laws.

15. The agents of the Board of Managers or the managing agent, and any contractor or worker authorized by the Board of Managers or the managing agent, may enter any Unit at any reasonable hour of the day 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, provided that such right will be exercised in such a manner as will not unreasonably interfere with the use of the Units.

16. If any key or keys are entrusted by a Unit Owner or occupant or by his or her agent, servant, employees, licensee or visitor to any employee of the Board of Managers or to any employee of the managing agent, whether for such Unit or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner or occupant, and neither the Board of Managers nor the managing agent shall be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith.

17. Except to the extent expressly authorized herein or in the By-Laws, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted on any part of the Property other than the Commercial Unit, nor shall any "For Sale", "For Rent" of "For Lease" signs or other window displays or advertising be maintained or permitted on any part of the Property other than the Commercial Unit, nor shall any Unit be used or rented for transient, hotel or motel purposes. However, RC 51 (or its designee) shall have the right to place, "For Sale", "For Rent" or "For Lease" signs on the Condominium Property and on any unsold or unoccupied Units, and to maintain such free-standing and other selling and informational signs as are deemed necessary to sell or lease any Residential Units.

18. Dogs, cats or other common household pets, not to exceed two (2) per Unit, may be kept in Units, subject to the rules and regulations adopted by the Board of Managers, including those pertaining to the size of a pet and the permitted level of noise and subject further to removal by the Board of Managers for reasons such as aggression against people or other animals, quantity limitations, odor, hygiene or the Residential Unit Owner's repeated breach of the pet rules promulgated by the Board of Managers. In no event will any dog be permitted in any portion of the Common Elements unless carried or on a leash.

19. The Managing Agent shall retain a pass-key to each Residential Unit. If any lock is altered or a new lock is installed, the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to the 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, then the Board or its agents (but, except in an emergency, only when specifically authorized by an officer of the Board) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if during such entry reasonable care is given to the Unit Owner's property).

20. Unless expressly authorized by the Board in each case, at least 80% of the floor area of each Residential Unit (excepting only kitchens, bathrooms, closets and foyers) must be covered with rugs, carpeting or equally effective noise-reducing material.

21. No Residential Unit Owner or any tenant thereof shall make or permit any disturbing noises in the Building that unreasonably interfere with the rights, comfort or convenience of other residents. In particular, but without limiting the general force of the preceding sentence, no musical instrument, stereo, television, or exercise equipment shall be used, nor shall a resident vocalize, between the hours of 10:00 PM and 8:00 AM at a level that might reasonably be expected to annoy other residents. No construction or repair work or other installation involving noise shall be conducted in any Residential Unit or Residential Limited Common Elements except on weekdays (other than holidays) between the hours of 9:00 AM and 4:00 PM.

22. No Unit Owner shall install any plantings or any other objects on any terrace, balcony, or roof without prior written approval of the Board of Managers of the Condominium. Plantings shall be contained in boxes constructed of rot resistant wood species, plastic, or other durable lightweight materials. Non-ferrous fasteners shall be used. The planter shall have suitable weep holes to draw off water and be filled with a mix of perlite and topsoil and not weigh more than 50 pounds per cubic foot saturated. It shall be the responsibility of the Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Planters shall be placed so as not to create weight in excess of 30 pounds per square foot over any area of 30 square feet or more. No planter shall rest directly on the terrace, balcony or roof surface and shall be placed on bearing blocks of stone or concrete measuring 6"x6"x2" for every two (2) square feet of planter base. Planters shall be constructed so as to be self-supporting and shall not be placed closer than 10" to any wall or parapet or to each other. No planter shall block access or egress from or to any area of roof or terrace. Planters shall not be placed on or hung from any raised structure, penthouse, wall, roof, railing, or parapet. The use of a surface on top of the permanent paving, such as indoor-outdoor carpeting or mats, impedes the flow of water to the terrace drains and is not permitted. Sheds and other temporary or permanent structures are not permitted on the roofs, balconies, or terraces. The weight of furnishings or decorative items shall not exceed 200 pounds and the weight shall be distributed as not to exceed 65 pounds per square foot of base area. Any damage caused to the Building or any portion thereof as a result of the placement of the planter shall be repaired at the sole cost and

expense of the Unit Owner. No plantings or other installations in the courtyard shall be made by any Unit Owner.

23. Unit Owners shall, at their sole cost and expense, comply with all present and future laws, orders and regulations of all state, federal, municipal and local governments, departments, commissions and boards regarding the collection, sorting, separation, recycling and disposal of waste products, garbage, refuse and trash (including, without limitation, medical, regulated or other hazardous waste). Unit Owners shall sort and separate such waste products, garbage, refuse and trash into such categories as provided by law, and in accordance with the rules and regulations adopted by the Board of Managers of the Condominium for the sorting and separating of such designated recyclable materials. Unit Owners shall comply with the requirement to rinse recyclable bottles and containers before placing them in the designated receptacles, in accordance with all applicable law and regulations. The Board reserves the right, where permitted by law, to refuse to collect or accept from Unit Owners any waste products, garbage, refuse or trash which is not separated and sorted as required by law. Unit Owners shall pay all costs, expenses, fines, penalties or damages which may be imposed on the Board of Managers, RC 51 or any Unit Owner by reason of the Unit Owner's failure to comply with these provisions and, at the Unit Owner's sole cost and expense, the Unit Owner shall indemnify, defend and hold harmless the Board of Managers, RC 51 and the other Unit Owners (including legal fees and disbursements) from and against any actions, claims and suits arising from the Unit Owner's non-compliance, utilizing counsel reasonably satisfactory to the Board or RC 51, as the case may be, if said party so elects. The Unit Owner shall be liable to the Board of Managers for any costs, expenses or disbursements, including legal fees, which may be incurred by the Board in the commencement and/or prosecution of any action or proceedings by the Board against the Unit Owner, predicated upon the Unit Owner's breach of this paragraph. Unit Owners are advised that local regulations governing recycling make Unit Owners liable for non-compliance.

24. Storage Bins may be used only for storage of the personal effects of residents of the Condominium (except as otherwise prohibited by the Board or the Declaration of Condominium or By-Laws), provided such use is permitted under the certificate of occupancy and zoning classification for the Building, and other applicable documents, laws, regulations and ordinances. However, in no event may (i) any food or other perishable item, (ii) any animal, (iii) any combustible, flammable or explosive item, (iv) any hazardous or toxic materials, substances or waste, (v) any materials creating offensive odors, or (vi) any illegal items, be stored in Storage Bins.

25. Unit Owners will faithfully observe the procedures established from time to time by the Board of Managers or the Managing Agent with respect to services provided and management of the Building.

26. Any consent or approval given under these Rules and Regulations may be added to, amended or repealed at any time by resolution of the Board of Managers.

Paragraphs 7 through 26 above shall not apply to the existing operations of USPS in the Commercial Unit.

SCHEDULE B

THE SORTING HOUSE CONDOMINIUM

Line Items for Budget for First Year of Operation of Condominium

Management

Administrative and Legal

Accounting

Utilities

Maintenance

Exterminating

Alarm System Maintenance

Roof Repair

Façade Repair

Sidewalk

Insurance

Landscaping

Miscellaneous

Contingency (10% of total)

Capital Reserve

EXHIBIT G

ESCROW AGREEMENT

THE SORTING HOUSE CONDOMINIUM

AGREEMENT made this 13 day of August, 2015, between RC 51 DEVELOPMENT LLC ("Sponsor"), as Sponsor of the offering plan (the "Plan") for the premises located at 318 West 52nd Street, New York, New York, and ROMER DEBBAS LLP ("Escrow Agent"), as Escrow Agent.

WHEREAS, Romer Debbas LLP, a law firm with an address at 275 Madison Avenue, New York, NY 10016; telephone number (212) 888-3100, is authorized to act as an Escrow Agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, Sponsor desires that Escrow Agent act as Escrow Agent for deposits and payments by purchasers, pursuant to the terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. **ESTABLISHMENT OF THE ESCROW ACCOUNT.**

1.1. Sponsor and Escrow Agent hereby establish an escrow account with Escrow Agent for the purpose of holding deposits or payments made by purchasers. The escrow account shall be opened with Valley National Bank, at its branch located at 111 Fourth Avenue, New York, NY 10003. The account number is to be determined. The escrow account is federally insured by the FDIC in the maximum amount of $250,000 per deposit. Any deposit in excess of $250,000 will not be insured.

1.2. The name of the account is "Romer Debbas LLP – 318 West 52nd Street Escrow Account".

1.3. The signatories on the account are Michael J. Romer, Pierre Debbas, Louis Sherman, Sharon M. Zimmer and Matthew Melnick. Messrs. Romer and Debbas are members of the firm of Escrow Agent. All designated signatories are admitted to practice law in the State of New York. Neither 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.

1.4. The escrow account shall be an interest-bearing account as disclosed in the Plan or in an amendment thereto.

1.5. The escrow account is not an IOLA account established pursuant to Judiciary Law Section 497.

1.6. Any deposits made for upgrades, extras, or custom work shall be initially deposited into the escrow account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor.

2. **DEPOSITS INTO THE ESCROW ACCOUNT**.

2.1. Within five (5) business days after the signed purchase agreement has been tendered to Escrow Agent along with the deposit and required W-9 or W-8, Escrow Agent shall sign the purchase agreement and deposit all funds received from the prospective purchaser, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, into the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser to the order of "Romer Debbas LLP, as Escrow Agent". Any instrument payable or endorsed other than as required hereby, and

which cannot be deposited into such escrow account, shall be returned to the prospective purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by Escrow Agent. In the event of such return of funds, the instrument shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of this Agreement.

2.2. Within ten (10) business days after tender of the deposit submitted with the purchase agreement, Escrow Agent shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan, provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind the purchase agreement within ninety (90) days after tender of the deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, NY 10271. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with the Attorney General's regulations concerning deposits and requisite notice was timely mailed to the purchaser.

3. **RELEASE OF FUNDS**.

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

3.2. Escrow Agent shall not release the escrowed funds of a defaulting purchaser until after consummation of the Plan as evidenced by the acceptance of a post-closing amendment by

the New York State Department of Law. Consummation of the Plan shall not relieve Sponsor of its fiduciary obligations pursuant to GBL Sections 352-h and 352-e(2-b).

3.3. Escrow Agent shall continue to hold the funds in escrow until (a) closing pursuant to the terms and conditions set forth in the purchase agreement, or unless otherwise directed in (b) a writing signed by both Sponsor and purchaser or (c) a final, non-appealable judgment or order of a court of competent jurisdiction.

3.4. If Escrow Agent is not directed to release the deposit pursuant to Section 3.3 (a) through (c) above, and Escrow Agent receives a request by either party to release the deposit, then Escrow Agent must give both the purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the deposit. If Escrow Agent has not received notice of objection to the release of the deposit prior to the expiration of the thirty (30) day period, the deposit shall be released and Escrow Agent shall provide further written notice to both parties informing them of said release. If Escrow Agent receives a written notice from either party objecting to the release of the deposit within said thirty (30) day period, Escrow Agent shall continue to hold the deposit until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, Escrow Agent shall have the right at any time to deposit the deposit contained in the escrow account with a court of competent jurisdiction in the county where the building is located and shall give written notice to both parties of such deposit.

3.5. Sponsor shall not object to the release of the escrowed funds (a) to a purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan or (b) to all purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

4. **RECORDKEEPING.**

4.1. Escrow Agent shall maintain all records concerning the escrow account for seven (7) years after release of the funds.

4.2. Upon the dissolution of a law firm which was Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

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

4.4. Escrow Agent shall make available to the Attorney General, upon his request, all books and records of Escrow Agent relating to the funds deposited and disbursed hereunder.

5. **GENERAL OBLIGATIONS OF ESCROW AGENT.**

5.1. Escrow Agent shall maintain the accounts called for in this Agreement under the direct supervision and control of Escrow Agent.

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

5.3. 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.

6. **RESPONSIBILITIES OF SPONSOR.**

6.1. Sponsor agrees that Sponsor and its agents, including any selling agents, shall deliver all deposits and payments received by them prior to closing of an individual transaction to a designated attorney who is a member of or employed by Escrow Agent within two (2) business days of tender of the deposit by purchaser.

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

6.3. Sponsor shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from the purchaser and deliver such form to Escrow Agent together with the deposit and the purchase agreement.

6.4. Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses, damages and liability incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with the purchase agreement or the performance or non-performance of Escrow Agent's duties under the 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 the purchase agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

7. **RESPONSIBILITIES OF ESCROW AGENT.**

7.1. Escrow Agent is acting as an accommodation to the Sponsor, and shall not be liable for any action taken or omitted hereunder except for its negligence or willful misconduct.

Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under the 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.

7.2. Escrow Agent shall not be bound by any modification, cancellation or rescission of this Agreement unless in writing and signed by both parties and delivered to it.

7.3. Escrow Agent shall not be liable or responsible for the collection of any check deposited into an account under its supervision as Escrow Agent.

7.4. Escrow Agent may act only upon instructions from either party to this Agreement or their attorney, or in the event of a dispute, upon the instructions of the Attorney General.

7.5. Except for such obligations imposed by Section 352-e(2-b) and 352-h of the General Business Law of the State of New York, Escrow Agent is acting as a stakeholder only with respect to the escrowed funds. Upon payment of funds in accordance with the terms of this agreement and the purchase agreement for the Unit, Escrow Agent will be discharged from liability by Sponsor and will be discharged by the purchaser as to compliance with requirements under the Attorney General's regulations.

7.6. In the event there is a dispute as to the disposition of the escrowed funds, Escrow Agent may bring an appropriate action or proceeding for leave to deposit the escrowed funds into a court of competent jurisdiction with notice to both Sponsor and the purchaser. Escrow Agent shall be reimbursed by the Sponsor for all costs and expenses of such action or proceeding including, without limitation, reasonable attorneys' fees and disbursements. Escrow Agent shall have no further liability to any party if the funds are delivered in the manner provided for in this paragraph.

7.7. Escrow Agent may represent the Sponsor in the event of any dispute pertaining to the escrowed funds.

8. **TERMINATION OF AGREEMENT**.

8.1. This Agreement shall remain in effect unless and until it is cancelled, by either:

(a) Written notice given by Sponsor to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent; or

(b) The resignation of Escrow Agent upon giving notice to Sponsor of its desire to so resign, which resignation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent; or

(c) All units offered pursuant to the Plan have been sold and all sales transactions have been consummated.

8.2. Upon termination of the duties of Escrow Agent as described in paragraph 8.1 above, Escrow Agent shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by Escrow Agent to the new Escrow Agent.

9. **SUCCESSORS AND ASSIGNS**.

9.1. This Agreement shall be binding upon Sponsor and Escrow Agent and their successors and assigns.

10. **GOVERNING LAW**.

10.1. This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

11. **ESCROW AGENT'S COMPENSATION**.

11.1. Sponsor agrees that Escrow Agent's compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to Escrow Agent, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

12. **SEVERABILITY**.

12.1. If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

13. **NO WAIVER**.

13.1. 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 Escrow Agent holding any deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL Sections 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the purchase agreement, Plan, or any amendment thereto.

14. **ENTIRE AGREEMENT**.

14.1. This Agreement, read together with GBL Sections 352-h and 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

Escrow Agent:

ROMER DEBBAS LLP

By:_____
Louis Sherman, Partner

Sponsor:

RC 51 DEVELOPMENT LLC
By: HMG B Investors LLC, Managing Member
By: HMG Development LLC, Managing Member

By:_____
Name: Howard Glatzer
Title: Managing Member

EXHIBIT H

§28-104.8.3 Information of applicant, filing representative, and owner. The application shall set forth the full names, addresses, telephone numbers, and where available, e-mail addresses of the following persons and where any of such persons are corporations, partnerships or other business entities, the names and addresses of the principal officers, partners or other principals of such entity:

1. The applicant;
2. The filing representative;
3. The owner, cooperative owners' corporation, or condominium owners' association; and
4. Where a person other than the owner has engaged the applicant, such cooperative unit shareholder, condominium unit owner, lessee, or mortgagee.

§28-104.8.4 Tenant protection plan. Construction documents for alterations of buildings in which any dwelling unit will be occupied during construction shall include a tenant protection plan. Such plan shall contain a statement that the building contains dwelling units that will be occupied during construction and shall indicate in sufficient detail the specific units that are or may be occupied during construction, the means and methods to be employed to safeguard the safety and health of the occupants, including, where applicable, details such as temporary fire-rated assemblies, opening protectives, or dust containment procedures. The elements of the tenant protection plan may vary depending on the nature and scope of the work but at a minimum shall make detailed and specific provisions for:

1. Egress. At all times in the course of construction provision shall be made for adequate egress as required by this code and the tenant protection plan shall identify the egress that will be provided. Required egress shall not be obstructed at any time except where approved by the commissioner.

2. Fire safety. All necessary laws and controls, including those with respect to occupied dwellings, as well as additional safety measures necessitated by the construction shall be strictly observed.

3. Health requirements. Specification of methods to be used for control of dust, disposal of construction debris, pest control and maintenance of sanitary facilities, and limitation of noise to acceptable levels shall be included.

3.1. There shall be included a statement of compliance with applicable provisions of law relating to lead and asbestos.

4. Compliance with housing standards. The requirements of the New York city housing maintenance code, and, where applicable, the New York state multiple dwelling law shall be strictly observed.

5. Structural safety. No structural work shall be done that may endanger the occupants.

6. Noise restrictions. Where hours of the day or the days of the week in which construction work may be undertaken are limited pursuant to the New York city noise control code, such limitations shall be stated.

ARTICLE 105
PERMITS

§28-105.1 General. It shall be unlawful to construct, enlarge, alter, repair, move, demolish, remove or change the use or occupancy of any building or structure in the city, or to erect, install, alter, repair, or use or operate any sign or service equipment in or in connection therewith, or to erect, install, alter, repair, remove, convert or replace any gas, mechanical, plumbing or fire suppression system in or in connection therewith or to cause any such work to be done unless and until a written permit therefore shall have been issued by the commissioner in accordance with the requirements of this code, subject to such exceptions and exemptions as may be provided in section 28-105.4.

Exhibit I-1

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO PART 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED.

August 13, 2015

New York State Department of Law
120 Broadway - 23rd Floor
New York, New York 10271

Re: 318 West 52nd Street, New York, New York

We are the Sponsor and the principals of Sponsor of the condominium Offering Plan for the above captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the New York Condominium Act, the regulations promulgated by the Attorney General in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for making this certification. We jointly and severally certify that the Offering Plan does, and that all documents submitted hereafter by us which amend or supplement the Offering Plan will:

(1) set forth the detailed terms of the transaction and be complete, current and accurate;

(2) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(3) not omit any material fact;

(4) not contain any untrue statement of a material fact;

(5) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(6) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(7) not contain any representation or statement which is false, where we:(i) knew the truth; (ii) with reasonable effort could have known the truth; (iii) made no reasonable

effort to ascertain the truth, or (iv) 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:

RC 51 DEVELOPMENT LLC

By: HMG B Investors LLC, Managing Member

By: HMG Development LLC, its Managing Member

By: _____
Name: Howard Glatzer
Title: Managing Member

SPONSOR'S PRINCIPAL:

_____
Howard Glatzer

Sworn to before me this
13 day of August, 2015

_____
Notary Public

CHRISTIAN LEE
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01LE6267480
QUALIFIED IN KINGS COUNTY
CERTIFIED FILED IN NEW YORK COUNTY
COMMISSION EXPIRES MAY 19, 20 16

Certification of Sponsor's Architect Pursuant to
Section 20.4(c) of the Regulations Issued
Pursuant to General Business Law
Article 23-A

New York State Department of Law
120 Broadway
23rd Floor
New York, NY 10271

Attention: Real Estate Finance Bureau

Re: 318 West 52nd Street
New York, New York (the "Property")

The Sponsor of the offering plan for the submission of the Property to condominium ownership (the "Offering Plan") retained our firm to prepare a report describing the construction of the Property (the "Report"). We visually inspected the Property on February 23, 2015. We prepared the building plans, dated January 15, 2015, and prepared the Report, dated August 4, 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 Office of the Attorney General 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:

(1) sets forth in narrative form the description and/or physical condition of the entire Property as it will exist upon completion of construction, provided construction is in accordance with the plans that we prepared;

(2) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the Property as it will exist upon completion of construction, provided that construction is in accordance with the plans that we prepared;

(3) does not omit any material fact;

(4) does not contain any untrue statement of a material fact;

(5) does not contain any fraud, deception, concealment, or suppression;

(6) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(7) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor and that our compensation for preparing this Report is not contingent on the conversion of the Property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the Property.

Architecture Outfit

By: _____

BRINER, THADDEUS, MJES.
Sworn to before me this
19th day of August, 2015

MEI XIAO
Notary Public, State of New York
No. 01XI6312853
Qualified in Queens County
Certificate filed in New York County
Commission Expires Oct. 6, 2018

Notary Public

Stamp

FirstService
RESIDENTIAL

CERTIFICATION REGARDING ADEQUACY OF BUDGET PURSUANT TO SECTION 20.4(d) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

June 9, 2015

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

Re: The Sorting House Condominium
318 West 52nd Street, New York, New York

Gentlemen:

The Sponsor of the Condominium Offering Plan for the captioned condominium retained the undersigned to prepare Schedule B containing projections of income and expenses for the first year of condominium operation. Our experience in this field includes the management of over 250 rental, cooperative and condominium properties in New York City.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to Schedule B.

We have reviewed Schedule B (the "Schedule") and investigated the facts set forth in the Schedule 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 residential buildings.

We certify that the projections in the Schedule appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedule:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

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Tel 212.634.8900 | Fax 212.634.3946
www.fsresidential.com

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where 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 Condominium Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. 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
4th day of June 2015

_____
Notary Public

Brooke Rosenthal
Notary Public - State of New York
NO. 01RO6072178
Qualified in Nassau County
Commission Expires April 1, 2017

FirstService
RESIDENTIAL



Exhibit I-4

FirstService
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CERTIFICATION REGARDING ADEQUACY OF COMMERCIAL UNIT AND ROOFTOP TERRACE UNIT COMMON CHARGES PURSUANT TO SECTION 20.4(e) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

June 11, 2015

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

Re: The Sorting House Condominium
318 West 52nd Street, New York, New York

Gentlemen:

The Sponsor of the Condominium Offering Plan for the captioned condominium retained the undersigned to prepare Schedule B, which includes projections of common charges payable by the owners of the commercial unit and the rooftop terrace unit. Our experience in this field includes the management of over 250 rental, cooperative and condominium properties in New York City.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to the commercial unit listed in Schedule B.

We have reviewed Schedule B as it impacts upon the commercial unit and the rooftop terrace unit and investigated the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule B for common charges payable by the owners of the commercial unit and the rooftop terrace unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial unit and the rooftop terrace unit for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial unit and rooftop terrace unit also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in Schedule B for the common charges payable by the owners of the commercial unit and the rooftop terrace unit:

(i) set forth in detail the projected common charges for the commercial unit and the rooftop terrace unit for the first year of condominium operation;

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www.fsresidential.com

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial unit and the rooftop terrace unit;

(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 Condominium Offering Plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial unit and the rooftop terrace unit for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

FirstService Residential New York, Inc.

By: _____
Name: Marc Kotler
Title: Senior Vice President
New Development Group

Sworn to before me this
11th day of July 2015

_____
Notary Public

Brooke Rosenthal
Notary Public - State of New York
NO. 01RO6072178
Qualified in Nassau County
Commission Expires April 1, 2017

FirstService
RESIDENTIAL