CONDOMINIUM OFFERING PLAN
for

438 East 12th Street Condominium

located at
438 East 12th Street
New York, New York 10009

82 Residential Units	$212,654,000.00
6 Parking Units	$ 1,500,000.00
32 Storage Bins	$ 505,000.00
Total Offering	$214,659,000.00

The Condominium will have 82 Residential Units. 81 Residential Units will be offered for sale to the public and 1 Residential Unit will be offered by the Sponsor to the Board of Managers as a residence for the Building's superintendent. The Condominium will also have 1 Retail Unit, and 1 Community Facility Unit which are not being offered for sale as of the Filing Date of this Plan. Sponsor reserves the right to sell such Units in the future, in accordance with the terms of this Plan.

SPONSOR:
181 Avenue A, LLC
c/o Steiner NYC
15 Washington Avenue
Brooklyn Navy Yard
Brooklyn, New York 11205

SELLING AGENT:
Douglas Elliman Real Estate
575 Madison Avenue
New York, New York 10022

Date of Acceptance for Filing: January 26, 2016

This Offering Plan may not be used after January 25, 2017 unless extended by amendment

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE 1.

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL THE 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.

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 THIS PLAN)

THE SPONSOR OF THIS OFFERING PLAN IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UP TO EIGHTY-FIVE PERCENT (85%) OF THE RESIDENTIAL UNITS. SPONSOR MAKES NO REPRESENTATION THAT IT WILL EXECUTE PURCHASE AGREEMENTS TO SELL MORE THAN FIFTEEN PERCENT (15%) OF THE RESIDENTIAL UNITS.

BECAUSE THE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UP TO EIGHTY-FIVE PERCENT (85%) OF THE 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).

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Part I

SPECIAL RISKS

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

1. Upon the later of (i) the date upon which Sponsor shall own Unsold Residential Units having a percent interest in the Residential Section in the aggregate of ten (10%) percent or less or (ii) five (5) years from the First Unit Closing (the "Sponsor Control Period"), Sponsor, including any designee thereof, will relinquish control of the Residential Board of Managers if it has such control and will not elect a majority of its nominees for positions on the Residential Board of Managers, even though its total percentage of Common Interest may otherwise enable it to do so. Sponsor, during the time there are Unsold Residential Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to relinquishing voting control of the Residential Board of Managers, Sponsor will not use such vote to elect a particular individual to the Residential Board of Managers which would, by the election of such individual, give Sponsor voting control of the Board. Notwithstanding the foregoing, Sponsor may, at its discretion, relinquish voting control of the Residential Board prior to the end of the Sponsor Control Period. Sponsor or any Sponsor-designee shall have exclusive control over the Commercial Board for so long as Sponsor or its designee owns the Unsold Commercial Unit. ***Please refer to the Section entitled "Control By Sponsor" in Part I of this Plan.***

2. Sponsor may control the Board of Managers indefinitely. Sponsor, or any Sponsor designee, shall have exclusive control over the Commercial Board (i.e., it will have the right to designate both members of the two-member Commercial Board) for so long as Sponsor or its designee owns at least one Unsold Commercial Units. In addition, subsequent to the date when the Sponsor relinquishes control of the Residential Board and so long as the Sponsor or a Sponsor-designee shall continue to own Unsold Residential Units having an aggregate Residential Common Interest of at least five (5%) percent, Sponsor or Sponsor-designee shall have the right to designate two (2) of the five (5) members of the Residential Board. As such, even after Sponsor relinquishes control over the Residential Board, as disclosed above, it will have the right to designate four (4) members of the seven-member Board of Managers until it either owns Unsold Residential Units having an aggregate percentage of Residential Common Interest of less than five (5%) percent or it conveys title to both Commercial Units to a party other than a Sponsor-designee. In the event that, at any time after the first meeting of the Unit Owners, there is a vote by non-Sponsor members of the Board of Managers with respect to a legal action against Sponsor, Sponsor's designated Board members shall not be permitted to vote on such issue. ***Please refer to the Section entitled "Board of Managers "and "Control by Sponsor" in Part I of this Plan.***

3. Subsequent to the date when the Sponsor relinquishes control of the Residential Board and as long as the Sponsor or a Sponsor-designee shall continue to own at least one (1) Unsold Residential Unit the Sponsor or Sponsor-designee shall have the right to elect one (1) of the members of the Residential Board. ***Please refer to the Section entitled "Board of Managers in Part I of this Plan.***

4. Sponsor is retaining the unconditional right to rent eighty-five percent (85%) of the Residential Units in the Building that are being offered under this Plan. Unless and until this Plan is abandoned, Sponsor will endeavor in good faith to sell fifteen percent (15%) of the Residential Units, but makes no representation that it will execute Purchase Agreements to sell more than fifteen percent (15%) of the Residential Units.

5. As disclosed in the Notes to Schedule B, in Part I of this Plan, the Commercial Unit Owners and the Parking Unit Owners are obligated to pay some, but not all, types of Condominium expenses, contingent upon actual use. As result, the Common Charges attributed to each Residential Unit are higher than they would be if each Unit were paying Common Charges based solely upon such Unit's percentage of Common Interest. The Board is authorized to make such special allocations pursuant to Section 6.1 of the By-Laws, which are attached as an exhibit to the Declaration of Condominium, and made a part thereof. Section 13.3 of the By-Laws provides that no modification, addition, amendment or deletion of or to Section 6.1 shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

6. Pursuant to existing regulations of the Department of Law, Sponsor may declare this Offering Plan effective after it has fully executed Purchase Agreements for a minimum of thirteen (13) Residential Units in the Building.

Purchasers should note that in the current real estate market, banks and other institutional lenders are imposing various restrictions and preconditions on purchase money financing. Such restrictions and preconditions include requiring that a certain percentage of Units in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty obtaining a loan in a building or group of buildings where the sponsor has not sold a substantial percentage of the Units, which in some cases may be as high as seventy percent (70%). Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of ten percent (10%) or more. It may also be difficult for a Purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. ***Please refer to the Section entitled "Effective Date of Plan" in Part I of this Plan.***

7. Sponsor anticipates that the First Unit Closing will occur on or prior to January 1, 2018. Purchasers will be offered the right to rescind their Purchase Agreements if the actual date of the First Unit Closing occurs later than December 31, 2018. However, provided that the First Unit Closing occurs on or before December 31, 2018, and unless the Purchase Agreement contains an outside Closing date, Sponsor shall not

be obligated to close title to any Unit within a specified time frame. ***Please refer to the Section entitled "Procedure to Purchase" in Part I of this Plan.***

8. The By-Laws of the Condominium do not include a provision that, after the initial Sponsor voting control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Therefore, PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. Further, Unit Owners who are owner-occupants and Unit Owners who are non-residents (including Sponsor) may have inherent conflicts on how the Condominium should be managed because of their differing reasons for purchasing (i.e. purchase of a Residential Unit as a home as opposed to an investment). ***Please refer to the Section entitled "Control By Sponsor" and "Board of Managers" in Part I of this Plan.***

9. As long as the Sponsor or any Sponsor-designee shall continue to own a Unit, but in no event for a period in excess of five (5) years from the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law or to correct an order issued by an insurance carrier to the extent that existing reserves are insufficient) ***Please refer to the Section entitled "Control By Sponsor" in Part I of this Plan.***

10. As long as the Sponsor or any Sponsor-designee shall continue to own a Unit, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) amend the Declaration or the Bylaws so as to in any way adversely affect the Sponsor or its designees, or (ii) interfere with: the offer, sale or leasing of Units at the Property; the operations of general or sales or leasing offices at the Property; or actions necessary for renovation, repair or correction at the Property, as required by Sponsor. ***Please refer to the Section entitled "Control By Sponsor" in Part I of this Plan.***

11. At the time that a Purchase Agreement is executed, a Purchaser is required to make the down payment to Sponsor's attorney, Seiden & Schein P.C., as Escrow Agent, in an amount equal to ten (10%) percent of the purchase price of the Unit(s) (the "Down Payment"). An "Additional Unit Down Payment," in the amount of five percent (5%) of the Purchase Price for the Unit, shall be delivered to Seller's counsel, Seiden & Schein, P.C., as escrow agent, within 180 days after the fully executed Purchase Agreement has been delivered to Purchaser or Purchaser's attorney, time being of the essence. In the event a Purchaser defaults under the Purchase Agreement by failing to pay any portion of the Purchase Price when due and close title on the date, hour and place specified by Sponsor, or if Purchaser fails to perform any of Purchaser's other obligations that are mutually agreed to in a rider that is attached to the Purchase Agreement, time shall be of the essence for Purchaser to cure such default. "Time of the essence" means that if the Purchaser does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default, Sponsor may, at its option, cancel such

Agreement and retain, as liquidated damages, the Down Payment made by the Purchaser, together with interest earned thereon, if any. Additionally, if a Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date and Sponsor elects not to cancel that Purchaser's Agreement as a result of the same, the closing apportionments to be made at the Closing will be made as of the midnight of the day of the originally scheduled Closing Date. ***Please refer to the Section entitled "Procedure to Purchase" in Part I of this Plan.***

12. a) No Financing Contingency. The obligation of Purchaser to purchase a Unit is not contingent upon obtaining financing. As a result, Purchaser will not be excused from Purchaser's obligation to pay the full Purchase Price of the Unit on the date scheduled by Sponsor for closing title, regardless of Purchaser's ability or inability to obtain mortgage financing, and notwithstanding that any loan commitment Purchaser may have obtained expires prior to Closing of title.

b) Purchaser's Financing Risks. If Purchaser is relying upon financing, Purchaser will assume the risks of meeting all conditions and requirements of the lender to obtain and fund the loan on the date set by Sponsor for closing of title under the Purchase Agreement, including conditions and requirements that may be beyond Purchaser's control. These risks include, but are not limited to, the following: (a) meeting all requirements concerning Purchaser (for example, Purchaser's income, financial condition, employment status, sale of an existing residence, etc.) and any adverse changes in meeting these requirements that may occur between the issuance and funding of the loan commitment (notably, recently enhanced credit requirements may result in greater difficulty to qualify for a mortgage loan); (b) meeting a requirement for a certain percentage of Units to be "owner-occupied" (banks and other institutional lenders may require up to 70% of the Units to be "owner-occupied"); and (c) losing a "lock-in" interest rate because the closing of title under Purchaser's Purchase Agreement fails to occur before the expiration of the period within which the loan must close to obtain the locked-in rate. Purchaser also assumes the risk of adverse changes in the terms of the loan that may occur before the closing of the loan and paying additional amounts to extend the loan commitment period. By assuming these risks, Purchaser will not be excused from the obligation to purchase without abatement in the Purchase Price and without recourse against Sponsor or the Selling Agent. Sponsor and Selling Agent do not represent, assure or guarantee that a Purchaser will succeed in obtaining mortgage financing from a bank or other institutional lender, or from other independent sources, or (if Purchaser succeeds) the terms or costs of such financing, or whether the closing of title will occur before the loan commitment or any lock-in rate expires, or (if it expires) whether the commitment will be extended or the costs to obtain an extension or the terms and conditions thereof, which may be less favorable than the original commitment. A prospective Purchaser who is relying upon financing is advised to inquire with a proposed lender or mortgage broker as to whether he or she will qualify for a mortgage loan and the terms thereof before entering into a Purchase Agreement. ***Please refer to the Section entitled "Procedure to Purchase" in Part I of this Plan for further discussion.***

13. Sponsor has the financial resources to meet its obligations to the Condominium. However, no bond or other security has been furnished to secure the performance of such obligations. ***Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan.***

14. Sponsor shall not be required to offer a right of first refusal or seek or obtain approval (as the case may be) from the Condominium Board of Managers for any transfer, lease of, or alterations, repairs or improvement to its Units (provided that such alterations, repairs or improvements comply with applicable laws). ***Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan.***

15. Pursuant to Section 8.1.6 of the By-Laws, if the Residential Board exercises its right of first refusal to lease a Unit, any lease executed by the Residential Board, as tenant, shall provide that the Residential Board may freely assign such lease and or sublet all or part of such Residential Unit without the consent of the Unit Owner. ***Please also refer to the Section entitled "Introduction" in Part I of this Plan.***

16. On or about the date of the First Unit Closing, Sponsor will lease Unit 2P to the Board of Managers, to be used as a residence for the Condominium's resident manager. The lease term for Unit 2P will be two (2) years. The rent for Unit 2P will be $5,186.62 per month in the first lease year and $10,000 in the second lease year, commencing on the date of the First Unit Closing.

Sponsor hereby offers the Board of Managers the option to purchase Unit 2P at any time during the two (2) year lease term at the offering price disclosed on **Schedule A** in this Plan. At each Unit Closing, each Purchaser shall be obligated to make a one-time contribution, based on each Unit's percentage of Common Interest, toward a purchase Down Payment which equals thirty percent (30%) of the Purchase Price, plus $50,000 for the anticipated closing costs, as provided on **Schedule A-2**, which is located in Part I of this Plan. Sponsor anticipates, but does not guaranty, that the remaining seventy percent (70%) of the Purchase Price of Unit 2P shall be financed through an institutional lender. Sponsor makes no representations as to the availability of such institutional financing or the terms thereof, if such institutional financing is obtained. In the event that the Board cannot obtain institutional financing for the purchase of Unit 2P, Sponsor reserves the right, but shall not have the obligation, to provide mortgage financing to the Board. The financing shall be based either on a five (5) year interest-only mortgage with a balloon payment at the end of such five (5) year term or on a thirty (30) year amortized mortgage, at a fixed interest rate (at Sponsor's option). The interest rate of either such Sponsor mortgage shall not exceed 7% per annum.

In the event that the Board does not purchase Unit 2P on or before the end of such two (2) year lease term, for any reason or no reason, Sponsor reserves the right to offer Unit 2P for sale or rent to the general public, and, therefore, there may be no Unit in the Building for the Condominium's resident manager to reside in. In such event, the Board shall be obligated by Law to hire a superintendent or janitor who does not reside in the Building, but who exclusively services the Condominium. The Board shall also be required to obtain 24 hour emergency superintendent or janitor coverage. If Sponsor

does not offer Unit 2P to the general public at such time or thereafter, no representation is made regarding the rent that would be charged by Sponsor therefor.

Prospective Purchasers are also advised that in the event that the Board does not purchase Unit 2P and Sponsor exercises its right to sell or rent Unit 2P to any other party, the one-time contributions made by Purchasers at each Closing pursuant to **Schedule A-2** shall retained by the Board, to be used in the Board's sole discretion.

Notwithstanding the foregoing, Sponsor reserves the right, in its sole discretion, to substitute any other Unsold Unit for which a Purchase Agreement has not been fully executed for Unit 2P, for the purpose of housing the resident manager, pursuant to a duly filed amendment to this Plan.

17. Purchasers shall be required to pay the New York City and New York State Transfer Taxes, ("Transfer Taxes") due upon their purchase of a Unit, in addition to the so-called New York State "Mansion Tax," which is due on any Unit that has a purchase price of $1,000,000.00 or more. Although Transfer Taxes are customarily paid by the seller in single-family and other covered transactions (other than condominium developments), the responsibility for payment of such taxes may be modified by contract. It is now customary in New York City for Purchasers of Units from a sponsor of condominium developments to pay Transfer Taxes. The New York City Department of Finance and New York State Department of Taxation and Finance each take the position that where the Purchaser pays Transfer Taxes, the amount thereof will be added to the taxable consideration, thereby increasing the amount of the tax due from Purchaser. In addition, where the Purchase Price of the Unit is close to, but less than, $1,000,000.00 and Purchaser pays the Transfer Taxes, the "Mansion Tax" may become due and payable to New York State as a result of such additional taxable consideration. ***Please refer to the Section entitled "Unit Closing Costs and Adjustments" in Part I of this Plan.***

18. In accordance with the terms of this Plan, Sponsor has the right to sell Units to Purchasers for investment or resale. Accordingly, it is possible that certain Unit Owners will not be residents of the Building. Sponsor has further reserved the right to enter into Use and Occupancy Agreements for any Unit prior to Closing of the sale with the Purchaser thereof or with any other party, and residents of the Condominium may be comprised of both Unit Owners and tenants leasing from Sponsor or the Unit Owners. Individuals leasing Units from Sponsor will not, except as expressly provided in their respective Use and Occupancy Agreements, have any special rights to purchase such Units. In addition, a Purchaser may be acquiring a Unit that has been previously occupied, but such Unit will be delivered at closing free and clear of all leases and tenancies except as may otherwise be agreed to in writing by the parties. ***Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan.***

19. There is no limit on the number of Unit Owners who may purchase for investment rather than personal occupancy. Consequently, there may always be a substantial percentage of Unit Owners who are non-residents. ***Please refer to the Section entitled "Board of Managers" in Part I of this Plan.***

20. Due to the size of the Building and the complex process of constructing a building in general, prospective Purchasers are advised that for a period of time following the First Unit Closing construction on and within the Building will likely be ongoing. During at least the first year of Condominium operation, construction workers will likely be on site performing construction work on various parts of the Building. As such, prospective Purchasers are advised that the Building's systems, including, but not limited to, the elevator, heating, cooling, air conditioning ventilation system, and water system may be disrupted from time to time. Prospective Purchasers are advised that all of the foregoing work may be noisy and disruptive while being performed. In addition, prospective Purchasers are advised that the decoration and finishing of the Common Elements, including, but not limited to, the lobby and Building corridors may not be fully complete at the time of the First Unit Closing, and may, in fact, proceed for some time after the First Unit Closing, as each floor of the Building is completed. Further, certain Building amenities such as, but not limited to, the fitness center, the children's playroom, swimming pool and the bicycle room may not be available until after the First Unit Closing. However, even if some or all Building amenities are not available, the Board of Managers will have the right to collect Common Charges at the level disclosed in this Plan.

Pursuant to the terms of this Plan Sponsor has the right (in its sole and absolute discretion), but not the obligation, to cause Common Charges not to be charged to Unit Owners for so long as Sponsor pays the actual Condominium expenses, in lieu of Common Charges, from the date of the First Unit Closing up until such time as title to fifty percent (50%) of the Residential Units have been conveyed by Sponsor to third-party Purchasers. In the event that Sponsor makes such election, Common Charges will not be assessed by the Board of Managers to any Unit Owners. At such time that Sponsor causes the Board of Managers to assess Common Charges, each Unit Owner, including Sponsor, shall pay Common Charges, as discussed in this Plan.

In the event that Sponsor delays the collection of Common Charges, during such delay Sponsor will timely pay all expenses of the Condominium, including but not limited to, insurance premiums and Sponsor's pro rata share of the contingency fund contribution and upon commencement of the collection of Common Charges, there will not be a Special Assessment for any item in the approved budget for the Condominium. Sponsor shall remain obligated, during such delay, to update the budget for the Condominium as provided for in the By-Laws and by the governing regulations of the Department of Law. In the event Sponsor elects to delay the collection of Common Charges, it will disclose such fact in the Closing notice to Purchasers and will further disclose such fact in the post-Closing amendment to the Offering Plan. Such amendment will also disclose the anticipated period of delay. Sponsor will notify all Unit Owners in writing of the expiration of the delay period at least thirty (30) days prior to the commencement of collection of Common Charges and will disclose such fact in the following amendment to the Offering Plan. ***Please refer to the Section entitled "Rights and Obligations Rights and Obligations of Sponsor" in Part I of this Plan.***

21. While Units are being offered for sale or lease by Sponsor or its designees, there will be a greater number of visitors to the Building than would otherwise be the case. No

representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor or its designee nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Condominium's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages, provided that any such failure is not caused by the negligence of Sponsor or its designees, the Managing Agent or their respective agents.

22. The Building will contain lot line windows on the east lot line in Units 3A, 4A, 5A and 6A. Per the New York City Building Code in effect as of the Filing Date, all lot line windows are sprinklered and make up less than 10% of their façade area. As of the Filing Date, the Building Code does not require such windows to be sealed in the event a building next to the Building is either constructed or enlarged. The floor plans located in Part II of this Plan indicate the location of the lot line windows in the affected Units. Sponsor makes no representation or warranty of any kind whatsoever as to views and/or light quality from any windows and/or terraces in the Building.

Sponsor makes no representation or warranty of any kind whatsoever as to views and/or light quality from any windows and/or terraces in the Building. ***Please refer to the Section entitled "Description of Property and Improvements" in Part I of this Plan and the Description of the Property and Specifications in Part II of this Plan.***

23. After completion of construction, the Sponsor will apply for a Certificate of Occupancy from the New York City Department of Buildings for the Building. The Sponsor will obtain a Temporary Certificate of Occupancy prior to the First Unit Closing and will seek to obtain a Final Certificate of Occupancy ("FCO") within two (2) years of the issuance of first Temporary Certificate of Occupancy for the Building, barring delays caused by *force majeure* or other reasons beyond the control of Sponsor. If the First Unit Closing occurs prior to the issuance of an FCO for the Building, Sponsor shall maintain in escrow an amount reasonably necessary to complete the work required to obtain an FCO, as determined and certified by Sponsor's architect. Purchasers are encouraged to review the New York City Department of Buildings Website for information on Certificates of Occupancy. ***Please refer to the Sections entitled "Description of Property and Improvements" and "Rights and Obligations of Sponsor" in Part I of this Plan.***

24. Purchasers are advised that in New York City, newly constructed condominium units are sometimes offered with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive TCOs that cover the entire building before a final certificate of occupancy is issued ("FCO"). Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB-approved plans and specifications, and to the requirements of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires 90

days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than an FCO. Sponsor anticipates this scenario may occur with respect to this offering. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining an FCO covering the entire Building within two (2) years from the date of the issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two-year period. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FINAL CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SPONOSR AND ITS PRINCIPALS SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO-YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owners and the Board of Managers shall be obligated to cooperate with, and to refrain from obstructing, Sponsor while Sponsor undertakes to obtain a FCO. ***Please refer to the Sections entitled "Description of Property and Improvements" and "Rights and Obligations of Sponsor" in Part I of this Plan.***

25. The Building is being constructed with the use of approximately 9,300 square feet of inclusionary development rights (the "Inclusionary Air Rights") which are being purchased by Sponsor pursuant to an Inclusionary Air Rights Purchase Agreement ("IAR Purchase Agreement") between Sponsor and a developer of offsite affordable housing (such housing hereinafter referred to as "Inclusionary Housing") that is unrelated to Sponsor (the "IAR Seller"). Under the New York City Inclusionary Housing Program (the "Inclusionary Housing Program"), as more particularly set forth in Sections 23-90 through 23-96 of the Zoning Resolution of the City of New York (as amended from time to time, the "Zoning Resolution"), the acquisition of the Inclusionary Air Rights will enable Sponsor to complete the construction of the Building with approximately 9,300 square feet of floor space more than would otherwise be permitted under applicable Law.

In accordance with the terms of the IAR Purchase Agreement and the requirements of the Inclusionary Housing Program, IAR Seller has entered into a regulatory agreement with the Department of Housing Preservation and Development of the City of New York ("HPD") and it has obtained a "permit notice" from HPD ("Inclusionary Air Rights Permit Notice") addressed to the New York City Department of Buildings ("DOB"). The issuance of the Inclusionary Air Rights Permit Notice enabled Sponsor to obtain a building permit for the construction of the Building inclusive of the square footage utilizing the Inclusionary Air Rights ("IAR Space").

As of the Filing Date, construction of the Inclusionary Housing has not yet been completed, but it is anticipated (although not guaranteed) that it will be completed prior to the First Unit Closing. Under the terms of the IAR Purchase Agreement, at such time as IAR Seller completes the construction of the Inclusionary Housing and obtains a Temporary Certificate of Occupancy ("TCO") therefor, IAR Seller is obligated to apply to HPD for (i) a certificate evidencing such completion and (ii) a Certificate of Floor Area Compensation Transfer ("Transfer Certificate") which would permit it to transfer the Inclusionary Air Rights to Sponsor. Purchasers are advised that in addition to completing construction of the Inclusionary Housing, there are several additional

preconditions to the issuance of HPD's certificate evidencing completion including, without limitation, the requirement that the IAR Seller enter into contracts for at least fifty percent (50%) of the apartments in the Inclusionary Housing.

In the event that IAR Seller fails, for any reason, to obtain the Transfer Certificate or to otherwise satisfy its obligations under the IAR Purchase Agreement and Sponsor does not obtain a Transfer Certificate from another source, Sponsor would likely lose its right to utilize the Inclusionary Air Rights for the Building.

Sponsor makes no guarantee that IAR Seller will complete the Inclusionary Housing or perform its obligations under the IAR Purchase Agreement. If the IAR Seller fails to deliver the Transfer Certificate to Sponsor, but construction of the Building is nonetheless completed pursuant to the New York City Department of Buildings ("DOB") approved plans and specifications, DOB may find that the Building is "overbuilt," and in such event DOB would determine which Units in the Building would constitute the IAR Space that would be ineligible to receive a TCO. Although the DOB approved plans and specifications for the Building do not identify specific floors in the Building which constitute the IAR Space, (i) it has been the practice of the DOB to withhold the issuance of TCOs and Permanent Certificates of Occupancy for the uppermost stories of a "compensated development" (i.e. a building that is being built with Inclusionary Air Rights), although that practice could change at any time and (ii) the Zoning Resolution does permit the issuance of a TCO for that portion of the Building which is being built "as of right" (i.e., without use of the Inclusionary Air Rights). It is not clear as to what actions and/or remedies, if any, HPD and/or DOB would take in the event that the Building is overbuilt and Sponsor disclaims any responsibility to any Purchaser hereunder with respect thereto. In the event that DOB issues a final, non-appealable notice to Sponsor that a TCO will not be issued for one or more Units in the IAR Space for which there is/are executed Purchase Agreement(s), Sponsor will terminate such Purchase Agreement(s) and Sponsor will refund such Purchasers' down payments, plus all interest that has accrued. Purchasers are advised that the current Inclusionary Housing Program and the regulations and guidelines currently issued in connection therewith may not be reflective of the policies of the agencies involved, which may change over time.

Notwithstanding the foregoing, Sponsor's failure to obtain a TCO for the Units located within the IAR Space, as determined by the DOB, for any reason, should not give rise to a right of rescission with respect to any Purchaser where the Purchaser's Unit is covered by at least a TCO. If Sponsor is unable to construct Units in the IAR Space by using the Inclusionary Air Rights, or otherwise, it is possible that fewer Unit Owners than anticipated will be obligated to carry the costs to operate the Condominium and such Unit Owner's percentage ownership of the Common Interests may increase. HPD has a web site which provides further information regarding Inclusionary Housing which can be found at http://www1.nyc.gov/site/hpd/developers/inclusionary-housing.page. Purchasers are advised to visit this website. ***Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan.***

26. The gross square foot area of the Units set forth in the floor plans and in **Schedule A** to the Offering Plan are approximate within reasonable tolerances. The Units were measured from the exterior side of the exterior walls (perimeter columns and mechanical

pipes/ducts/shafts/ are not deducted) to the corridor/common elements side of interior walls separating one Unit from another Unit, or separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements, and to the midpoint of the demising interior walls and partitions separating one Unit from another Unit. Since the area calculations are not based upon measurements from interior surfaces of interior walls, the usable floor area of the Units will be significantly less than the area listed in **Schedule A**. **Schedule A** is located in Part I of this Plan.

27. Prospective Purchasers are advised that all deposits and Down Payments will be held in the escrow account maintained at Bank of America, N.A. by Seiden & Schein, P.C., as escrow agent (the "Escrow Account"). The Escrow Account is federally insured by the FDIC to the maximum amount of $250,000. Such $250,000 coverage includes, in the aggregate, the Down Payment, plus any and all other deposits that Purchaser has on account at Bank of America, N.A. Any Purchaser deposits at Bank of America, N.A. (including the Down Payment) which, in the aggregate, exceed $250,000 will not be insured by the FDIC. All Down Payments received after the Filing Date shall be placed, within five (5) business days after the Purchase Agreement has been signed by Purchaser and Sponsor, in a segregated special escrow account titled, "Seiden & Schein, P.C. Attorney Account." ***Please refer to the Sections entitled "Procedure to Purchase" in Part I of this Plan and the Purchase Agreement in Part II of this Plan.***

28. The Purchase Agreement provides that all disputes including, but not limited to, disputes concerning breach of contract, express and implied warranties, personal injuries and/or illness, mold-related claims, representations and/or omissions by Sponsor, on-site and off-site conditions and all other torts and statutory causes of action ("Claims") shall be resolved by binding arbitration in New York County in accordance with the rules and procedures of Arbitration of the American Arbitration Association or its successor or an equivalent organization mutually agreed upon by the parties. In addition, the Purchase Agreement provides that Purchaser may not initiate any arbitration proceeding for any Claim(s) unless and until Purchaser has first given Sponsor specific written notice of each claim and given Sponsor a reasonable opportunity after such notice to cure any default, including the repair of the Unit(s), in accordance with the Offering Plan. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights and enforcing Purchaser's obligations under the Purchase Agreement. The arbitrator will be neutral and independent of both the Sponsor and its principals.

PURCHASER SHALL BE OBLIGATED TO REIMBURSE SPONSOR FOR ANY LEGAL FEES AND DISBURSEMENTS INCURRED BY SPONSOR IN DEFENDING SPONSOR'S RIGHTS AND ENFORCING PURCHASER'S OBLIGATIONS UNDER THE PURCHASE AGREEMENT.

29. The Commercial Unit Owner has rights which differ from the Residential Unit Owners. Neither the Condominium Board, nor the Residential Board, nor any Unit Owners will have the right to approve or disapprove either any change in the use of the Commercial Unit (or any part thereof), or any amendment to the Building's Certificate of

Occupancy to authorize another use for the Commercial Unit (or any part thereof). In addition, the Commercial Unit Owner has the right to freely sell or lease the Commercial Unit or any part thereof without any Board having any right of first refusal to purchase or lease, or to procure a third party to purchase or lease, the same. ***Please refer to the Section entitled "Rights and Obligations of the Unit Owners and the Condominium Board" for further discussion.***

30. Sponsor does not intend to apply for the New York City Co-op and Condo Property Tax Abatement (the "Tax Abatement"). However the Board of Managers may, in its sole discretion, apply for the Tax Abatement if it is made available by the City of New York. If the Board of Managers applies for, and obtains, the Tax Abatement, and the Law authorizing the Tax Abatement is extended in its present form, eligible Unit Owners would be entitled to an abatement equal to 17.5% of their annual real estate tax bill. ***Please refer to the section of this Plan entitled "Real Estate Taxes".***

31. Parking Unit 6 is designated as a handicapped parking space (the "HC Space") in order for the Condominium to comply with the New York City Zoning Resolution and other applicable Laws. Sponsor reserves the right to sell the HC Space to a non-handicapped Purchaser or Residential Unit Owner, subject to certain restrictions, as disclosed below and as provided in the By-Laws. The HC Space shall be the last parking space sold by Sponsor, unless it is purchased by a handicapped Purchaser or Residential Unit Owner or by a Residential Unit Owner with a handicapped family member or domestic partner who legally qualifies for handicapped parking.

(i) In the event that a Residential Unit Owner in the Building owns a non-handicapped Parking Unit; is or becomes handicapped, or has a family member, domestic partner or tenant who resides in the Residential Unit and is or becomes handicapped (each party a "Handicapped Party"); and the Handicapped Party obtains government-issued license plates or a permit which would legally allow such Handicapped Party to park in a designated "handicapped" parking space, such Residential Unit Owner shall have the right to demand, in writing, that the fee owner of Parking Unit 6 convey title to Parking Unit 6 to such Residential Unit Owner in exchange for the deed to the non-handicapped Parking Unit;

(ii) In the event that the condition set forth in the above paragraph (i) occurs, but the Residential Unit Owner in the Building does not own a non-handicapped Parking Unit and is or becomes handicapped, or has a family member, domestic partner or tenant who is or becomes handicapped, the Residential Unit Owner (on behalf of himself or such Residential Unit Owner's handicapped family member, domestic partner or tenant, as the case may be) shall have the right to compel the fee owner of Parking Unit 6 to lease Parking Unit 6 at fair market value for use by such handicapped party;

(iii) Notice shall be by certified mail, return receipt requested, or by personal delivery, or by nationally recognized overnight courier. The owner of Parking Unit 6 shall comply with a written demand for Parking Unit 6 in accordance with the terms hereof within thirty-five (35) days after the postmark date of such demand if such demand is by mail (certified mail, return receipt requested) or thirty (30) days after

delivery if such demand is by personal delivery or by a nationally recognized overnight courier;

(iv) In the event that the parties cannot agree on the fair market value of leasing Parking Unit 6 within time frame specified in paragraph (iii) above, then that matter shall be resolved by binding arbitration in accordance with Article 11 of the By-Laws; and

(v) All costs and expenses entailed in the transfer of title to, or leasing of, Parking Unit 6, as the case may be, pursuant to the provisions hereof shall be borne solely by the party requesting the transfer of title or leasehold interest. Such costs shall include, but shall not be limited to, title insurance fees, recording fees, New York State and New York City transfer taxes, attorney's fees for both parties, fees levied by the Condominium, and any fee charged by a mortgage lender for release of Parking Unit 6 and/or for substitution of collateral. ***Please refer to Section 6.14.8 of the By-Laws in Part II of this Plan.***

32. The Building will be located in a densely populated urban environment. Sponsor is not responsible for, makes no guarantees regarding and shall have no liability to Unit Owners with respect to the level of noise or vibrations or odors from outside the Building or resulting from the operation of the Building or the Units or the degree of privacy which will be afforded to Unit Owners on their terraces. Notwithstanding the foregoing, any noise or vibration from within the Building will not violate any building code related thereto.

33. The Property has been assigned a "little e" designation for noise (E-216) as part of the November 19, 2008 East Village/Lower East Side Rezoning (CEQR # 07 DCP 078M). In order to address the noise designation requirements, Sponsor intends to install noise dampening windows in all Residential Unit. Purchasers are advised that despite the installation of such windows, it is expected that a certain degree of noise occurring outside the Building will be heard inside the Building. ***Please refer to the Description of the Property and Specifications in Part II of this Plan.***

34. Pursuant to the building plans that have been filed with the New York City Department of Buildings, the bulkhead roof shall contain certain mechanical equipment including, but not limited to, heating, ventilation and air conditioning equipment, and the emergency power generator which will service portions of the Building. While Sponsor has taken precautions to dampen noise and vibrations generated by such rooftop mechanical equipment, Purchasers are hereby advised that noise and/or vibrations may nevertheless resonate in certain Units. Noise and/or vibrations that may be experienced in Units are not, and shall not be construed as, a construction defect. The sole obligation of Sponsor and the Boards with respect to such noise and/or vibration shall be to install and operate such equipment in a manner consistent with commercially reasonable practices in typical luxury high-rise residential or mixed-use buildings and in compliance with applicable Law, including the New York City Building Code. ***Please refer to the Description of the Property and Specifications in Part II of this Plan.***

35. Residential Units 3B and 3C will be located directly above the parking garage. As such, vibration may be felt in Units 3B and 3C while the garage door is in operation.

36. Sponsor has taken precautions to minimize Unit-to-Unit odor and noise transmission. However, the transmission of odor and noise is common in multi-family dwellings and shall not be construed as a construction defect.

37. Sponsor intends to install engineered wood flooring in each Unit. Purchasers are advised to carefully follow the manufacturer's instructions for the maintenance of such flooring.

38. No provision of the By-Laws that would materially and adversely affect Sponsor's Construction Lender's security interest in the Unsold Units may be added to, amended, modified or deleted without the prior written consent of Sponsor's Construction Lender for so long as Sponsor's Construction Lender has a lien on any Unsold Unit.

DEFINITIONS

"Appurtenant Interest"	With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.
"BOA Mortgage"	That certain mortgage by and between Sponsor and Bank of America, N.A., as administrative agent for certain lenders, and such lenders, to be recorded.
"Board of Managers" or "Condominium Board"	The overall board of managers of the Condominium, consisting of representatives of the Residential Board and of the Commercial Board.
"Building"	The structure located at 438 East 12th Street, New York, New York.
"Closing"	The consummation of the transfer of fee title to the Unit in question to a Purchaser pursuant to a fully executed Purchase Agreement.
"Closing Date"	The date upon which a Closing occurs.
"Commercial Board"	The board of managers comprised of representatives of the Commercial Unit Owners.
"Commercial Common Charges"	Assessments payable to the Commercial Board by the Commercial Unit Owners for the purpose of meeting (a) Commercial Common Expenses and (b) each Commercial Unit Owner's pro rata share of General Common Expenses.
"Commercial Common Elements"	Those Common Elements which serve or benefit exclusively the Commercial Units and/or the Commercial Unit Owners.
"Commercial Common Expenses"	Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any

	alteration, addition or improvement to, the Commercial Common Elements.
"Commercial Common Interest"	The proportionate undivided interest, expressed as a numerical percentage, of the Commercial Common Elements appertaining to the Commercial Unit determined in accordance with the Declaration.
"Commercial Section"	The Commercial Units and the Commercial Common Elements
"Commercial Units"	Collectively, the Retail Unit and the Community Facility Unit. Such Units are individually referred to as a Commercial Unit.
"Commercial Unit Owners"	The owners of the Commercial Units. The Commercial Unit Owners are individually referred to as a Commercial Unit Owner.
"Common Charges"	Each Unit's proportionate share of the Common Expenses in accordance with its Common Interest.
"Common Elements"	All portions of the Property other than the Units. Common Elements are comprised of General Common Elements, Residential Common Elements, Parking Common Elements, Commercial Common Elements, and Residential Limited Common Elements.
"Common Expenses"	The General Common Expenses, the Residential Common Expenses, Parking Common Expenses, Storage Common Expenses and the Commercial Common Expenses.
"Common Interest"	The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.
"Community Facility Unit"	The Unit designated as the Community Facility Unit in the Declaration.
"Community Facility Unit Owner"	The owner of the Community Facility Unit.
"Condominium"	A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use by separate individuals or entities, which separate individuals and/or entities jointly own those parts of

	the whole designated as Common Elements. In the context of this Offering Plan, the term "Condominium" specifically refers to the 438 East 12th Street Condominium.
"Condominium Act"	Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.
"Condominium Documents"	The Declaration and all Schedules thereto, the By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.
"Declarant"	The Sponsor of this Offering Plan, or its designee. References to Declarant's rights throughout the Offering Plan, including the Declaration, are valid for so long as the Declarant has an ownership interest the Property.
"Declarant's Construction Lender" or "Sponsor's Construction Lender"	Bank of America, N.A., as administrative agent for certain lenders, and such lenders.
"Declaration" or "Declaration of Condominium"	The instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium Act, consistent with the provisions of the New York Condominium Act and the By-Laws.
"Department of Law"	The New York State Department of Law.
"Filing Date"	The date that the Plan is accepted for filing by the Department of Law.
"First Unit Closing"	The first Closing of title with a bona fide Purchaser of a Unit.
"Floor Plans"	The floor plans of the Units certified by a registered architect or licensed professional engineer, and filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.
"GBL"	Section 352-e of the New York State General Business Law.

"General Common Charges"	Assessments payable to the Condominium Board by the Residential Board and the Commercial Board for the purpose of meeting General Common Expenses.
"General Common Elements"	The Land and all parts of the Building, including its foundations, support and main roof, other than the Units, the Residential Common Elements, the Residential Limited Common Elements, the Parking Common Elements, the Storage Common Elements and the Commercial Common Elements.
"General Common Expenses"	Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements.
"Insurance Trustee"	A bank, a trust company or savings and loan association, having an office in the City of New York, from time to time appointed to serve as such by the Condominium Board. Declarant's Construction lender shall be the Insurance Trustee until its release of all Units from the lien of its mortgage.
"Land"	All that certain tract, plot, piece and parcel of land situate, lying and being in the City and State of New York, County of New York, as more particularly described in **Exhibit A** to the Declaration.
"Law"	The laws and ordinances of any or all of the Federal, New York State, New York City, New York County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.
"Majority of Unit Owners"	Majority of Unit Owners means either (i) more than fifty per cent in Common Interest in the aggregate, or (ii) more than fifty per cent in number of Units in the aggregate, or (iii) more than fifty per cent in the aggregate in both Common Interest and in number of Units, as may be specified herein or in the

	Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners means (i) such percentage in Common Interest in the aggregate, or (ii) such percentage in number of Units in the aggregate, or (iii) such percentage in Common Interest and such percentage in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, provided, however, that different percentages in interest and in number of Units may be so specified.
"Managing Agent"	A person employed by the Condominium Board pursuant to Article II, Section 3 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.
"Offering Plan"	The document filed with the New York State Department of Law which describes the Condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time. Sometimes herein referred to as the "Plan."
"Operation of the Property"	The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.
"Parking Common Charges"	Assessments payable to the Residential Board by the Parking Unit Owners for the purpose of meeting (a) Parking Common Expenses and (b) each Parking Unit Owner's pro rata share of General Common Expenses.
"Parking Common Elements"	Those Common Elements which serve or benefit exclusively the Parking Units and/or the Parking Unit Owners.
"Parking Common Expenses"	Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Parking

	Common Elements or in connection with any services or facilities exclusively benefiting the Parking Unit Owners.
"Parking Unit"	Any Unit designated as a Parking Unit in the Declaration. All such Parking Units, are, collectively, referred to as the "Parking Units."
"Parking Unit Owner"	Any owner of a Parking Unit, and all such owners are collectively referred to as "Parking Unit Owners."
"Permitted Mortgage"	A mortgage placed on a Unit made to a bank, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender, the Sponsor, Sponsor-designee or the Seller of the Unit. For so long as Declarant's Construction Lender is a Permitted Mortgagee, any mortgage of Declarant's Construction Lender with respect to any Unit shall be a Permitted Mortgage.
"Permitted Mortgagee"	The holder of a Permitted Mortgage or a guarantor of record. For so long as Declarant's Construction Lender has a lien on any Unsold Residential Unit or any Commercial Unit, Declarant's Construction Lender shall be a Permitted Mortgagee.
"Purchase Agreement"	The agreement to purchase a Unit pursuant to this Offering Plan.
"Person"	A natural person, corporation, partnership, association, limited liability company, trustee or other legal entity.
"Power of Attorney"	The document, signed by Unit Owners, which appoints: (i) the Board of Managers, as attorney-in-fact, to acquire, on behalf of all Unit Owners, any Unit which the Unit Owner thereof wishes to sell or abandon, together with the Appurtenant Interests thereto, and to deal with any such Units so acquired as they may determine; and (ii) the Sponsor, as attorney-in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium, or

any of said documents, under certain conditions set forth in the Power of Attorney.

"Property"	Means and includes the Land, the Building and all other improvements thereon, 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, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.
"Purchaser"	Any Person who has entered into an agreement with Sponsor to purchase any Unit which agreement has not been terminated or cancelled.
"Recording officer" and "Recording" or "Recorded"	Shall have the meanings stated in section two hundred ninety of the New York State Real Property Law.
"Register's Office"	The City Register of the City of New York.
"Residential Board"	The board of managers representing the Residential Unit Owners.
"Residential Common Charges"	Assessments payable to the Residential Board by the Residential Unit Owners for the purpose of meeting (a) Residential Common Expenses and (b) each Residential Unit Owner's pro rata share of General Common Expenses.
"Residential Common Elements"	Those Common Elements which serve or benefit exclusively the Residential Units and/or the Residential Unit Owners.
"Residential Common Expenses"	Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Residential Common Elements and/or the Residential Limited Common Elements (to the extent that such expenses are not the obligation of the Residential Unit Owners owning the Residential Units to which the Residential Limited Common Elements are appurtenant) or in connection with any

	services or facilities exclusively benefiting the Residential Section or the Residential Unit Owners.
"Residential Common Interest"	The proportionate undivided interest, expressed as a numerical percentage, of the Residential Common Elements appertaining to each Residential Unit determined in accordance with the Declaration. The Residential Common Interest is the basis of determining a Unit Owner's liability for a share of the Residential Common Expenses.
"Residential Limited Common Elements"	Those Residential Common Elements which serve or benefit one or more but not all of the Residential Units and/or the Residential Unit Owners.
"Residential Section"	The Residential Units, the Residential Common Elements, the Residential Limited Common Elements, the Parking Units and the Parking Common Elements.
"Residential Unit"	Any Unit designated as a Residential Unit in the Declaration. All such Residential Units, are, collectively, referred to as the "Residential Units."
"Residential Unit Owner"	Any owner of a Residential Unit, and all such owners are collectively referred to as "Residential Unit Owners."
"Retail Unit"	The Unit designated as the Retail Unit in the Declaration.
"Retail Unit Owner"	The owner of the Retail Unit.
"Rules and Regulations"	The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.
"Special Assessment"	The charge allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest, except as otherwise provided in the Declaration or in the By-Laws.

"Sponsor"	The promoter of a project and/or an offering plan to convert a particular parcel of property to cooperative or condominium ownership. 181 Avenue A, LLC is the Sponsor of this Offering Plan.
"Sponsor-designee"	Any Person designated by Sponsor to hold title to any Unit. Sponsor's statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under this Offering Plan. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee."
"Storage Bin"	A storage bin in the Building's cellar storage room.
"Storage Bin License"	A license for the exclusive use of a Storage Bin.
"Unit"	Any space in the Building designated as a Unit, and all such Units are collectively referred to as the "Units."
"Unit Owner"	The Person or Persons owning a Unit in fee simple absolute, and all such unit Owners are collectively referred to as the "Unit Owners."
"Unit Deed"	The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.
"Unit Designation"	The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the Floor Plans.
"Unsold Commercial Unit"	The Commercial Unit owned by Sponsor or its designee at the time in question.
"Unsold Residential Unit"	Any Residential Unit owned by Sponsor or its designee at the time in question.
"Unsold Units"	Any Unit owned by Sponsor or its designee at the time in question.

INTRODUCTION

The Sponsor under this Plan is 181 Avenue A, LLC, a New York limited liability company having an office at c/o Steiner NYC, 15 Washington Avenue, Brooklyn Navy Yard, Brooklyn, New York 11205. Sponsor acquired title to the Property by deed dated as of November 15, 2012.

The purpose of the Plan is to set forth all the terms of the offer so that prospective Purchasers have an adequate basis upon which to determine whether to purchase Units in the Condominium. The Plan may be amended from time to time by duly filing an amendment with the New York State Department of Law. All filed amendments will be served on (i) Purchasers who have executed and delivered Purchase Agreements to the Sponsor or the Selling Agent and whose Purchase Agreements are in effect, (ii) Unit Owners, and (iii) any other person who is required by law to receive such amendment. Service shall be by personal delivery, ordinary mail or registered mail. Service by personal delivery is deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth day after the date of mailing.

The Condominium will be organized pursuant to Article 9B of the Real Property Law of the State of New York, as amended, which is commonly known as the New York Condominium Act (hereinafter referred to as the "Condominium Act").

The Building is being newly constructed. Sponsor hereby offers for sale eighty-eight (88) Units: eighty-two (82) Residential Units and six (6) Parking Units. Residential Unit 2P will be sold to the Board of Managers at a purchase price that is disclosed in Schedule A to this Plan. The Building will also contain one resident storage room on the amenities level in which Storage Bins will be located. Thirty-two (32) Storage Bins are hereby offered for license, for a term of ninety-nine (99) years, solely to Purchasers of Residential Units and to Residential Unit Owners. As of the Filing Date, the Retail Unit and the Community Facility Unit are not being offered for sale, but the Sponsor reserves the right to offer such Units for sale pursuant to an amendment this Plan that has been filed with the Department of Law.

Sponsor shall also construct a bicycle storage room on the amenities level. Bicycle spaces shall be licensed or otherwise allocated to Unit Owners as determined by the Board in its sole discretion. Sponsor makes no representation as to the availability of bicycle storage spaces under the terms of this offering now or in the future.

The cost of operating the Condominium will be borne entirely by the Unit Owners in accordance with allocations set forth in the "Schedule B – Projected Budget for First Year of Condominium Operation." As more particularly set forth in the By-Laws, the Condominium Board will determine the amount of Common Expenses. On a monthly basis or at such other times as the Condominium Board determines, the Condominium Board will assess Unit Owners for Common Charges to meet Common Expenses. The estimated Common Charges for each Unit for the First Year of Condominium Operation are set forth in Schedule A. Purchasers are obligated to pay monthly Common Charges pursuant to the Condominium Act.

Pursuant to the terms of this Plan Sponsor has the right (in its sole and absolute discretion), but not the obligation, to cause Common Charges not to be charged to Unit Owners for so long as Sponsor pays the actual Condominium expenses, in lieu of Common Charges, from the date of the

First Unit Closing up until such time as title to fifty percent (50%) of the Residential Units have been conveyed by Sponsor to third-party Purchasers. In the event that Sponsor makes such election, Common Charges will not be assessed by the Board of Managers to any Unit Owners. At such time as Sponsor causes the Board of Managers to assess Common Charges, each Unit Owner, including Sponsor, shall pay Common Charges, as disclosed in this Plan. In the event that Sponsor delays the collection of Common Charges, during such delay Sponsor will timely pay all expenses of the Condominium, including but not limited to, insurance premiums and Sponsor's pro rata share of the contingency fund contribution and upon commencement of the collection of Common Charges, there will not be a Special Assessment for any item in the approved budget for the Condominium. Sponsor shall remain obligated, during such delay, to update the budget for the Condominium as provided for in the By-Laws and by the governing regulations of the Department of Law. In the event Sponsor elects to delay the collection of Common Charges, it will disclose such fact in the Closing notice to Purchasers and will further disclose such fact in the post-Closing amendment to the Offering Plan. Such amendment will also disclose the anticipated period of delay. Sponsor will notify all Unit Owners in writing of the expiration of the delay period at least thirty (30) days prior to the commencement of collection of Common Charges and will disclose such fact in the following amendment to the Offering Plan.

Sponsor is retaining the unconditional right to rent eighty-five percent (85%) of the Residential Units in the Building that are being offered under this Plan. Sponsor will endeavor in good faith to sell fifteen percent (15%) of the Residential Units, but makes no representation that it will execute Purchase Agreements to sell more than fifteen percent (15%) of the Residential Units.

All the Units being offered are intended to be sold as Condominium Units in accordance with this Plan at the prices noted in Schedule A. These prices have been established by the Sponsor and are not subject to review or approval by the Department of Law. All fixtures and equipment described in this Plan are included in the offering prices listed in Schedule A for the applicable Units. If Sponsor leases certain Units to tenants and such Units subsequently are offered, Sponsor shall amend the Plan accordingly.

In the condominium form of ownership, each Purchaser of a Unit owns his Unit similarly in many respects to the manner in which a private home owner owns his home. (References to the masculine gender in this Plan shall be deemed to refer to the feminine gender or plural where the context so requires and shall be deemed to include any duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association or any other entity permitted to own real property in the State of New York). The Unit Owner owns the Unit in fee simple absolute and is entitled to the exclusive possession thereof. The Unit Owner is also the owner, in common with the owners of all other Units, of all remaining parts of the Property except for the Units themselves, including the land upon which the Units are built, the foundations and supports of the Building, the exterior walls and the roof (hereinafter called "Common Elements"). Each Unit Owner's proportionate share (hereinafter called "Common Interest") of the Common Elements has been determined based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. These allocations are made pursuant to Section 339-i (1)(iv) of the Real Property Law, which is part of the Condominium Act. Any portion of the land or Building, other than the Residential Units themselves, which are for the use of one or more

specified Residential Units to the exclusion of all others, are known as "Residential Limited Common Elements." The Plan provides that terraces which are appurtenant to certain Residential Units shall be Residential Limited Common Elements.

As more particularly described in this Plan, the Building will include (a) the General Common Elements, (b) the Residential Section containing the Residential Units, the Parking Units, the Residential Common Elements, the Parking Common Elements, and the Residential Limited Common Elements, (c) the Commercial Section containing the Commercial Units and the Commercial Common Elements.

Each Unit Owner may mortgage his Unit generally on the terms and in such amount as he chooses. A Unit is not subject to the lien of any mortgages placed by other Unit Owners on their Units.

A Residential Unit Owner can lease his Unit to anyone for a term of not less than one (1) year, or sell his Unit without restriction or limitation, subject only to a "right of first refusal" by the Residential Board at the same price and terms the Unit Owner has been offered. Such right of first refusal is hereinafter described in the Section entitled "Rights and Obligations of the Unit Owners and the Condominium Board" in Part I of this Plan. Pursuant to Section 8.1.6 of the By-Laws, if the Residential Board exercises its right of first refusal to lease a Unit, any lease executed by the Residential Board, as tenant, shall provide that the Residential Board may freely assign such lease and or sublet all or part of such Residential Unit without the consent of the landlord.

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

While Units are being offered for sale or lease by Sponsor or its designees, there will be a greater number of visitors to the Building than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor or its designee nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Condominium's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages, provided that any such failure is not caused by the negligence of Sponsor or its designees, the Managing Agent or their respective agents. In addition, due to the size of the Building and the complex process of constructing a building in general, prospective Purchasers are advised that for a period of time following the First Unit Closing construction on, and within, the Building will likely be on going. As such, prospective Purchasers are advised that the Building's systems, including, but not limited to, the elevator, heating, cooling, air conditioning, ventilation system, and water system may be disrupted from time to time. Prospective Purchasers are advised that the foregoing work may be noisy and disruptive while being performed.

In addition, prospective Purchasers are advised that the decoration and finishing of the Common Elements, including, but not limited to, the lobby and Building corridors may not be fully complete at the time of the First Unit Closing, and may, in fact, proceed for some time after the First Unit Closing, as each floor of the Building is completed. Further, certain Building

amenities such as, but not limited to, the fitness center, swimming pool and the bicycle room may not be available until after the First Unit Closing. However, even if some or all Building amenities are not available, the Board of Managers will have the right to collect Common Charges at the level disclosed in this Plan.

A Unit Owner can alter and decorate the interior of his Unit in any way he desires, subject to the Condominium By-Laws and local codes, and is obligated for the cost of his own interior decoration, maintenance and repair after closing.

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and a Unit Owner will not be responsible if any of the other Unit Owners fail to pay their real estate taxes. In the opinion of counsel for the Sponsor, a Unit Owner, like a home owner, may under most circumstances, deduct from his income for income tax purposes his real estate taxes and the interest paid on the mortgage encumbering the Unit(s) owned by him.

The Condominium Board may assess against each Unit Owner, in proportion to his respective percentage of Common Interest, or as otherwise determined by the Board, as provided in New York State Real Property Law Section 339-m, charges (hereinafter called "Common Charges") for the costs of maintenance of the Common Elements and for the operation of the Property (hereinafter called "Common Expenses").

Except for Unit PHE, which will be heated with gas on a separate gas meter, gas consumed within each Residential Unit for will be master metered and charged to each Residential Unit Owner as a Residential Common Expense. All other Residential Units will be heated and cooled with equipment that is powered by electricity. Such electricity will be electronically sub-metered and the charges therefor will be paid to the Board of Managers. Unit electricity for uses other than heating and cooling shall be separately metered and the charges therefor shall be payable to Con Edison. Please refer to Schedule B-1, located in Part I of this Plan for further disclosure.

Each Unit Owner is obligated to comply with the Declaration, the By-Laws, the Rules and Regulations, and any other requirements of the Condominium Board. Each Unit Owner shall also be responsible for maintaining his own Unit and for making repairs within his own Unit. The cost of maintenance and repair of the General Common Elements shall be shared by all Unit Owners as provided above. Each Residential Unit Owner shall have the same rights of access to, use of and benefit of the Residential Common Elements which are not Residential Limited Common Elements. Each Residential Unit Owner shall also be responsible for obtaining and bearing the cost of casualty and liability insurance in connection with his respective Unit. The Condominium Board shall have the duty of obtaining casualty and liability insurance on behalf of the Condominium with respect to the Building as a whole.

The affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Condominium Board"). From and after the first annual meetings of Unit Owners as provided in Section 3.1 of the By-Laws, the Condominium Board shall consist of a Residential Board of five (5) persons elected or designated by the Residential Unit Owners, and a Commercial Board of two (2) persons elected or designated by the Retail Unit Owner. The Community Facility Unit Owner will not have Board representation. The Condominium Board, the Residential Board and the Commercial Board are herein sometimes referred to collectively as the "Boards" and individually as a "Board."

The Unit Owners shall hold annual meetings and at each such meeting they shall elect members of the Board of Managers, subject to Sponsor's right to control the Board, as disclosed below. Each Unit Owner, including the Sponsor or its designee, shall be entitled to cast one vote for each .0001% of interest in the Common Elements attributable to their Unit(s) on all matters put to a vote at all meetings of the Unit Owners except that, when voting for the election of members of the Condominium Board, each Unit Owner: (i) shall be entitled to one vote for each .0001% of Common Interest attributable to its Unit per member to be elected, and (ii) shall not have the right to cumulate its votes in favor of any one or more members to be elected. If Units are owned by more than one person or entity as joint tenants, tenants by the entirety or as tenants in common, the persons or entities owning said Unit shall agree among themselves and cast the votes for their Unit.

Upon the later of (i) the date upon which Sponsor shall own Unsold Residential Units having a percent interest in the Residential Section in the aggregate of ten (10%) percent or less or (ii) five (5) years from the First Unit Closing (the "Sponsor Control Period"), Sponsor, including any designee thereof, will relinquish control of the Residential Board of Managers if it has such control and will not elect a majority of its nominees for positions on the Board of Managers, even though its total percentage of Common Interest may otherwise enable it to do so. Sponsor, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to relinquishing voting control of the Residential Board of Managers, Sponsor will not use such vote to elect a particular individual to the Residential Board of Managers which would, by the election of such individual, give Sponsor voting control of the Board. Notwithstanding the foregoing, Sponsor may, at its discretion, relinquish voting control of the Residential Board prior to the end of the Sponsor Control Period.

Sponsor shall maintain control of the Commercial Board until it no longer owns the Unsold Commercial Unit.

The Condominium Board shall have the authority to manage and administer the affairs of the Condominium, including, but not limited to, the determination of Common Charges and the adoption of Rules and Regulations covering the Condominium. Please see the Section entitled "Rights and Obligations of the Unit Owners and the Condominium Board" in Part I of this Plan for further discussion.

Units may be purchased either by natural persons over the age of 18 years or by a duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York.

This Plan contains all of the material terms of the transaction. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection without charge and for copying at a reasonable charge to prospective Purchasers and their attorneys at the office of the Selling Agent or at the on-site sales office at all times such office is open. Copies of the Plan and exhibits thereto will also be available for inspection and copying at a reasonable fee at the Department of Law.

The Plan may be borrowed by a prospective Purchaser from the Sponsor upon payment of a one hundred dollar ($100.00) deposit, which amount will be fully refunded either upon (i) the prompt return of all borrowed materials in good condition or (ii) the execution of a Purchase Agreement subsequently accepted by Sponsor.

THE PURCHASE OF A CONDOMINIUM UNIT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES.

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property has a land area of approximately 29,705 square feet. The site will contain one new building (the "Building"). The Building will consist of ninety (90) Units: eighty-two (82) Residential Units, one (1) Retail Unit, one (1) Community Facility Unit and six (6) Parking Units.

The street address of the Property is 438 East 12th Street, New York, New York 10009. Residential Section entrances will be provided on both East 11th and East 12th Street. Five (5) Retail Unit entrances shall be provided on East 11th Street and Avenue A. One (1) Community Facility Unit entrance shall be provided on Avenue A.

The Property is located on Block 439, Lot 26 on the tax map of the City of New York. Lot 26 shall be apportioned into individual condominium tax lots (one tax lot for each Unit) prior to the First Unit Closing.

The Building will contain an amenities level, a garden level below grade and six (6) floors above grade, plus mechanical levels, and will be a Class 1B noncombustible building. Four (4) passenger elevators shall serve the Residential Section of the Building. One (1) elevator will serve the Retail Unit. The Building will be constructed of concrete, steel, brick, glass and metal.

All fixtures and equipment described in this Plan are included in the offering prices listed in Schedule A.

Improvements made to the Building will be undertaken pursuant to a new building permit, in accordance with the New York City Building Code and with all applicable zoning and building laws. After completion of construction, the Sponsor will apply for a temporary or final Certificate of Occupancy from the New York City Department of Buildings. The Sponsor will obtain a temporary Certificate of Occupancy prior to the First Unit Closing and will seek to obtain a final Certificate of Occupancy within two (2) years of the issuance of first temporary Certificate of Occupancy for the Building, barring delays caused by *force majeure* or other reasons beyond the control of Sponsor. The Building is expected to be substantially completed in or about December 2017.

A storage room on the amenities level will contain thirty-two (32) Storage Bins. Storage Bins shall be offered as long-term licenses on a first-come, first-served basis solely to Purchasers, Unit Owners, and their lessees. No Person shall have the right to use a Storage Bin unless he owns or leases a Residential Unit. Notwithstanding the foregoing, Sponsor reserves the right to hold certain Storage Bins off of the market, in its sole discretion. The licensing fees, monthly maintenance fees, approximate sizes and the number designation of each Storage Bin are disclosed on Schedule A-1. Since there will be fewer Storage Bins than there will be Residential Units, Purchasers are not guaranteed the opportunity to license a Storage Bin. Additionally, Sponsor reserves the right to sell more than one Storage Bin to any Purchaser.

Notwithstanding that the resident storage room located on the amenities level is a Residential Common Element, Sponsor shall have the sole and exclusive right to the proceeds

from the initial licensing by the Board of any Storage Bin located within the resident storage room.

Residential Units G-A, G-B, and G-C and 2D, 3F, 3K, and 3J PH-A, PH-B, PH-C, PH-D, PH-E, PH-F, PH-G, and PH-H will be constructed with one or more private terraces. Terraces are characterized in the Declaration of Condominium as Residential Limited Common Elements appurtenant to the aforementioned Residential Units. Residential Unit Owners with a terrace(s) appurtenant to their Residential Unit shall be responsible for all normal maintenance of such terrace such as, but not limited to the removal of snow and ice, at such Residential Unit Owner's sole cost and expense. The replacement of the pavers or other exterior walkable surface that was installed by Sponsor with an alternate exterior walkable surface shall be subject to the approval of the Residential Board. The repair and replacement of the exterior surface of terraces shall at all times be performed by the Residential Board and charged to the affected Residential Unit Owner. However, any structural or extraordinary repairs (non-recurring repair which requires more than the usual annual expense for ordinary wear) or replacements to such terrace (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to the same) shall be made by the Residential Board and the cost and expense thereof shall be charged to all Unit Owners as a Common Expense.

Sponsor will install plantings on private terraces, as more particularly described in the Description of Property and Specifications, which is located in Part II of this Plan. The cost of maintaining and replacing such plantings will be borne solely by those Residential Unit Owners with exclusive access to such terraces.

Pursuant to the building plans that have been filed with the New York City Department of Buildings, the bulkhead roof shall contain certain mechanical equipment including, but not limited to, heating, ventilation and air conditioning equipment, and the emergency power generator which will service portions of the Building. While Sponsor has taken precautions to dampen noise and vibrations generated by such rooftop mechanical equipment, Purchasers are hereby advised that noise and/or vibrations may nevertheless be sensed in certain Units. Noise and/or vibrations that may be experienced in Units are not, and shall not be construed as, a construction defect. The sole obligation of Sponsor and the Boards with respect to such noise and/or vibration shall be to install and operate such equipment in a manner consistent with commercially reasonable practices in typical luxury high-rise residential or mixed-use buildings and in compliance with applicable Law, including the New York City Building Code.

Residential Units 3B and 3C will be located directly above the parking garage. As such, vibration may be felt in Units 3B and 3C while the while the garage door is in operation.

Sponsor has taken precautions to minimize Unit-to-Unit odor and noise transmission. However, the transmission of odor and noise is common in multi-family dwellings and shall not be construed as a construction defect.

Except as otherwise provided in the Declaration of Condominium and By-Laws, the maintenance, repair, and replacement of the façade and other Common Elements of the Building shall be made by the Board and charged to all Unit Owners as a Common Expense. However, notwithstanding that operational windows located in Residential Units are Residential Common

Elements, in the event that an operational window is damaged the Residential Board shall repair or replace such window and charge such Residential Unit Owner for such repair or replacement.

The Building will contain lot line windows on the east lot line in Units 3A, 4A, 5A and 6A. All lot line windows are sprinklered per the New York City Building Code and make up less than 10% of their façade area. The Building Code does not require such windows to be sealed in the event a building next to the Building is either constructed or enlarged. The floor plans located in Part II of this Plan indicate the location of the lot line windows in the affected Units. Sponsor makes no representation or warranty of any kind whatsoever as to views and/or light quality from any windows and/or terraces in the Building.

The Building will be monitored by a closed circuit television security system, and surveillance cameras will be mounted in various public areas of the Building, as described in the Description of Property and Specifications, located in Part II of this Plan.

Electricity service for the Common Elements, as well as the Residential Units' heating and cooling load will be provided by a Con Edison meter. Electricity consumption for heating and cooling for each Residential Unit will then be individually electronically sub-metered and billed to the Unit Owner based actual consumption. The total energy consumption cost, except for the cost of the electrical consumption for the residential heating and cooling (which will be sub-metered), will be paid by the Board and will be borne by each Unit Owner as part of the Common Charges. The billing of the electrical consumption for each Residential Unit's cooling and heating system will be provided by a third party billing company to be contracted by the Sponsor on behalf of the Board of Managers. Each Unit Owner or other resident shall be required to pay bills for electricity consumed or used in Unit Owner's Unit either to the Board, or the company engaged by the Board to perform such services, as directed by the Board.

In no event will the total annual rates (including a monthly administrative charge) exceed the utility's tariffed residential rate for direct metered service to such residents as specified in Part 96.2b3 Residential Sub metering (Public Service Law, §§65,66).

Consumer rights and protections are also available to the residents under Home Energy Fair Practices Act. Unit owners or other residents may contact the office of Public Service Commission: 90 Church Street, New York, New York 10007; toll free phone number: 1-800-342-3377.

With the exception of Unit PHE, which will be separately metered for gas, gas service for the Residential Units shall be master metered. The cost for gas utilized by the Residential Units (other than Unit PHE) will be paid to the Board as a Common Expense. Gas usage in each Commercial Unit will be sub-metered based on consumption.

Sponsor intends to install engineered wood flooring in each Unit. Purchasers are advised to carefully follow the manufacturer's instructions for the maintenance of such flooring.

According to the records of the Federal Emergency Management Agency ("FEMA"), as of the Filing Date, the Building is not located in a flood zone.

Services and Facilities

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

(a) Residential Lobby

There will be two residential lobbies located on the lobby level of the Building on 11th Street and 12th Street for the use of the Residential Unit Owners.

(b) Residential Lobby Attendants

A concierge will be stationed in the 12th Street residential lobby 24 hours a day, 7 days a week.

(c) Building Staff

The staff of the Condominium will be supervised by the Resident Manager. Purchasers should refer to the Footnotes to Schedule B for a complete description of the Building staff.

(d) Telecommunications

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

(e) Mail

All incoming mail will be delivered to the Building and will be placed by the United States Postal Service in mail boxes located on the lobby level of the Building.

(f) Laundry Facilities

Each Residential Unit will contain a vented electric washing machine and dryer. In addition, there will be a Residential laundry room located on the amenities level of the Building containing two (2) washers and two (2) dryers.

(g) Refuse Disposal

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

(h) Communication Facilities and Intercom System

Each Residential Unit will be equipped with an audio intercom telephone system which will enable the occupants to communicate directly with the concierge.

(i) Smoke and Carbon Monoxide Detector/Sprinklers

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

(j) Recreation Space

A fitness center, swimming pool, sauna, steam room and changing rooms will be located on the amenities level of the Building.

(k) Children's Play Room, Lounge and Library

A children's playroom and Residential Unit Owner's lounge will be located on the amenities level, with access to a common outdoor terrace described below. A library will be located on the third floor.

(l) Common Outdoor Terraces and Amenities

The Residential Unit Owners will have shared access to outdoor terraces located on the amenities level and roof. Use of the common terraces shall be subject to regulation by the Condominium Board, which may include, without limitation: (i) restrictions concerning the number of people permitted on the terrace at one time; (ii) noise constraints; (iii) prohibitions from utilizing glassware; (iv) restrictions concerning access during inclement weather; and (v) a requirement for a chaperone for children under the age of 18. There will be mechanical equipment belonging to the Condominium located on the roof which may generate noise and vibration.

Units G-A, G-B, G-C, 2D, 3F, 3K, 3J, PH-A, PH-B, PH-E and PH-G will have outdoor kitchens including gas grills, countertop, and cabinet/drawers. Units PH-C, PH-D, PH-F and PH-H will have outdoor kitchens including gas grills, countertops, cabinet/drawers, trash and recycle station, and sink.

(m) Bicycle Storage Room

A bicycle storage room will be located on the amenities level. During the first year of Condominium operation, the Sponsor (assuming that the Sponsor is in control of the Residential Board) will cause the Residential Board to charge $175.00 per year for each bicycle space. Such spaces will be made available on a first-come, first-served basis. Thereafter, the Residential

Board shall determine how bicycle spaces are allocated among Residential Unit Owners, and the fees for such use, if any.

Handicapped Accessible Parking Unit

Parking Unit 6 is designated as a handicapped parking space (the "HC Space") in order for the Condominium to comply with the New York City Zoning Resolution and other applicable Laws. Sponsor reserves the right to sell the HC Space to a non-handicapped Purchaser or Residential Unit Owner, subject to certain restrictions, as disclosed below and as provided in the By-Laws. The HC Space shall be the last parking space sold by Sponsor, unless it is purchased by a handicapped Purchaser or Residential Unit Owner or by a Residential Unit Owner with a handicapped family member or domestic partner who legally qualifies for handicapped parking.

(i) In the event that a Residential Unit Owner in the Building owns a non-handicapped Parking Unit; is or becomes handicapped, or has a family member, domestic partner or tenant who resides in the Residential Unit and is or becomes handicapped (each party a "Handicapped Party"); and the Handicapped Party obtains government-issued license plates or a permit which would legally allow such Handicapped Party to park in a designated "handicapped" parking space, such Residential Unit Owner shall have the right to demand, in writing, that the fee owner of Parking Unit 6 convey title to Parking Unit 6 to such Residential Unit Owner in exchange for the deed to the non-handicapped Parking Unit;

(ii) In the event that the condition set forth in the above paragraph (i) occurs, but the Residential Unit Owner in the Building does not own a non-handicapped Parking Unit and is or becomes handicapped, or has a family member, domestic partner or tenant who is or becomes handicapped, the Residential Unit Owner (on behalf of himself or such Residential Unit Owner's handicapped family member, domestic partner or tenant, as the case may be) shall have the right to compel the fee owner of Parking Unit 6 to lease Parking Unit 6 at fair market value for use by such handicapped party;

(iii) Notice hereunder shall be by certified mail, return receipt requested, or by personal delivery, or by nationally recognized overnight courier. The owner of Parking Unit 6 shall comply with a written demand for Parking Unit 6 in accordance with the terms hereof within thirty-five (35) days after the postmark date of such demand if such demand is by mail (certified mail, return receipt requested) or thirty (30) days after delivery if such demand is by personal delivery or by a nationally recognized overnight courier;

(iv) In the event that the parties cannot agree on the fair market value of leasing Parking Unit 6 within time frame specified in paragraph (iii) above, then that matter shall be resolved by binding arbitration in accordance with Article 11 of the By-Laws; and

(v) All costs and expenses entailed in the transfer of title to, or leasing of, Parking Unit 6, as the case may be, pursuant to the provisions hereof shall be borne solely by the party requesting the transfer of title or leasehold interest. Such costs shall include, but shall not be limited to, title insurance fees, recording fees, New York State and New York City transfer taxes, attorney's fees for both parties, fees levied by the Condominium, and any fee charged by a mortgage lender for release of Parking Unit 6 and/or for substitution of collateral.

LOCATION AND AREA INFORMATION

Location

The Building will be located at 438 East 12th Street on the east side of Manhattan, between First Avenue and Avenue A in the East Village, primarily a residential area. The mailing address of the Building is 438 East 12th Street, New York, New York 10009.

As a world-renowned cultural center, New York City has over 70 museums and more than 50 institutions for the arts, including: Lincoln Center for the Performing Arts, housing the Metropolitan Opera House, Avery Fischer Hall, the New York State Theatre and the Vivian Beaumont Theatre, Carnegie Hall, the internationally famous Broadway theater district, the Metropolitan Museum of Art, the Museum of Modern Art, and the American Museum of Natural History, including the Hayden Planetarium. All of the aforementioned institutions are located in Manhattan.

New York City is also the nation's leading business center for communications, publishing, advertising, the fashion industry, legal and financial services, business consulting and public relations. As the world's capital of international commerce and finance, New York City is the home of the New York and American Stock Exchanges and the National Over-The-Counter Stock Market.

The East Village is well-known as the center of cutting-edge artistic movements, including punk rock, post-modern art, and New York City's counterculture, as well as artists Jackson Pollack, Andy Warhol, Charlie Parker, Jack Kerouac, Jimi Hendrix, Madonna and the Ramones, all of whom have contributed significantly to American popular culture. This area of Manhattan generally encompasses Houston to 14th Streets, and Broadway to the East River.

Transportation

Excellent transportation, both public and private, is available in the vicinity of the Building. The closest subway station, at 14th Street and First Avenue, is the L train, a convenient crosstown line which connects with all the major subway lines and provides frequent service: at Union Square/14th Street station (4, 5, 6, N, Q, R); at the Avenue of the Americas station (B, D, F, M), and a connection to the Seventh Avenue station (1, 2, 3); and at the Eighth Avenue station (A, C, E). The B, D, F and M lines also run under Houston Street, the southern border of the East Village. Both the M8 and M14 crosstown buses conveniently connect to all major northbound and southbound bus lines. The M8 runs east on 8th Street, turning north on Avenue A, then proceeding west on 10th Street. Less than three blocks from the Condominium the M15 bus travels uptown on First Avenue, and downtown on Second Avenue. The M101, M102 and M103 buses run both north and south on Third Avenue. Taxis also frequent this popular area.

Retail Shopping, Restaurants and Entertainment Venues

Retail shopping includes, among numerous shops and boutiques, ABC Carpet & Home, Sephora, The Children's Place, Marjory Warren, Diesel, J. Crew, Paragon Sports, DSW Designer Shoe Warehouse, Elliott Mann, Coach, Proper Cloth, Free People Clothing Boutique,

Sperry Top-Sider, Blue & Cream, Ralph Lauren, Rothman's, Ann Taylor Loft,, Kiehl's, J. Crew, True Religion Brand Jeans, the Strand Bookstore and Whole Foods. In addition, the condominium is in close proximity to SoHo, well-known for fashionable shops and boutiques.

Among the many world-class restaurants within walking distance are Union Square Café, Momofuku, Esperanto, Il Buco, Gotham Bar & Grill, Café Mogador, Co-Op Food & Drink, Gnocco, Northern Spy Food Co., Blind Pig, DGBG Kitchen and Bar, Black Forty and Xi'an Famous Foods.

The Nuyorican Poets Café, Webster Hall, Mercury Lounge, Irving Plaza, the Orpheum Theatre, Astor Place Theatre, Daryl Roth Theatre, the renowned Public Theater, founded by Joseph Papp, as well as Village East Cinema and Regal Union Square 14 Stadium cinema are entertainment venues all within walking distance or easy access by public transportation.

Schools, Colleges and Universities

New York Public School District 1, as the governing school district for the Condominium, comprises many public and private elementary, middle and high schools, including:

Public Schools:

Pre-K and Elementary Schools

Asher Levy P.S. 19	285 First Avenue
Neighborhood School	121 East 3rd Street
Robert Simon P.S. 64	600 East 6th Street
Roberto Clemente P.S. 15	333 East 4th Street
The Earth School	600 East 6th Street
The Children's Workshop School	610 East 12th Street
The East Village Community School	610 East 12th Street
The STAR Academy P.S. 63	121 East 3rd Street

Pre-K through Middle School

Franklin Delano Roosevelt P.S. 34	730 East 12th Street
The Island School P.S. 188	442 East Houston Street

K through High School

New Explorations into Science, Technology and Math High School	111 Columbia Street

Middle Schools

Girls' Preparatory School, a charter school	442 East Houston Street
Technology, Arts and Science Studio School	185 First Avenue
Tompkins Square Middle School	600 East 6th Street

Middle and High School

East Side Community High School / College Preparatory Academy — 420 East 12th Street

High Schools

Forsyth Satellite Academy	198 Forsythe Street
Cascades High School	198 Forsythe Street
Manhattan School for Career Development	113 East 4th Street
Bard High School Early College	525 East Houston Street

Private Schools:

La Salle Academy	215 East 6th Street
St. George Academy	215 East 6th Street
St. Brigid's School	185 East 7th Street
Immaculate Conception School	419 East 13th Street
Friends Seminary	222 East 16th Street
Grace Church School	86 Fourth Avenue and 46 Cooper Square

Colleges and Universities

New York University, The Cooper Union, Parson's School of Design, New York Film Academy, Hebrew Union College, New York Studio School and The New School are among the leading colleges and universities in the vicinity of the Building.

Libraries and Museums

Two public libraries within easy reach of the Condominium are the Tompkins Square Public Library, 331 East 10th Street, and the New York Public Library, Ottendorfer Branch, at 135 Second Avenue. The Ukrainian Museum in the East Village provides a fascinating cultural excursion.

Hospitals and Medical Services

The following medical facilities are located within easy reach of the Condominium:

New York-Presbyterian Lower Manhattan Hospital	170 William Street
Beth Israel Medical Center	10 Nathan D. Perlman Place
New York Eye & Ear Infirmary of Mt. Sinai	218 Second Avenue
New York University Hospital for Joint Diseases Center for Children	301 East 17th Street

Religious Communities

A broad spectrum of religious congregations serves the community around the Building. Among the numerous houses of worship are the First Presbyterian Church & Nursery School, All Saints Ukrainian Church, St. Nicholas of Myra Russian Orthodox Church, Religious Society of Friends/Quaker Meeting House, Tenth St. Church of Christ, St. John the Baptist Greek Orthodox Church, Ascension Episcopal Church, St. George's Episcopal Church, Grace Episcopal Church, St. Ann's Church for the Deaf, Immaculate Conception Parish, St. Mary's Byzantine Catholic Church, Islamic Council of America, St. Mark's Church-in-the-Bowery, Village Temple, Town & Village Synagogue and Church of All Nations.

Public Services

Police:	9th Police Precinct, at 321 East 5th Street
Fire Houses:	Engine 5, Ladder 3, at 340 East 14th Street
	Engine 28, Ladder 11, at 222 East 2nd Street

New York City provides snow removal, sanitation and road maintenance, charges for which are incorporated into City real estate taxes. Water is billed separately.

The New York City Sanitation Department will collect trash. The Board of Managers will be responsible for snow removal from the Common Elements, which will be included in the Unit Owners' Common Expenses.

The closest U.S. Post Office to the Building is located at 335 East 14th Street, between First and Second Avenues.

Community Services

The Boys Club of New York, Sol Goldman YM/YWHA of the Educational Alliance, the Village Child Development Center and the Sirowitch Senior Center are helpful community service facilities in the neighborhood.

Outdoor Recreation

Tompkins Square Park, in close proximity to the Condominium, as well as Union Square Park at 14th Street and Fifth Avenue, and Washington Square Park at 8th Street and Fifth Avenue, are delightful neighborhood outdoor spaces.

In addition, the Condominium is just a few blocks from East River Park, a 57-acre waterside recreational area stretching from Montgomery Street on the Lower East Side to 12th Street, east of the FDR Drive. Numerous concerts, programs and events are held in the Park, while it also provides playgrounds, baseball fields, tennis courts, basketball courts, football fields, soccer fields, bicycling and greenways, fitness equipment, running tracks, a pool, spray showers, eateries, barbequing areas, and dog-friendly areas.

Sponsor makes no guarantee or representation as to the continued operation of any of the services or amenities disclosed in this section of the Plan.

438 East 12th Street Condominium
438 East 12th Street
Schedule A: Purchase Prices and Related Information for the Projected First Year of Condominium Operation (1/1/18-12/31/18) (Note 1)

Unit	Number Bedrooms	Number Bathrooms	Number Home Office	Terrace/Balcony Square Footage	Unit Square Footage (Fn 2)	Offering Price (Fn 3)	General Common Interest (Fn 4)	Residential Common Interest (Fn 4)	Estimated Monthly Common Charges (Fn 5)	Estimated Annual Common Charges (Fn 5)	Estimated Monthly Real Estate Taxes 1st Year (Fn 6)	Estimated Annual Real Estate Taxes 1st Year (Fn 6)	Estimated Total Monthly Charges 1st Year	Estimated Total Annual Carrying Charges 1st Year
GARDEN A	2	2		433	1,027	$ 1,775,000	0.9931%	1.0971%	$ 1,193.33	$ 14,319.98	$ 1,617.47	$ 19,409.63	$ 2,810.80	$ 33,729.61
GARDEN B	2	2	1	393	1,195	$ 1,895,000	1.1314%	1.2497%	$ 1,359.42	$ 16,312.98	$ 1,842.58	$ 22,110.99	$ 3,202.00	$ 38,423.97
GARDEN C	3	3		398	1,072	$ 1,800,000	1.0248%	1.1321%	$ 1,231.44	$ 14,777.23	$ 1,669.12	$ 20,029.40	$ 2,900.55	$ 34,806.63
2D	3	3		355	1,976	$ 2,999,000	1.8063%	1.9953%	$ 2,170.39	$ 26,044.64	$ 2,941.79	$ 35,301.51	$ 5,112.18	$ 61,346.15
2E	2	2			1,037	$ 1,875,000	0.9072%	1.0021%	$ 1,090.06	$ 13,080.66	$ 1,477.49	$ 17,729.83	$ 2,567.54	$ 30,810.49
2P*	2	1			906	$ 1,450,000	0.7926%	0.8755%	$ 952.35	$ 11,428.23	$ 1,290.84	$ 15,490.09	$ 2,243.19	$ 26,918.32
2Q	1	1.5			873	$ 1,350,000	0.7637%	0.8436%	$ 917.66	$ 11,011.97	$ 1,243.82	$ 14,925.88	$ 2,161.49	$ 25,937.85
2R	1	1	1		975	$ 1,425,000	0.8529%	0.9422%	$ 1,024.88	$ 12,298.60	$ 1,389.15	$ 16,669.80	$ 2,414.03	$ 28,968.40
2S	2	2			1,164	$ 1,975,000	1.0183%	1.1248%	$ 1,223.55	$ 14,682.63	$ 1,658.43	$ 19,901.18	$ 2,881.98	$ 34,583.81
2U	2	2			1,158	$ 1,975,000	1.0130%	1.1190%	$ 1,217.25	$ 14,606.95	$ 1,649.88	$ 19,798.59	$ 2,867.13	$ 34,405.54
3A	1	1	1		744	$ 1,325,000	0.6509%	0.7190%	$ 782.06	$ 9,384.77	$ 1,060.03	$ 12,720.34	$ 1,842.09	$ 22,105.11
3B	2	2.5			1,092	$ 2,095,000	0.9553%	1.0553%	$ 1,147.87	$ 13,774.43	$ 1,555.85	$ 18,670.18	$ 2,703.72	$ 32,444.61
3C	2	2.5			1,221	$ 2,195,000	1.0682%	1.1799%	$ 1,283.47	$ 15,401.63	$ 1,739.64	$ 20,875.72	$ 3,023.11	$ 36,277.35
3D	2	2.5			1,265	$ 2,175,000	1.1066%	1.2224%	$ 1,329.72	$ 15,956.64	$ 1,802.33	$ 21,628.00	$ 3,132.05	$ 37,584.64
3E	2	2.5			1,194	$ 2,195,000	1.0445%	1.1538%	$ 1,255.09	$ 15,061.05	$ 1,701.17	$ 20,414.09	$ 2,956.26	$ 35,475.14
3F	3	2.5		1,502	1,686	$ 3,295,000	1.8034%	1.9921%	$ 2,166.97	$ 26,003.64	$ 2,937.16	$ 35,245.94	$ 5,104.13	$ 61,249.58
3H	1	1			666	$ 1,145,000	0.5826%	0.6436%	$ 700.07	$ 8,400.89	$ 948.90	$ 11,386.76	$ 1,648.97	$ 19,787.65
3J	2	2	1	642	1,149	$ 2,295,000	1.1456%	1.2654%	$ 1,376.50	$ 16,517.96	$ 1,865.74	$ 22,388.82	$ 3,242.23	$ 38,906.78
3K	2	2		680	1,112	$ 2,295,000	1.1215%	1.2389%	$ 1,347.59	$ 16,171.08	$ 1,826.55	$ 21,918.65	$ 3,174.14	$ 38,089.73
3L	1	1			608	$ 1,095,000	0.5319%	0.5875%	$ 639.11	$ 7,669.28	$ 866.26	$ 10,395.12	$ 1,505.37	$ 18,064.40
3M	3	3			1,345	$ 2,750,000	1.1766%	1.2997%	$ 1,413.81	$ 16,965.75	$ 1,916.31	$ 22,995.77	$ 3,330.13	$ 39,961.52
3M	1	1			669	$ 1,225,000	0.5853%	0.6465%	$ 703.23	$ 8,438.73	$ 953.17	$ 11,438.05	$ 1,656.40	$ 19,876.78
3P	1	1			662	$ 1,225,000	0.5791%	0.6397%	$ 695.87	$ 8,350.43	$ 943.20	$ 11,318.37	$ 1,639.07	$ 19,668.80
3Q	2	2.5			1,439	$ 2,675,000	1.2589%	1.3906%	$ 1,512.62	$ 18,151.46	$ 2,050.24	$ 24,602.91	$ 3,562.86	$ 42,754.37
3R	2	2.5			1,190	$ 2,195,000	1.0410%	1.1500%	$ 1,250.88	$ 15,010.59	$ 1,695.48	$ 20,345.70	$ 2,946.36	$ 35,356.29
3S	1	1.5			934	$ 1,450,000	0.8171%	0.9026%	$ 981.79	$ 11,781.42	$ 1,330.73	$ 15,968.81	$ 2,312.52	$ 27,750.23
3T	1	1.5			765	$ 1,395,000	0.6692%	0.7393%	$ 804.14	$ 9,649.67	$ 1,089.95	$ 13,079.38	$ 1,894.09	$ 22,729.05
3U	1	1.5			795	$ 1,425,000	0.6955%	0.7683%	$ 835.67	$ 10,028.09	$ 1,132.69	$ 13,592.30	$ 1,968.37	$ 23,620.39
4A	1	1	1		744	$ 1,385,000	0.6509%	0.7190%	$ 782.06	$ 9,384.77	$ 1,060.03	$ 12,720.34	$ 1,842.09	$ 22,105.11
4B	2	2.5			1,092	$ 2,195,000	0.9553%	1.0553%	$ 1,147.87	$ 13,774.43	$ 1,555.85	$ 18,670.18	$ 2,703.72	$ 32,444.61
4C	2	2.5			1,221	$ 2,295,000	1.0682%	1.1799%	$ 1,283.47	$ 15,401.63	$ 1,739.64	$ 20,875.72	$ 3,023.11	$ 36,277.35
4D	2	2.5			1,265	$ 2,275,000	1.1066%	1.2224%	$ 1,329.72	$ 15,956.64	$ 1,802.33	$ 21,628.00	$ 3,132.05	$ 37,584.64
4E	2	2.5			1,194	$ 2,295,000	1.0445%	1.1538%	$ 1,255.09	$ 15,061.05	$ 1,701.17	$ 20,414.09	$ 2,956.26	$ 35,475.14
4F	3	2.5			1,686	$ 3,150,000	1.4749%	1.6293%	$ 1,772.26	$ 21,267.11	$ 2,402.16	$ 28,825.93	$ 4,174.42	$ 50,093.04
4H	1	1			661	$ 1,200,000	0.5783%	0.6388%	$ 694.82	$ 8,337.82	$ 941.77	$ 11,301.27	$ 1,636.59	$ 19,639.09
4J	2	2	1		1,149	$ 2,150,000	1.0052%	1.1103%	$ 1,207.79	$ 14,493.42	$ 1,637.06	$ 19,644.72	$ 2,844.84	$ 34,138.14
4K	2	2			1,112	$ 2,250,000	0.9728%	1.0746%	$ 1,168.89	$ 14,026.71	$ 1,584.34	$ 19,012.12	$ 2,753.24	$ 33,038.83
4L	1	1			608	$ 1,150,000	0.5319%	0.5875%	$ 639.11	$ 7,669.28	$ 866.26	$ 10,395.12	$ 1,505.37	$ 18,064.40
4M	3	3			1,345	$ 2,900,000	1.1766%	1.2997%	$ 1,413.81	$ 16,965.75	$ 1,916.31	$ 22,995.77	$ 3,330.13	$ 39,961.52
4N	1	1			669	$ 1,275,000	0.5853%	0.6465%	$ 703.23	$ 8,438.73	$ 953.17	$ 11,438.05	$ 1,656.40	$ 19,876.78
4P	1	1			662	$ 1,275,000	0.5791%	0.6397%	$ 695.87	$ 8,350.43	$ 943.20	$ 11,318.37	$ 1,639.07	$ 19,668.80
4Q	2	2.5			1,439	$ 2,800,000	1.2589%	1.3906%	$ 1,512.62	$ 18,151.46	$ 2,050.24	$ 24,602.91	$ 3,562.86	$ 42,754.37
4R	2	2.5			1,190	$ 2,295,000	1.0410%	1.1500%	$ 1,250.88	$ 15,010.59	$ 1,695.48	$ 20,345.70	$ 2,946.36	$ 35,356.29
4S	1	1.5			934	$ 1,500,000	0.8171%	0.9026%	$ 981.79	$ 11,781.42	$ 1,330.73	$ 15,968.81	$ 2,312.52	$ 27,750.23
4T	1	1.5			765	$ 1,450,000	0.6692%	0.7393%	$ 804.14	$ 9,649.67	$ 1,089.95	$ 13,079.38	$ 1,894.09	$ 22,729.05
4U	1	1.5			795	$ 1,485,000	0.6955%	0.7683%	$ 835.67	$ 10,028.09	$ 1,132.69	$ 13,592.30	$ 1,968.37	$ 23,620.39
5A	1	1	1		722	$ 1,445,000	0.6316%	0.6977%	$ 758.94	$ 9,107.27	$ 1,028.68	$ 12,344.20	$ 1,787.62	$ 21,451.47
5B	2	2.5			1,094	$ 2,295,000	0.9571%	1.0572%	$ 1,149.97	$ 13,799.65	$ 1,558.70	$ 18,704.37	$ 2,708.67	$ 32,504.02
5C	2	2.5			1,218	$ 2,395,000	1.0655%	1.1770%	$ 1,280.32	$ 15,363.78	$ 1,735.37	$ 20,824.43	$ 3,015.68	$ 36,188.21

5D	3	3			1,635	$ 3,275,000	1.4303%	1.5800%	$ 1,718.65	$ 20,623.80	$ 2,329.50	$ 27,953.97	$ 4,048.15	$ 48,577.77
5E	1	1.5			824	$ 1,545,000	0.7208%	0.7963%	$ 866.16	$ 10,393.89	$ 1,174.01	$ 14,088.12	$ 2,040.17	$ 24,482.01
5F	2	2.5			1,188	$ 2,395,000	1.0393%	1.1480%	$ 1,248.78	$ 14,985.37	$ 1,692.63	$ 20,311.51	$ 2,941.41	$ 35,296.88
5G	2	2.5			1,358	$ 2,645,000	1.1880%	1.3123%	$ 1,427.48	$ 17,129.74	$ 1,934.84	$ 23,218.04	$ 3,362.31	$ 40,347.78
5J	2	2	1		1,136	$ 2,250,000	0.9938%	1.0978%	$ 1,194.12	$ 14,329.44	$ 1,618.54	$ 19,422.45	$ 2,812.66	$ 33,751.89
5K	2	2.5			1,257	$ 2,645,000	1.0996%	1.2147%	$ 1,321.31	$ 15,855.73	$ 1,790.93	$ 21,491.22	$ 3,112.25	$ 37,346.95
5M	3	3.5			1,628	$ 3,625,000	1.4242%	1.5732%	$ 1,711.29	$ 20,535.50	$ 2,319.52	$ 27,834.29	$ 4,030.82	$ 48,369.79
5P	2	2.5			1,267	$ 2,800,000	1.1084%	1.2244%	$ 1,331.82	$ 15,981.87	$ 1,805.18	$ 21,662.19	$ 3,137.01	$ 37,644.06
5Q	2	2			1,150	$ 2,475,000	1.0060%	1.1113%	$ 1,208.84	$ 14,506.04	$ 1,638.48	$ 19,661.81	$ 2,847.32	$ 34,167.85
5R	3	3			1,604	$ 3,450,000	1.4032%	1.5500%	$ 1,686.06	$ 20,232.77	$ 2,285.33	$ 27,423.96	$ 3,971.39	$ 47,656.73
5S	2	2.5			1,244	$ 2,450,000	1.0883%	1.2021%	$ 1,307.65	$ 15,691.75	$ 1,772.41	$ 21,268.95	$ 3,080.06	$ 36,960.70
5U	2	2.5			1,185	$ 2,425,000	1.0367%	1.1451%	$ 1,245.63	$ 14,947.52	$ 1,688.35	$ 20,260.22	$ 2,933.98	$ 35,207.74
6A	1	1	1		722	$ 1,525,000	0.6316%	0.6977%	$ 758.94	$ 9,107.27	$ 1,028.68	$ 12,344.20	$ 1,787.62	$ 21,451.47
6B	2	2.5			1,094	$ 2,445,000	0.9571%	1.0572%	$ 1,149.97	$ 13,799.65	$ 1,558.70	$ 18,704.37	$ 2,708.67	$ 32,504.02
6C	2	2.5			1,218	$ 2,525,000	1.0655%	1.1770%	$ 1,280.32	$ 15,363.78	$ 1,735.37	$ 20,824.43	$ 3,015.68	$ 36,188.21
6D	3	3			1,635	$ 3,400,000	1.4303%	1.5800%	$ 1,718.65	$ 20,623.80	$ 2,329.50	$ 27,953.97	$ 4,048.15	$ 48,577.77
6F	2	2.5			1,188	$ 2,495,000	1.0393%	1.1480%	$ 1,248.78	$ 14,985.37	$ 1,692.63	$ 20,311.51	$ 2,941.41	$ 35,296.88
6G	2	2.5			1,358	$ 2,770,000	1.1880%	1.3123%	$ 1,427.48	$ 17,129.74	$ 1,934.84	$ 23,218.04	$ 3,362.31	$ 40,347.78
6J	2	2	1		1,136	$ 2,350,000	0.9938%	1.0978%	$ 1,194.12	$ 14,329.44	$ 1,618.54	$ 19,422.45	$ 2,812.66	$ 33,751.89
6K	2	2.5			1,257	$ 2,770,000	1.0996%	1.2147%	$ 1,321.31	$ 15,855.73	$ 1,790.93	$ 21,491.22	$ 3,112.25	$ 37,346.95
6M	3	3.5			1,628	$ 3,775,000	1.4242%	1.5732%	$ 1,711.29	$ 20,535.50	$ 2,319.52	$ 27,834.29	$ 4,030.82	$ 48,369.79
6P	2	2.5			1,267	$ 2,945,000	1.1084%	1.2244%	$ 1,331.82	$ 15,981.87	$ 1,805.18	$ 21,662.19	$ 3,137.01	$ 37,644.06
6Q	2	2			1,150	$ 2,650,000	1.0060%	1.1113%	$ 1,208.84	$ 14,506.04	$ 1,638.48	$ 19,661.81	$ 2,847.32	$ 34,167.85
6R	3	3			1,604	$ 3,600,000	1.4032%	1.5500%	$ 1,686.06	$ 20,232.77	$ 2,285.33	$ 27,423.96	$ 3,971.39	$ 47,656.73
6S	2	2.5			1,244	$ 2,525,000	1.0883%	1.2021%	$ 1,307.65	$ 15,691.75	$ 1,772.41	$ 21,268.95	$ 3,080.06	$ 36,960.70
PHA	2	2.5		241	1,621	$ 4,475,000	1.4708%	1.6247%	$ 1,767.27	$ 21,207.19	$ 2,395.39	$ 28,744.72	$ 4,162.66	$ 49,951.91
PHB	3	2.5		518	1,744	$ 5,250,000	1.6390%	1.8105%	$ 1,969.35	$ 23,632.22	$ 2,669.31	$ 32,031.66	$ 4,638.66	$ 55,663.88
PHC	2	2.5		942	1,658	$ 4,475,000	1.6565%	1.8298%	$ 1,990.38	$ 23,884.50	$ 2,697.80	$ 32,373.60	$ 4,688.18	$ 56,258.10
PHD	3	3.5	1	1,297	2,615	$ 7,500,000	2.5713%	2.8404%	$ 3,089.63	$ 37,075.53	$ 4,187.75	$ 50,253.03	$ 7,277.38	$ 87,328.56
PHE	4	4.5	1	1,364	3,482	$ 11,250,000	3.3444%	3.6944%	$ 4,018.59	$ 48,223.11	$ 5,446.89	$ 65,362.71	$ 9,465.49	$ 113,585.82
PHF	3	2.5		931	1,782	$ 5,395,000	1.7625%	1.9470%	$ 2,117.83	$ 25,413.94	$ 2,870.55	$ 34,446.64	$ 4,988.38	$ 59,860.58
PHG	4	3.5		840	2,258	$ 6,875,000	2.1591%	2.3850%	$ 2,594.27	$ 31,131.21	$ 3,516.33	$ 42,195.96	$ 6,110.60	$ 73,327.17
PHH	3	2.5		958	1,987	$ 5,250,000	1.9478%	2.1516%	$ 2,340.47	$ 28,084.95	$ 3,172.25	$ 38,066.98	$ 5,512.66	$ 66,151.93
Residential Units Sub-Total				**11,494**	**100,608**	**212,654,000**	**90.5275%**	**100.0000%**	**108,776**	**1,305,310**	**147,437**	**1,769,247**	**256,213**	**3,074,557**
Parking														
PKG 1					162	$ 250,000	0.0354%	16.0714%	$ 19.07	$ 228.85	$ 49.00	$ 588.05	$ 68.08	$ 816.91
PKG 2					162	$ 250,000	0.0354%	16.0714%	$ 19.07	$ 228.85	$ 49.00	$ 588.05	$ 68.08	$ 816.91
PKG 3					162	$ 250,000	0.0354%	16.0714%	$ 19.07	$ 228.85	$ 49.00	$ 588.05	$ 68.08	$ 816.91
PKG 4					162	$ 250,000	0.0354%	16.0714%	$ 19.07	$ 228.85	$ 49.00	$ 588.05	$ 68.08	$ 816.91
PKG 5					162	$ 250,000	0.0354%	16.0714%	$ 19.07	$ 228.85	$ 49.00	$ 588.05	$ 68.08	$ 816.91
ADA PKG					198	$ 250,000	0.0433%	19.6429%	$ 23.31	$ 279.71	$ 59.89	$ 718.73	$ 83.20	$ 998.44
Parking Units Sub-Total					**1,008**	**1,500,000**	**0.0022**	**100.0000%**	**118.67**	**1,423.98**	**304.92**	**3,659.00**	**423.58**	**5,082.98**
Non-Residential Units														
Retail Unit					10,597		8.3650%		$ 3,206.76	$ 38,481.12	$ 11,567.17	$ 138,806.00	$ 14,773.93	$ 177,287.12
Community Facility					1,014		0.8871%		$ 340.06	$ 4,080.72	$ 1,226.67	$ 14,720.00	$ 1,566.73	$ 18,800.72
Non-Residential Unit Sub-Total					**11,611**		**9.2521%**		**$ 3,546.82**	**$ 42,561.85**	**$ 12,793.83**	**$ 153,526.00**	**$ 16,340.65**	**$ 196,087.85**
	TOTALS				**12,619**	**$ 214,154,000**	**100.0000%**		**$ 112,441.31**		**$ 160,536.00**	**$ 1,926,432.00**	**$ 272,977.31**	**$ 3,275,727.69**

NOTES TO SCHEDULE A

1. Amounts are projected on the assumption that the first year of Condominium operation will be the year from January 1, 2018 to December 31, 2018. The actual first year of Condominium operation may be earlier or later than that year.

2. The square foot area of the Units set forth in the floor plans and in **Exhibit B** to the Declaration are approximate and were obtained by using the method customarily used in New York City to measure condominium apartments.

   The Residential Units and Commercial Units were measured from the exterior side of the exterior walls (perimeter columns and mechanical pipes/ducts/shafts/ are not deducted) to the corridor/Common Elements side of interior walls separating one Unit from another Unit, or separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements, and to the midpoint of the demising interior walls and partitions separating one Unit from another Unit. Any Common Elements located within a unit shall not be considered a part of such Unit.

   Parking Units are measured from the center of the dividing line between such Units.

3. Sponsor has reserved the right to change the offering prices (as well as other terms of sale) of Units not subject to executed Purchase Agreements, so Purchasers may pay different prices for similar Units. See the Section entitled "Changes in Prices and Units" in Part I of this Plan for further discussion. In addition to paying the purchase prices of their Units, Purchasers will be responsible for paying certain closing adjustments and Closing Costs (see the Section entitled "Unit Closing Costs and Adjustments" in Part I of this Plan for further discussion).

4. The Common Interest of each Unit has been determined, pursuant to Section 339-i(1)(iv) of the Condominium Act. In accordance with such method of calculation, the Common Interests have been determined based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular Unit.

   The aggregate Common Interests of all of the Units equal one hundred percent.

5. These projections have been based upon the projections contained in "Projected Budget for First Year of Condominium Operation - Schedule B," which were made based on the assumption that the first year of condominium operation will be from January 1, 2018 to December 31, 2018. The actual first year of operation may be earlier or later. In the event the actual or anticipated commencement date

of the first year of condominium operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the amended budget exceeds this projected budget by 25% or more, Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period, if the Plan has been declared effective) the right to rescind their Purchase Agreements within not less than fifteen days after the presentation date of the amendment containing such revised budget, and any Purchaser electing rescission pursuant to such offer will have their Down Payments and any interest accrued thereon returned.

In addition to the payment of Common Charges, each Unit Owner will incur additional expenses for:

a. mortgage payments under any loan or loans obtained to finance the purchase of the Unit;

b. the cost of electricity and gas supplied to the Unit, which will be separately metered and sub-metered, and payable as and when billed;

c. the cost of interior repairs to, and the maintenance, painting and decoration of, the Unit, including, without limitation, the equipment and appliances contained in the same, and any appurtenant Limited Common Elements;

d. the cost of any insurance that the Unit Owner may desire to carry covering the furniture, belongings, equipment and other personal property in the Unit, as well as his or her liability to others for personal injury or property damage as a result of occurrences in the Unit;

e. telephone and cable television charges; and

f. real estate taxes (see footnote 6 below).

6. Upon substantial completion of construction, the Residential Units will be classified by the New York City Department of Finance ("Department of Finance") as tax class 2 and the Commercial Unit will be classified by the Department of Finance as tax class 4. The policy of the Department of Finance is to apportion each Unit's real estate taxes based on its Common Interest. However, Sponsor makes no representation that the Department of Finance will actually apportion the real estate taxes for each Unit based on Common Interest. Post-construction real estate tax estimates were made by Tuchman, Korngold, Weiss, Liebman & Gelles, LLC, located at 6 East 45th Street, New York, New York 10017 ("the Tax Consultant"). The real estate tax projections in Schedule A are based on a blend of six (6) months of 2017/2018 and six (6) months of 2018/2019 tax liability. It is estimated, but not guaranteed, that the 2018/2019 tax year will be the first tax year that the Property will be fully assessed for real estate tax purposes. Real estate taxes for the entire 2018/2019 tax year will be higher than the real estate taxes disclosed on Schedule A. Historically, the Department of Finance has annually increased the tax rate, which, if effectuated, would result in higher actual real estate taxes. See the Tax Consultant's real estate tax projection analysis, located in Part I of this Plan, for further disclosure.

No warranty, guaranty or assurance is given that:

(i) any projected or estimated amount set forth above including, without limitation, the estimates of the Property's assessed valuations during the first year of condominium operation; the estimates of the portions of such assessed valuations that will be allocable to the Units; the projection of the average real estate tax rate that will be in effect during such first year; will approximate the actual amount; or

(ii) the New York City Real Estate Tax Assessment Bureau will allocate the Property's aggregate assessed valuation between the Units in accordance with the appraised values used by Sponsor's real estate tax appraiser for such purpose, or that such bureau will allocate the aggregate assessed valuation attributable to the Units among the different Units as described above.

Until the Units are separately assessed, each Unit Owner will pay to the Board their Unit's pro rata share of the Property's real estate taxes for the period in question based upon Common Interest. This proration will be made by allocating the Property's taxes among the Unit Owners in accordance with each Unit's Common Interest. The Board will pay such real estate taxes to the Department of Finance of The City of New York or directly to Sponsor if Sponsor has paid such real estate taxes. If any Unit Owner fails to pay his pro rata share as set forth above, the Board will be entitled to assess late charges and/or place a lien on such Unit as if such unpaid share were Common Charges. At such time as a Unit is separately assessed and separate tax bills are issued, the Unit Owner will pay such taxes directly to the taxing authority.

There is no assurance that the pro-ration of taxes described in the paragraph above will equal the actual amount of real estate taxes which will be assessed against the Units, and the actual amounts may vary considerably from the method set forth above.

In the opinion of Seiden & Schein, P.C., counsel to Sponsor, the tax laws existing on the date of this Plan in general permit a Unit Owner who itemizes his deductions to deduct from income for the purposes of Federal, New York State and New York City income taxes, any real estates taxes actually paid by such Unit Owner with respect to his Unit. However, the amount of such deductions may vary from year to year due to changes in the amount of the real estate taxes payable by the Unit Owner (which might result from changes in the assessed valuation of the Unit, in the tax rate and/or in the manner of assessing real property). Prospective Purchasers should refer to the Section entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" in Part I of this Plan, as well as to the "Counsel's Income Tax Opinion," for further discussion.

IRS Circular 230 Disclosure: In May 2005 the U.S. Treasury Department amended the regulations known as "Circular 230," which, among other things, set forth rules and standards with respect to the rendering of Federal tax advice. In

general, the amended rules require such Federal tax advice to include a certain level of detail and discussion and to satisfy certain other requirements, unless the advice meets certain exceptions or is accompanied by a disclosure of certain limitations of the advice. In compliance with Circular 230, the following disclosure sets forth these limitations. Specifically, taxpayers are hereby informed that (i) this Offering Plan was not intended or written to be used, and it cannot be used, by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer by the IRS; (ii) this Offering Plan was written to support the promotion or marketing of the transactions(s) or matter(s) addressed in this Offering Plan; (iii) the taxpayer should seek advice based on taxpayer's particular circumstances from an independent tax adviser.

438 East 12th Street Condominium

438 East 12th Street

Schedule A-1: Purchase Prices for Storage Locker License Agreement and Related Information for the Projected First Year of Condominium Operation (1/1/18-12/31/18)

Storage Locker	Storage Unit Square Footage	Purchase Price	License Fee Per Month	License Fee Per Year
STG 1	12	$ 15,000	$ 24.00	$ 288.00
STG 2	12	$ 15,000	$ 24.00	$ 288.00
STG 3	12	$ 15,000	$ 24.00	$ 288.00
STG 4	12	$ 15,000	$ 24.00	$ 288.00
STG 5	12	$ 15,000	$ 24.00	$ 288.00
STG 6	16	$ 15,000	$ 32.00	$ 384.00
STG 7	14	$ 15,000	$ 28.00	$ 336.00
STG 8	15	$ 15,000	$ 30.00	$ 360.00
STG 9	15	$ 15,000	$ 30.00	$ 360.00
STG 10	15	$ 15,000	$ 30.00	$ 360.00
STG 11	15	$ 15,000	$ 30.00	$ 360.00
STG 12	14	$ 15,000	$ 28.31	$ 339.66
STG 13	14	$ 15,000	$ 28.31	$ 339.66
STG 14	14	$ 15,000	$ 28.31	$ 339.66
STG 15	15	$ 15,000	$ 30.00	$ 360.00
STG 16	15	$ 15,000	$ 30.00	$ 360.00
STG 17	15	$ 15,000	$ 30.00	$ 360.00
STG 18	15	$ 15,000	$ 30.00	$ 360.00
STG 19	15	$ 15,000	$ 30.00	$ 360.00
STG 20	15	$ 15,000	$ 30.00	$ 360.00
STG 21	36	$ 30,000	$ 71.50	$ 858.00
STG 22	30	$ 30,000	$ 60.71	$ 728.52
STG 23	8	$ 10,000	$ 15.00	$ 180.00
STG 24	11	$ 15,000	$ 22.50	$ 270.00
STG 25	11	$ 15,000	$ 22.50	$ 270.00
STG 26	11	$ 15,000	$ 22.50	$ 270.00
STG 27	11	$ 15,000	$ 22.50	$ 270.00
STG 28	13	$ 15,000	$ 25.83	$ 309.96
STG 29	15	$ 15,000	$ 30.00	$ 360.00
STG 30	15	$ 15,000	$ 30.00	$ 360.00
STG 31	15	$ 15,000	$ 30.00	$ 360.00
STG 32	15	$ 15,000	$ 30.00	$ 360.00
TOTAL	**474**	**$ 505,000**	**$ 948**	**$ 11,375**

438 East 12th Street Condominium
438 East 12th Street

Schedule A-2: Share of Resident Managers Unit Purchase Pirce

Unit	Share of Resident Managers Unit Partial Purchase Price
GARDEN A	$ 5,367.72
GARDEN B	$ 6,114.78
GARDEN C	$ 5,539.12
2D	$ 9,762.60
2E	$ 4,903.17
2P	N/A
2Q	$ 4,127.74
2R	$ 4,610.02
2S	$ 5,503.65
2U	$ 5,475.28
3A	$ 3,517.80
3B	$ 5,163.22
3C	$ 5,773.16
3D	$ 5,981.20
3E	$ 5,645.50
3F	$ 9,747.23
3H	$ 3,149.00
3J	$ 6,191.61
3K	$ 6,061.58
3L	$ 2,874.76
3M	$ 6,359.46
3M	$ 3,163.18
3P	$ 3,130.08
3Q	$ 6,803.92
3R	$ 5,626.59
3S	$ 4,416.16
3T	$ 3,617.09
3U	$ 3,758.94
4A	$ 3,517.80
4B	$ 5,163.22
4C	$ 5,773.16
4D	$ 5,981.20
4E	$ 5,645.50
4F	$ 7,971.79
4H	$ 3,125.36
4J	$ 5,432.73
4K	$ 5,257.79
4L	$ 2,874.76

4M	$	6,359.46
4N	$	3,163.18
4P	$	3,130.08
4Q	$	6,803.92
4R	$	5,626.59
4S	$	4,416.16
4T	$	3,617.09
4U	$	3,758.94
5A	$	3,413.78
5B	$	5,172.68
5C	$	5,758.98
5D	$	7,730.65
5E	$	3,896.06
5F	$	5,617.13
5G	$	6,420.93
5J	$	5,371.26
5K	$	5,943.38
5M	$	7,697.55
5P	$	5,990.66
5Q	$	5,437.46
5R	$	7,584.07
5S	$	5,881.91
5U	$	5,602.95
6A	$	3,413.78
6B	$	5,172.68
6C	$	5,758.98
6D	$	7,730.65
6F	$	5,617.13
6G	$	6,420.93
6J	$	5,371.26
6K	$	5,943.38
6M	$	7,697.55
6P	$	5,990.66
6Q	$	5,437.46
6R	$	7,584.07
6S	$	5,881.91
PHA	$	7,949.33
PHB	$	8,858.33
PHC	$	8,952.89
PHD	$	13,897.43
PHE	$	18,076.00
PHF	$	9,526.19
PHG	$	11,669.26
PHH	$	10,527.39
TOTAL	**$**	**485,000.00**

SCHEDULE B

438 EAST 12th STREET CONDOMINIUM

438 East 12th Street
New York, NY
Projected Budget for the Projected First Year of Condominium Operation (See Note 1)
January 1, 2018 to December 31, 2018

ESTIMATED INCOME

Common Charges – Residential Units (Note 2)		$ 1,305,310
Common Charges – Retail Unit (Note 2)		$ 38,481
Common Charges – Community Facility (Note 2)		$ 4,031
Common Charges – Parking Units (Note 2)		$ 1,424
License Fee – Storage Lockers (3)		$ 11,375
License Fee – Bicycle Storage Space (4)		$ 7,175
Total Estimated Common Charges		$ 1,367,846

ESTIMATED EXPENSES (Note 5)

Payroll and Related Expenses (Note 6)	$	506,450
Gas (Heat & Hot Water (Note 7)	$	72,598
Electricity (Note 8)	$	168,706
Water Charges and Sewer Rent (Note 9)	$	57,779
Repairs and Maintenance (Note 10)	$	63,000
Service Contracts (Note 11)	$	176,300
Insurance (Note 12)	$	84,164
Management Fee (Note 13)	$	50,000
Resident Managers Expense (Note 14)	$	62,239
Legal and Audit (Note 15)	$	20,000
Other Expenses	$	20,000
Contingencies	$	30,000
Reserve for Replacements	$	53,610
Total (Note 19)	$	1,367,846

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

ALLOCATION OF COMMON EXPENSES BTWEEN RESIDENTIAL, RETAIL AND GARAGE UNIT

(see detailed notes which follow)

Common Expenses	Total Expenses	Residential Units Share	Parking Units	Retail Unit Share	Community Facility Share
%		90.5275%	0.2205%	8.3650%	0.8871%
Payroll & Benefits	$ 506,450	$ 497,070.77	$ 218.27	$ 8,282	$ 878
Electricity	$ 168,706	$ 168,296.16	$ 409.84	Direct Metered	Direct Metered
Gas (Heat, Hot Water, and Cooking)	$ 72,598	$ 72,598	N/A	Sub-Metered	Sub-Metered
Water Charges and Sewer Rent	$ 57,779	$ 57,779	N/A	Sub-Metered	Sub-Metered
Repairs and Maintenance	$ 63,000	$ 62,053	$ 22	$ 837	$ 89
Service Contracts	$ 176,300	$ 173,648	$ 62	$ 2,342	$ 248
Insurance	$ 84,164	$ 76,192	$ 186	$ 7,040	$ 747
Management Fee	$ 50,000	$ 45,264	$ 110	$ 4,183	$ 444
Resident Managers Unit	$ 62,239	$ 56,344	$ 137	$ 5,206	$ 552
Legal and Audit	$ 20,000	$ 18,105	$ 44	$ 1,673	$ 177
Other Expenses	$ 20,000	$ 18,105	$ 44	$ 1,673	$ 177
Contingency	$ 30,000	$ 27,158	$ 66	$ 2,510	$ 266
Replacement Reserve	$ 56,610	$ 51,248	$ 125	$ 4,735	$ 502
Sub-Total	**$ 1,367,846**	**$ 1,323,860**	**$ 1,424**	**$ 38,481**	**$ 4,081**
Storage Units (Income)		$ 11,375			
Bicycle Space (Income)		$ 7,175			
Total	**$ 1,367,846**	**$ 1,305,310**	**$ 1,424**	**$ 38,481**	**$ 4,081**

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

A. The Parking, Retail and Community Faciililty Units share of service contracts is based on their Common Interest applied to the costs of all service contracts with the exception of elevator, landscaping, flowers, gym equipment, amenity operator, HVAC, and uniform expenses.

B. The Parking, Retail and Community Facility Units share of Payroll and Related Expenses is based on their percentage of Common Interest of the Resident Manager. They will not share in the expense for the Concierge and Porters as they will not utilize the Concierge and Porter's services.

FOOTNOTES TO SCHEDULE B

(1) Projected First Year of Condominium Operation

Amounts are projected on the assumption that the First Year of Condominium Operation will be the year from January 1, 2018 to December 31, 2018. The actual first year of Condominium operation may be earlier or later than projected.

If the actual or anticipated date of commencement of condominium operation is delayed by more than six (6) months from the commencement of the projected first year of Condominium operation, Sponsor will amend the Plan to include a revised budget disclosing current projections ("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 Purchase Agreements prior to the Filing Date of the Revised Budget Amendment the right to rescind for a period of fifteen (15) days after the Presentation Date of the Revised Budget Amendment.

(2) Common Charges

These amounts represent the total Common Charges to be levied against, and collected from, the Residential Unit Owners and the Retail Unit Owner, Community Facility Unit Owner and Parking Unit Owners (Collectively, the "Non-Residential Unit Owners") during the anticipated first year of Condominium operation. The Common Charges will be utilized by the Condominium Board to defray the operational expenses of the Condominium. Except as otherwise set forth herein, the Common Charges have been allocated between the Residential Unit Owners and the Non-Residential Unit Owners based on anticipated usage and benefits derived by such Unit Owners, respectively, and between and among the Unit Owners on the basis of percentage of Common Interest allocated to each Unit. Where the allocation of Common Expenses is not based on percentage of Common Interest, or Common Expenses have been allocated only to certain categories of Units, such circumstances are set forth in the following notes. The Non-Residential Unit Owners will only be obligated to pay its respective allocable share of those expenses that are incurred by the Condominium Board in furnishing services to the Retail Unit, Community Facility Unit and Parking Units, operating and maintaining those Common Elements which are utilized by and serve the "Non-Residential Units". 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 90.5275%. Common Charges to be borne by the Retail Unit Owner has been allocated on the basis of such the Retail Unit's Common Interest for a total of 8.3650%. Common Charges to be borne by the Community Facility Unit Owner has been allocated on the basis of such the Community Facilities Unit's Common Interest for a total of 0.8871%. Common Charges to be borne by the Parking Unit Owners has been allocated on the basis of such the Parking Unit's Common Interest for a total of 0.2205%.

The Retail and Community Facility Unit Owner's obligation to pay Common Charges is based upon its percentage of Common Interest in the Building times the projected expenses specific to the Retail and Community Facility Unit set forth in the budget. As set forth in Schedule B, the Retail and Community Facility Unit Owner is obligated to pay as part of its monthly Common Charges a portion of the following expenses: payroll; repairs and maintenance; service contracts; insurance; management fees; legal and audit fee; other miscellaneous expenses, contingency and reserve for replacements. The Retail and Community Facility Unit Owner is not obligated to pay any part of electricity, gas for cooking, water and sewer charges since such budget line items exclusively benefits the Residential Unit Owners, and are services which are not fairly attributable to the Non-Residential Unit's use of the Common Elements. In accordance with the Declaration and the By-laws, the Condominium Board is authorized, pursuant to Real Property Law § 339-m to specially allocate various expenses among the Residential and Non-Residential Unit Owners to the extent various services and budget items benefit the respective Units more.

(3) License Fees for Storage Bins: $11,375

There are a total of 32 Storage Bins. Each Storage Bin licensee will be charged a monthly license fee. The monthly license fee projected herein are based upon estimated expenses for the twelve (12) month period commencing January 1, 2018. The Common Charges will be offset by the income derived by the Storage Bin license fees in the amount of $11,375.

The Storage Bin license fee will be subject to increases based on the percentage increase in subsequent budgets approved by the Condominium Board or as otherwise as the Condominium Board deems necessary in its discretion.

(4) License Fees for Bicycle Spaces: $7,175

There are a total of 41 Bicycle Spaces. Each Bicycle Space licensee will be charged a monthly license fee. The monthly license fee projected herein are based upon estimated expenses for the twelve (12) month period commencing January 1, 2018. The Common Charges will be offset by the income derived by the Storage Bin license fees in the amount of $7,175.

The Bicycle Space license fee will be subject to increases based on the percentage increase in subsequent budgets approved by the Condominium Board or as otherwise as the Condominium Board deems necessary in its discretion.

(5) Estimated Expenses

Common Charges include the costs and expenses in connection with the maintenance and operation of, and any alteration to, the 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 Condominium Managing Agent, and insurance coverage for the Common Elements.

(6) Payroll and Related Expenses: $506,450

The Building staff shall consist of:

Position and Number	Weekly Rate	Total
Full-Time Superintendent (1) (40 hour per week)	$1,635 X 52	$ 85,000
Lobby Attendants (4.2) (24 hours per day 7 days per week.)	$880 X 52	$ 174,720
Porters (2)	$800 X 52	$ 83,200
Sub-Total:		**$ 342,920**
Overtime	4% of Base Wages	$ 17,146
Vacation, Sick & Holiday	10% of Base Wages	$ 34,292
Holiday Bonus		$ 11,200
Gross Wages:		**$ 394,358**
Health Benefits	Annually -$7,500 X 7 full time employees	$ 54,000
Payroll Taxes	See Schedule Below	$ 58,092
Total Payroll and Related:		**$ 506,450**

There will be a combination of full-time and part-time employees and 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, First Service Residential, in managing comparable buildings. Such level of staffing complies with all applicable housing and labor laws.

The Non-Residential Unit will utilize the services of the Superintendent. The Non-Residential Unit has been allocated its percentage of Common Interest of the Payroll and Benefit expense related to the Superintendent and will allocate this expense as part of its Common Charges on a monthly basis.

The following expenses are mandated by Law for each employee:

FICA Employer	7.65% of Wages	7.65%	$ 30,168
NY State Unemployment	(1st $14,000)	9.9%	2,985
Federal Unemployment	(1st $8,500)	0.80%	3,024
State Disability Insurance	(Yearly)	$45.00	225
Workers Compensation	5.5% of Wages	5.5%	$ 21,690
		TOTAL	**$ 506,450**

(7) Gas (Heat, Domestic Hot Water): $72,598

Based on an estimate dated August 20th, 2015 by Rodkin Cardinale, Consulting Engineers, located at 224 West 29th Street, New York, New York, 10001, it is anticipated that heat will

be provided to certain common spaces and hot water will be provided to the Residential Units only by natural gas and will cost $72,598. This estimate is based on a projected usage of 43,765 Therms of gas per year at an anticipated average cost of $1.66 per Therm, factoring in for inflation.

The Commercial and Community Facility Units will be separately metered for gas.

(8) Electricity: $168,706

Based on an estimate dated August 20th, 2015 by Rodkin Cardinale, Consulting Engineers, located at 224 West 29th 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 $168,706 kWh/HR/YR at an annual cost of $.24 per kWH/HR, factoring in for inflation. The Commercial and Community Facility Units will be separately metered.

Electricity (except as necessary to operate heating and cooling 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. Electricity as necessary to operate heating and cooling systems in each such Residential Unit will be submetered and billed to each Residential Unit Owner based on actual consumption.

(9) Water Charges and Sewer Rent: $57,779

Based on an estimate dated August 20th, 2015 by Rodkin Cardinale, Consulting Engineers, located at 224 West 29th Street, New York, New York, 10001, it is anticipated that water charges for the Residential Units and all Common Elements, will be approximately $57,779 based on a combined rate of $3.81 per gallon of water used, factoring in for 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 and Community Facility Units will be separately sub-metered.

(10) Repairs and Maintenance: $63,000

This estimate includes painting, maintenance and repair costs of Common Elements and Residential Common Elements only. Residential Unit Owners will be responsible for the cost of repairs and painting in the interiors of their Residential 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 Residential Units.

Supplies and Hardware	$ 40,000
Plumbing	$ 2,500
Electrical	$ 2,500
Intercom	$ 3,000

Window, Lock and Doors	$ 5,000
Plastering and Painting	$ 2,500
Elevator Repairs (Not Covered by Contract)	$ 2,000
General Repairs	$ 5,000
Total	**$ 63,000**

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

(11) Service Contracts and Supplies: $176,300

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

Elevator Maintenance	$ 17,100
Exterminating	$ 2,500
Central Station Monitoring	$ 2,500
Fire Extinguishers	$ 1,000
Fire Alarm	$ 7,500
Flowers	$ 5,200
Amenity Operator	$ 72,000
Sprinkler	$ 2,500
HVAC Service	$ 20,000
Gym Equipment	$ 2,000
Telephone/Internet	$ 10,000
Landscaping	$ 20,000
Uniforms	$ 12,000
Total	**$ 176,300**

No maintenance or service contracts have been entered into as of the Filing Date of the Plan. The budgeted amounts are based on estimates received from contractors and the experience of Sponsor's budget expert, 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 Non-Residential Unit Owner will share in the expense of only the exterminating and telephone based on their Common Interest percentage.

(12) Insurance: $84,164

The insurance premiums are based on a letter dated November 4, 2015 from USI Insurance Services LLC, located at 333 Westchester Avenue, Suite 102, White Plains, New York, 10604. The fire, casualty and general liability are on the terms set therein:

	COVERAGES	LIMITS OF LIABILITY
A.	Property (Building Limit)	$ 59,250,000

	Business Personal Property Limit	$	500,000
	Loss of Maintenance Fee	$	2,000,000
	Demolition and Increased Cost	$	1,000,000
	Flood	$	5,000,000
	Earthquake	$	1,000,000
	Deductibles		
	Building, Underground Water & Sewer	$	10,000
	Earthquake	$	50,000
	Flood	$	50,000
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	$	61,750,000
G.	Employment Practices Liability	$	1,000,000
	3rd Party Coverage	$	1,000,000
	Retention	$	10,000

The total premium for these various coverages is estimated at $84,164.

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

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

Insurance coverage must meet the requirements of any mortgage lender procured by the Sponsor.

Fire, casualty and general liability insurance must be on terms that provide:

- Each unit owner is an additional insured party;
- There will be no cancellation without notice to the Board of Managers;
- A waiver of subrogation;
- A waiver of invalidity because of acts of insured and unit owners; and
- A waiver of pro-rata reduction if unit owners obtain additional coverage.

Unit owners can obtain additional insurance at their own cost to cover such risks as fire and casualty losses to unit owners, replacements, additions, fixtures and improvements, and liability coverage for occurrences within the unit or the limited common elements subject to the by

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 is 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. This will occur prior to the First Closing. 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 First Closing, the general liability insurance that is required to be carried by the Condominium.

(13) Management Fee: $50,000

Based on the management agreement to be entered into with FirstService Residential New York Inc. at or before the First Closing, it is expected that the Condominium Managing Agent will receive an annual fee of $50,000 for the First Year of Condominium Operations. This fee is commercially reasonable and comparable to management fees for buildings of similar size and quality as the Property. Reference should be made to the Section of the Plan entitled "Management Agreement" in the Offering Plan for further details of the Management Agreement.

(14) Resident Manager's Unit Expense: $62,239

It is anticipated that Sponsor will sell Residential Unit 2P to the Board of Managers for the use and occupancy of the resident manager of the Condominium for a purchase price of $1,450,000.00 (the "**RM Purchase Price**") and estimated closing costs of $50,000. It is anticipated that 30% of the RM Purchase Price is to be paid by the Board of Managers in cash (such funds to be collected from each Residential Unit Owner at the Closing based on said Unit Owner's percentage of Common Interest and the 70% balance to be financed with a loan from an institutional lender.

Sponsor makes no representations as to the availability of such institutional financing or the terms thereof, if such institutional financing is obtained. In the event that the Board cannot obtain institutional financing for the purchase of Unit 2P, Sponsor reserves the right, but shall not have the obligation, to provide mortgage financing to the Board. The financing shall be based either on a five (5) year interest-only mortgage with a balloon payment at the end of such five (5) year term or on a thirty (30) year amortized mortgage, at a fixed interest rate (at Sponsor's option). The interest rate of either such Sponsor mortgage shall not exceed 7% per annum.

On or about the date of the First Unit Closing, Sponsor will lease Unit 2P to the Board of Managers, to be used as a residence for the Condominium's resident manager. The lease term for Unit 2P will be two (2) years. The rent for Unit 2P will be $5,186.62 per month in the first lease year and $10,000 in the second lease year, commencing on the date of the First Unit Closing.

In the event that the Board does not purchase Unit 2P on or before the end of such two (2) year lease term, for any reason or no reason, Sponsor reserves the right to offer Unit 2P for sale or rent to the general public, and, therefore, there may be no Unit in the Building for the Condominium's resident manager to reside in. In such event, the Board shall be obligated by Law to hire a superintendent or janitor who does not reside in the Building, but who exclusively services the Condominium. The Board shall also be required to obtain 24 hour emergency superintendent or janitor coverage. If Sponsor does not offer Unit 2P to the general public at such time or thereafter, no representation is made regarding the rent that would be charged by Sponsor therefor.

Notwithstanding the foregoing, Sponsor reserves the right, in its sole discretion, to substitute any other Unsold Unit for which a Purchase Agreement has not been fully executed for Unit 2P, for the purpose of housing the resident manager, pursuant to a duly filed amendment to this Plan.

(15) Legal and Audit Fees: $20,000

Based upon the estimate set forth in a letter dated June 24, 2015 from Tarlow & Co., CPA's

located at 7 Penn Plaza, New York, New York, 10001, Sponsor has budgeted $12,000 for estimated auditing and accounting fees in connection with the preparation of the audited financial statements for the First Year of Condominium Operation and federal, state and city income tax returns. The balance of the budgeted amount ($8,000) has been estimated to provide for minor legal services to be rendered in connection with the operation of the Building such as attendance at Condominium Board meetings, preparation of Condominium Board minutes and negotiation of minor agreements. This amount has been allocated between the Residential and the Non-Residential Unit on the basis of Common Interest.

(16) Other Expenses: $20,000

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
Payroll Processing	$ 7,500
Sprinkler Fees	$ 750
General	$ 10,250

(17) Contingency: $30,000

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

(18) Replacement Reserve $53,610

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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(19) Total Expenses: $1,367,846

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, 2018. 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.

SCHEDULE B-1
PROJECTED BUDGET FOR INDIVIDUAL ELECTRICITY COSTS

Unit	Lighting / Receptacle kWh/Yr	Heating / Cooling kWh/Yr	Total kWh/Yr	Annual Electric Cost/Yr
00E	6,874	5,998	12,872	$ 3,121
00S	6,874	6,979	13,853	$ 3,358
00U	7,026	6,260	13,286	$ 3,221
1D	7,026	11,540	18,566	$ 4,501
1E	6,874	6,056	12,930	$ 3,135
1P(SPR)	6,874	5,291	12,165	$ 2,949
1Q	6,818	5,098	11,916	$ 2,889
1R	6,818	5,694	12,512	$ 3,033
1S	6,874	6,798	13,672	$ 3,315
1U	6,874	6,763	13,637	$ 3,306
2A	6,818	4,345	11,163	$ 2,706
2B	6,874	6,377	13,251	$ 3,213
2C	6,874	7,131	14,005	$ 3,395
2D	6,874	7,388	14,262	$ 3,458
2E	6,874	6,973	13,847	$ 3,357
2F	7,026	9,846	16,872	$ 4,091
2H	6,818	3,889	10,707	$ 2,596
2J	6,874	6,710	13,584	$ 3,293
2K	6,874	6,494	13,368	$ 3,241
2L	6,818	3,551	10,369	$ 2,514
2M	7,026	7,855	14,881	$ 3,608
2N	6,818	3,907	10,725	$ 2,600
2P	6,818	3,866	10,684	$ 2,590
2Q	6,874	8,404	15,278	$ 3,704
2R	6,874	6,950	13,824	$ 3,351
2S	6,818	5,455	12,273	$ 2,975
2T	6,818	4,468	11,286	$ 2,736
2U	6,818	4,643	11,461	$ 2,779
3A	6,818	4,345	11,163	$ 2,706
3B	6,874	6,377	13,251	$ 3,213
3C	6,874	7,131	14,005	$ 3,395
3D	6,874	7,388	14,262	$ 3,458
3E	6,874	6,973	13,847	$ 3,357
3F	7,026	9,846	16,872	$ 4,091
3H	6,818	3,860	10,678	$ 2,589
3J	6,874	6,710	13,584	$ 3,293
3K	6,874	6,494	13,368	$ 3,241
3L	6,818	3,551	10,369	$ 2,514
3M	7,026	7,855	14,881	$ 3,608
3N	6,818	3,907	10,725	$ 2,600
3P	6,818	3,866	10,684	$ 2,590
3Q	6,874	8,404	15,278	$ 3,704
3R	6,874	6,950	13,824	$ 3,351
3S	6,818	5,455	12,273	$ 2,975
3T	6,818	4,468	11,286	$ 2,736
3U	6,818	4,643	11,461	$ 2,779
4A	6,818	4,216	11,034	$ 2,675
4B	6,874	6,389	13,263	$ 3,215
4C	6,874	7,113	13,987	$ 3,391
4D	7,026	9,548	16,574	$ 4,018
4E	6,818	4,812	11,630	$ 2,820
4F	6,874	6,938	13,812	$ 3,349
4G	6,874	7,931	14,805	$ 3,589
4J	6,874	6,634	13,508	$ 3,275
4K	6,874	7,341	14,215	$ 3,446
4M	7,026	9,508	16,534	$ 4,008
4P	6,874	7,399	14,273	$ 3,460
4Q	6,874	6,716	13,590	$ 3,295
4R	7,026	9,367	16,393	$ 3,974
4S	6,874	7,265	14,139	$ 3,428
4U	6,874	6,920	13,794	$ 3,344

5A	6,818	4,216	11,034	$	2,675
5B	6,874	6,389	13,263	$	3,215
5C	6,874	7,113	13,987	$	3,391
5D	7,026	9,548	16,574	$	4,018
5F	6,874	6,938	13,812	$	3,349
5G	6,874	7,931	14,805	$	3,589
5J	6,874	6,634	13,508	$	3,275
5K	6,874	7,341	14,215	$	3,446
5M	7,026	9,508	16,534	$	4,008
5P	6,874	7,399	14,273	$	3,460
5Q	6,874	6,716	13,590	$	3,295
5R	7,026	9,367	16,393	$	3,974
5S	6,874	7,265	14,139	$	3,428
PHA	6,874	9,467	16,341	$	3,962
PHB	7,026	10,185	17,211	$	4,173
PHC	6,874	9,683	16,557	$	4,014
PHD	7,026	15,272	22,298	$	5,406
PHE	11,338	20,335	31,673	$	9,404
PHF	7,026	10,407	17,433	$	4,226
PHG	11,338	13,187	24,525	$	5,946
PHH	7,026	11,604	18,630	$	4,517

Notes:

1. Heating based on 5,000 degree days. System is to maintain 70 degrees Fahrenheit in the apartments when outdoor air temperature is 0 degrees Fahrenheit.
2. Air conditioning system is to maintain 75 degrees Fahrenheit when outdoor air temperature is 89 degree Fahrenheit. Windows are considered to have curtains, venetian blinds or other shading materials.
3. The figures above include estimates for lighting, power, heating and cooling.
4. The cost for electric consumption is calculated at the rate of $0.24/kWh for electricity. This is an estimated rate which includes service charge, taxes and 12% increase (costs based on ConEd data).
5. The figures above can vary considerably depending upon actual usage, personnel habits, maintenance of the equipment, thermostat settings, etc. These figures are not intended to be a guarantee.

FirstService
RESIDENTIAL

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i)

August 24, 2015

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271
Attn.: Real Estate Finance Bureau

Re: 438 East 12th Street Condominium
438 East 12th Street New York, New York 10009

To whom it may concern:

FirstService Residential New York, Inc. is a licensed real estate brokerage firm in the State of New York, engaged in the management of over 250 condominium, cooperative and residential rental properties over the course of 25 years. The undersigned has no beneficial interest in Sponsor or the profitability of the subject project.

The undersigned has reviewed the allocation of common interests as shown on the Schedule A to be included in the Condominium described in the offering plan for the subject project.

The common interests among the Units have been allocated to each based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit, in accordance with Section 339-i(1)(iv) of the New York State Real Property Law.

Very truly yours,

FirstService Residential New York, Inc.

By: _____
Name: Marc Kotler
Title: Senior Vice President
New Development Group

Sworn to before me this
25 day of August 2015

_____
Notary Public

CHRISTOPHER L. LUCIANO
Notary Public, State of New York
No. 01LU6280584
Qualified in Dutchess County
Commission Expires May 6, 2017

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

THE COMMERCIAL UNITS

There will be one (1) Commercial Section in the Condominium containing one (1) Retail Unit and one (1) Community Facility Unit (the "Commercial Units"), neither of which are being offered for sale by Sponsor pursuant to the terms of this Plan. However, Sponsor reserves the right to offer either, or both of, the Commercial Units for sale in the future pursuant to an amendment to this Plan that has been duly filed with the Department of Law. The Commercial Units may be used for any lawful purpose. The Retail Unit will be located on the cellar/garden level and the first floor of the Building and the Community Facility Unit will be located in the first floor of the Building.

All or any part of the Commercial Units may be leased or subleased by the Commercial Unit Owners. No representation is made with respect to: (a) the uses to which the Commercial Units or any part thereof may be put at any time, or (b) who, as tenant(s), will operate or occupy the Commercial Units or any part thereof at any time, or (c) Sponsor's continued ownership of the Commercial Units or any part thereof. The Commercial Unit may be used for any lawful purpose under the applicable building codes and zoning ordinances, including (without limitation), for retail or other commercial use, as model Units, or as a sales office, or as an office for the leasing, rental or management of one or more such Units, without any charge or fee by any Board, at such rents, and upon such terms and conditions, as Sponsor, or any successor owner of the Commercial Units desires.

The Commercial Unit Owners will have rights which differ from the Residential Unit Owners. Neither the Condominium Board, nor the Residential Board, nor any Unit Owners (other than Sponsor) will have the right to approve or disapprove either any change in the use of the Commercial Units (or any part thereof), or any amendment to the Building's Certificate of Occupancy to authorize another use for the Commercial Units (or any part thereof). In addition, the Commercial Unit Owners will have the right to freely sell or lease the Commercial Units or any part thereof without any Board having any right of first refusal to purchase or lease, or to procure a third party to purchase or lease, the same (see "Rights and Obligations of the Unit Owners and the Condominium Board" for further discussion). However, the rights and obligations of the Commercial Units will not have a material adverse impact on the Condominium.

In accordance with the Declaration and By-Laws, Sponsor and any future Commercial Unit Owners and their successors and assigns shall, unless and to the extent prohibited by Law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property for the purposes of advertising (i) the sale or lease of any Unsold Residential Unit, the sale or lease of all or any portion of the Commercial Units and (ii) the operation of any business of a tenant or occupant of all or any portion of any Commercial Units or of any Unsold Residential Units, as the case may be. Please refer to the plan page of the Commercial Unit façade located in Part II of this Plan for the locations of permitted signage by the Commercial Unit Owners.

The percentage interest of the Commercial Units in the Common Elements is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common

Elements for exclusive or shared use, and the overall dimensions of the particular Unit. The Commercial Unit Owners will be required to pay the expenses attributable to the cost of fire and casualty insurance to the extent that such cost exceeds the cost of comparable insurance in a building which does not contain any mercantile space. The Commercial Unit Owners, however, are not required to contribute to the Common Expenses or to pay any Special Assessment to the extent same is used exclusively for the repair, maintenance, operation, renovation or decoration of the Residential Section, and no Residential Unit Owners shall be required to contribute to the Common Expenses or to pay any Special Assessment to the extent same is used exclusively for the repair, maintenance, operating, renovation or decoration of the Commercial Section. Please refer to the footnotes to Schedule B, which discloses the obligations of the Commercial Unit Owner to pay for some, but not all, line items in the Condominium's budget. As a result, Common Charges payable by Residential Unit Owners are higher than they would be if they were billed based on each Unit's percentage of Common Interest. As of the Filing Date, the Common Charges payable by the Commercial Unit Owners (as set forth in Schedule B) are believed to be sufficient to cover the expenses fairly attributable to the Commercial Units.

The By-Laws of the Condominium expressly authorize the Condominium Board to allocate certain specific expense items and apportion Common Expenses against the Commercial Unit other than in proportion to the Commercial Units' aggregate appurtenant interest in the Common Elements. Article 11 of the By-Laws sets forth arbitration as the method of resolving disputes between the Commercial Unit Owners and the Board of Managers concerning any special allocations.

CHANGES IN PRICES AND UNITS

Subject to conditions hereinafter set forth, Sponsor has the right to change the amount of any offering prices from the amounts shown in Schedule A and Schedule A-1 of the Plan. The offering prices set forth in Schedule A and Schedule A-1 must be changed by a duly filed amendment to the Plan when the change of price is an across the board increase or decrease affecting one or more lines of Units, or Unit models, or is to be advertised, or is a price increase, above the then-existing offering price, for an individual Purchaser. The Sponsor may enter into a Purchase Agreement with a Purchaser to sell one or more Units at purchase prices lower than those set forth in Schedule A and Schedule A-1 without filing an amendment. Sponsor reserves the right to negotiate certain aspects of the Purchase Agreement with Purchasers including, but not limited to, decorating allowances, payment of fees otherwise paid by Purchasers, payment of all or part of Purchaser's financing costs, price reductions tied to rental of Units, reduced down payment deposits (but at least $5,000.00), extra custom work and mortgage financing contingency provisions. Furthermore, Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms. No party other than Sponsor will have the right to approve any changes in price, whether before or after the First Unit Closing.

If Sponsor changes the purchase price of one or more Units the Purchaser of such Unit may pay, or may have paid, more or less than other Purchasers of comparable Units having the same Common Interest. However, a price change will not alter the Common Interest of, or the amount of the Common Charges payable by, the Unit Owners.

In order to meet the possible varying demands for number and type of Units, or to meet the particular needs of prospective Purchasers, or for any other reason, Sponsor reserves the right to change: (a) the layout of, or number of rooms in, Unsold Units, and (b) the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, by combining two or more separate Unsold Units into one or more Unsold Units, by altering the boundary walls of any Unsold Unit, or otherwise, including, without limitation, the use of any portion of the Common Elements adjacent to such Unsold Units to the extent that such portion is not required to be maintained as Common Elements pursuant to the terms of the Declaration and the By-Laws. Subject to the terms of the last three paragraphs of this Section, such right may be exercised by Sponsor from time to time, both before and after the First Unit Closing, without the consent or approval of any Selling Agent, the Managing Agent, the Condominium Board, any Unit Owner, any mortgagee or any other party. However, Sponsor will first obtain the approval of all governmental authorities having jurisdiction thereof whose approval is required by law. No change will be made by Sponsor in the size or number of Units, their respective percentages of Common Interest, or in the size or quality of Common Elements except by amendments to the Offering Plan and the Declaration. Unless the affected Purchaser provides a written consent, no material change will be made by Sponsor in Unit size, layout or percentage of Common Interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and such Purchaser is not in default.

If Sponsor changes the size and/or number of Unsold Units, Sponsor will increase or decrease the Common Interests appurtenant thereto accordingly. However, the aggregate amount of the Common Interests of all the Units will always remain at 100%. As a result of such

reapportionment, the amount of the Common Charges and the real estate taxes and assessments payable by the owners of the Unsold Units affected thereby may be increased or decreased, but the amount of the Common Charges and the real estate taxes and assessments payable by the owners of Units unaffected thereby will not vary.

This Plan will be amended to reflect any change in the size of a Unit, number of Units, percentage of Common Interests of Unsold Units or a change in the size or quality of any Common Element. However, the layout and number of rooms in Unsold Units may be changed without prior notice.

Prior to the First Unit Closing no adverse material change will be made in the size and quality of Common Elements (as determined by the Department of Law) unless Purchasers not in default consent. After the First Unit Closing, no material adverse change (as determined by the Department of Law will be made in the size and quality of Common Elements.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls, or otherwise, nor may the Common Interest of any Unit be changed, unless the Declaration is amended and such amendment is duly recorded. The Plan will be amended in the event of any such changes. As more particularly provided in the Declaration, Sponsor or its designee, as the owner of an Unsold Unit, will have the right itself to so amend the Declaration to effectuate such change, without the Condominium Board, the other Unit Owners or any mortgagee consenting to, or executing, such amendment. However, no change of a Unit's Common Interest will be made without obtaining the prior written consent of the owner of such Unit.

To the extent permitted by law, if the size or configuration of a Unit is changed in compliance with the Plan, the Declaration and/or the By-Laws and, in connection therewith, a wall, space or other area forming a part of the Common Elements servicing and benefiting only such Unit is razed or incorporated in the Unit, then such Common Element shall be deemed for the exclusive use and benefit of the owner of such Unit and the Unit's Common Interest will remain unchanged.

INTERIM USE AND OCCUPANCY AGREEMENTS

Before and after the First Unit Closing, Sponsor or its designee reserves the right to rent or lease vacant Units to Purchasers who have executed Purchase Agreements, provided that at least a temporary Certificate of Occupancy has been issued for such Unit(s). Such Purchasers shall be responsible for obtaining renter's insurance for their Unit at such Purchasers' sole cost and expense.

Once a Purchase Agreement is signed for a vacant Unit, and for so long as such Purchase Agreement is in effect, such Unit may only be rented to the Purchaser thereof. Such agreement, if entered into (an "Interim Use and Occupancy Agreement") will be for such use and occupancy fee, and upon such other terms as may be mutually agreed upon. The term of such Interim Use and Occupancy Agreement shall be for a period which will expire on the earlier of the date of the Closing of such Unit or six months after the execution date of the Interim Use and Occupancy Agreement. In the event this Plan is abandoned, the Purchaser may, at any time at his or her sole option, cancel the Interim Use and Occupancy Agreement upon thirty (30) days' prior written notice to the Sponsor at the address set forth on the cover page of this Plan. Should Purchaser rescind his or her Purchase Agreement pursuant to any permitted rescission, the Interim Use and Occupancy Agreement shall terminate thirty (30) days thereafter and Purchaser shall be obligated to vacate the Unit no later than that time.

An Interim Use and Occupancy Agreement will provide that an uncured default by the Purchaser under the Purchase Agreement will constitute a default under the Interim Use and Occupancy Agreement, entitling the landlord (i.e., Sponsor), at its sole option, to terminate the Interim Use and Occupancy Agreement. The Purchase Agreement contains a similar cross-default provision entitling Sponsor to cancel the Purchase Agreement in the event that the Purchaser fails to cure a default under the Interim Use and Occupancy Agreement within any applicable grace period. However, before the Sponsor may utilize a default under the Interim Use and Occupancy Agreement to declare a default under the Agreement, the Sponsor must (i) obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the interim occupant or (ii) the interim occupant must have vacated the Unit. The interim occupant (i.e., the Purchaser) must vacate the Unit within five (5) days after any default under the Purchase Agreement which remains uncured after five (5) days.

Purchasers are advised that Interim Use and Occupancy Agreements, the rents and any rent increases upon the renewal of such Interim Use and Occupancy Agreement are not subject to the New York State Rent Stabilization Law or the New York City Rent Stabilization Code.

PROCEDURE TO PURCHASE

Purchase Agreement

A Person desiring to purchase a Unit in the Condominium, or the authorized parties thereof if the Person is other than a natural person, shall be required to execute in quadruplicate a Purchase Agreement in the form set forth in Part II of this Plan and return it to the Sponsor, together with a check in the amount of ten percent (10%) of the Purchase Price, representing the "Initial Unit Down Payment," drawn to the order of "Seiden & Schein, P.C., as Escrow Agent." An "Additional Unit Down Payment," in the amount of five percent (5%) of the Purchase Price for the Unit, shall be delivered to Seller's counsel, Seiden & Schein, P.C., as escrow agent, within 180 days after the fully executed Purchase Agreement has been delivered to Purchaser or Purchaser's attorney, time being of the essence. The Initial Unit Down Payment and the Additional Unit Down Payment may be increased for special work in the Unit ordered by the Purchaser and agreed to by the Sponsor and itemized in the Purchase Agreement.

Seiden & Schein, P.C. shall be the "Escrow Agent" for all Down Payments pursuant to the Purchase Agreement and Offering Plan.

Purchasers will be afforded not less than three (3) business days to review this Plan and all filed amendments prior to executing a Purchase Agreement. If a Purchaser has not been afforded at least three (3) business days prior to executing a Purchase Agreement, such Purchaser will have seven (7) days after delivering an executed Purchase Agreement together with the Down Payment to rescind the Purchase Agreement and have the Down Payment refunded promptly. Such rescinding Purchaser must either personally deliver a written notice of rescission to the Selling Agent within the 7-day period or mail the notice of rescission to the Selling Agent and have the mailing post-marked within the 7-day period.

The Purchase Agreement shall not be binding upon the Sponsor until a duplicate thereof is executed by the Sponsor and is delivered to Purchaser. The Sponsor shall have the right to reject the Purchase Agreement without cause or explanation to Purchaser, provided such rejection is not based upon gender, race, creed, color, national origin or ancestry or other grounds proscribed by Law. In the event that Sponsor elects not to execute a Purchase Agreement, all monies paid by Purchaser shall be promptly refunded, without interest and upon such refund being made, neither party shall have any further rights or obligations hereunder with respect to the other.

After this Plan is declared effective, the Sponsor shall fix dates for closing title to all Units for which Purchase Agreements have been fully executed. Sponsor will give each Purchaser not less than thirty (30) days' prior written notice of the date, time and place (in the City of New York) for the transfer of title to his Unit. Purchasers may, but are not required to, waive this thirty (30) day notice. At Closing, such Purchaser shall pay the balance of the Purchase Price stated in the Purchase Agreement with his unendorsed, personal certified check or by official cashier's check. Purchaser may apply

the proceeds of any financing obtained by such Purchaser to make such payment, provided that it is made in the form stated above.

It is anticipated that the first Residential Unit will close title on or about January 1, 2018. If such closing day is delayed twelve (12) months or more, Purchasers will be offered a right of rescission.

Escrow

The Escrow Agent

The law firm of Seiden & Schein, P.C., with an address at 570 Lexington Avenue, 14th Floor, New York, New York, telephone number (212) 935-1400, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser.

The Escrow Account

The Escrow Agent has established the escrow account at Bank of America, N.A, at its office located at 900 Third Avenue, New York, New York 10022 (the "Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Seiden & Schein, P.C., Attorney Account ("Escrow Account"). The signatories on the Escrow Account authorized to withdraw funds are Jay G. Seiden, Esq., Alvin Schein, Esq. and Adam A. Levenson, Esq. each of whom has an office at 570 Lexington Avenue, 14th Floor, New York, New York 10022. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in the Escrow Account.

The name of Purchaser shall be added to the title of a sub-account of the Escrow Account, which shall also be at Bank of America, N.A. at its office located at 900 Third Avenue, New York, New York 10022. The Escrow Account is federally insured by the FDIC to the maximum amount of $250,000. Such $250,000 coverage includes, in the aggregate, the Down Payment, plus any and all other deposits that Purchaser has on account at Bank of America, N.A. Any Purchaser deposits at Bank of America, N.A. (including the Down Payment) which, in the aggregate, exceed $250,000 will not be insured by the FDIC.

All checks constituting the "Down Payment" are to be made payable to the order of "Seiden & Schein, P.C., as Escrow Agent" and all checks in payment of the balance of the Purchase Price (due at the Closing) are to be made payable to the order of Sponsor or as otherwise directed by Sponsor, with all checks, in either case, drawn on a member bank of the New York Clearing House Association.

Any additional deposits made for upgrades, extras, or custom work ("Special Work Deposits") shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement between Purchaser and Sponsor.

The Down Payment and the Special Work Deposit and herein referred to collectively as the "Deposit."

The Down Payment will be held in an interest-bearing account, provided Purchaser furnishes a completed W-8 or W-9 form, and, unless the Purchaser defaults, interest will be credited to the Purchaser at Closing. The account is a variable-rate account, paying money market rates. The interest rate to be earned in the Escrow Account will fluctuate daily and is currently less than 1% per annum. Interest will begin to accrue upon deposit of the Down Payment, which is to be made in accordance with this section of the Plan. All interest earned thereon shall be paid to or credited to the Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

The Purchase Agreement

A form of Purchase Agreement is located in Part II of this Plan. The relevant escrow trust fund provisions are included in Paragraph 16 of the Purchase Agreement. Escrow Agent shall execute the Purchase Agreement, solely as to Paragraph 16 of the Purchase Agreement, prior to delivering the Purchase Agreement, fully executed, to Purchaser.

Notification to Purchaser

Within five (5) business days after the Purchase Agreement has been executed by Purchaser, Sponsor, and Escrow Agent, Escrow Agent shall place the Deposit into the Escrow Account. Within ten (10) business days after the Deposit has been placed into the Escrow Account, Escrow Agent shall send written notice to the Purchaser and Sponsor. The notice shall provide the account number and the initial interest rate to be earned on the Down Payment. Any Special Work Deposit shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement.

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

Default by Purchaser

If Purchaser shall fail to pay any portion of the Purchase Price when due, fail to close title on the date, hour and place specified by Sponsor or fail to perform any of Purchaser's other obligations, including, without limitation, the obligation to furnish any

lender promptly with such information as such lender may require, and the obligation to accept a commitment on the terms set forth in the Purchase Agreement, such failure shall constitute a default by Purchaser, and Sponsor may send notice to Purchaser of Sponsor's intention to cancel the Purchase Agreement if such default is not timely cured. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date of such written notice, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement by notice of cancellation to Purchaser sent after the cure period has expired. Upon such cancellation by Sponsor, the Down Payment monies held with respect to the particular Unit, but not more than fifteen percent (15%) of the Purchase Price, plus all interest accrued and any Special Work Deposit made by the Purchaser, shall be paid over to the Sponsor as and for liquidated damages, subject to certain restrictions, as disclosed in the "Release of Funds" section, below, and thereafter the Purchase Agreement shall become null and void. In the event a default is disputed in writing by notice from Purchaser to Seiden & Schein, P.C., during the time to cure period and the default, in Sponsor's opinion, is not timely cured, and Sponsor thereafter cancels the Purchase Agreement, then Seiden & Schein, P.C. shall have the right to continue to hold the Down Payment pending resolution of such dispute (judicial or otherwise) or pay the Down Payment into court. Sponsor shall not seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser.

Release of Funds

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

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

The Escrow Agent shall release the Down Payment if so directed:

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

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

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

(d) pursuant to an award issued upon the completion of binding arbitration.

In the event that the Down Payment is to be released pursuant to an arbitration award pursuant to paragraph (d), above, Escrow Agent shall release such Down Payment no earlier than ninety (90) days after the delivery of such award determination to Sponsor and Purchaser.

If the Escrow Agent is not directed to release the Down Payment pursuant to paragraphs (a) through (d) above, and the Escrow Agent receives a request by either party to release the Down Payment, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days after the expiration of the thirty (30) day default cure period (time being of the essence) before releasing the Down Payment (the "30 Day Escrow Notice"). If the Escrow Agent has not received notice of objection to the release of the Down Payment prior to the expiration of the 30 Day Escrow Notice, the Down Payment shall be released to Sponsor as liquidated damages and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Down Payment within the thirty (30) day period pursuant to the 30 Day Escrow Notice, the Escrow Agent shall continue to hold the Down Payment until otherwise directed pursuant to paragraphs (a) through (d) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Down Payment contained in the Escrow Account with the New York County Clerk and shall give written notice to both parties of such deposit.

The Sponsor shall not object to the release of the Down Payment 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.

The Purchase Agreement provides that all disputes including, but not limited to, disputes concerning breach of contract, express and implied warranties, personal injuries and/or illness, mold-related claims, representations and/or omissions by Sponsor, on-site and off-site conditions and all other torts and statutory causes of action ("Claims") shall be resolved by binding arbitration in New York County in accordance with the rules and procedures of Arbitration of the American Arbitration Association or its successor or an equivalent organization mutually agreed upon by the parties. The arbitrator will be neutral and independent of both the Sponsor and its principals. In addition, the Purchase Agreement provides that Purchaser may not initiate any arbitration proceeding for any Claim(s) unless and until Purchaser has first given Sponsor specific written notice of each claim (at c/o Steiner NYC, 15 Washington Avenue, Brooklyn Navy Yard, New York 11205, Attn: Warranty Dispute Resolution) and given Sponsor a reasonable opportunity after such notice to cure any default, including the repair of the Unit(s), in accordance with the Offering Plan. PURCHASER SHALL BE OBLIGATED TO REIMBURSE

SPONSOR FOR ANY LEGAL FEES AND DISBURSEMENTS INCURRED BY SPONSOR IN DEFENDING SPONSOR'S RIGHTS AND ENFORCING PURCHASER'S OBLIGATIONS UNDER THE PURCHASE AGREEMENT.

Arbitration is a less formal method of resolving disputes than litigation in a court, and arbitration has certain limitations, as compared to litigation in court. Such limitations include, but are not limited to, (i) giving up the right to bring a legal action against one another in court, except as may be provided by the rules of the arbitration forum in which a claim is filed; (ii) limiting the ability of the parties to obtain documents and perform discovery; (iii) arbitrators may not have to explain the reasons for their award; (iv) a notice of pendency may not be filed against a property based on ongoing arbitration proceedings. Arbitration awards are generally binding and, therefore, a party's ability to have a court reverse an arbitration award is limited (see New York Civil Practice Law and Rules §7511). As with litigation, certain time limits are imposed for bringing a claim in arbitration. For further information about arbitration, please visit www.adr.org.

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 Down Payment in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.

Risk of Loss

The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the Closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the Closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit for damages not covered by Sponsor's insurance. Additionally, Purchaser shall be responsible for damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit or its appliances, fixtures and equipment in excess of what is covered by its insurance policy.

Power of Attorney

At the Closing of title to a Unit, and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the Power of Attorney to the Board of Managers in the form contained in Part II of this Plan. Purchaser shall deliver such executed Power of Attorney to Sponsor or as directed by Sponsor at the Closing of title for recording and Purchaser shall pay the recording fee.

Failure to do so shall constitute a default by Purchaser pursuant to the Purchase Agreement.

Mortgage Financing

THE PURCHASE AGREEMENT IS NOT CONTINGENT UPON PURCHASER OBTAINING MORTGAGE FINANCING. UPON EXECUTING THE PURCHASE AGREEMENT, PURCHASER SHALL BE OBLIGATED TO CLOSE TITLE WHETHER OR NOT PURCHASER OBTAINS A MORTGAGE.

If Purchaser is relying upon financing, Purchaser will assume the risks of meeting all conditions and requirements of the lender to obtain and fund the loan on the date set by Sponsor for closing of title under the Purchase Agreement, including conditions and requirements that may be beyond Purchaser's control. These risks include, but are not limited to, the following: (a) meeting all requirements concerning Purchaser (for example, Purchaser's income, financial condition, employment status, sale of an existing residence, etc.) and any adverse changes in meeting these requirements that may occur between the issuance and funding of the loan commitment (notably, recently enhanced credit requirements may result in greater difficulty to qualify for a mortgage loan); (b) meeting a requirement for a certain percentage of Units to be "owner-occupied" (banks and other institutional lenders may require up to 70% of the Units to be "owner-occupied"); and (c) losing a "lock-in" interest rate because the closing of title under Purchaser's Purchase Agreement fails to occur before the expiration of the period within which the loan must close to obtain the locked-in rate. Purchaser also assumes the risk of adverse changes in the terms of the loan that may occur before the closing of the loan and paying additional amounts to extend the loan commitment period. By assuming these risks, Purchaser will not be excused from the obligation to purchase without abatement in the Purchase Price and without recourse against Sponsor or the Selling Agent. Sponsor and Selling Agent do not represent, assure or guarantee that a Purchaser will succeed in obtaining mortgage financing from a bank or other institutional lender, or from other independent sources, or (if Purchaser succeeds) the terms or costs of such financing, or whether the closing of title will occur before the loan commitment or any lock-in rate expires, or (if it expires) whether the commitment will be extended or the costs to obtain an extension or the terms and conditions thereof, which may be less favorable than the original commitment. A prospective Purchaser who is relying upon financing is advised to inquire with a proposed lender or mortgage broker as to whether he or she will qualify for a mortgage loan and the terms thereof before entering into a Purchase Agreement.

Credit Check

All Purchasers must provide the Selling Agent with necessary authorization for the Selling Agent to conduct a credit check of the Purchaser.

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

other than the ability of Purchaser to waive his right to thirty (30) days prior written notice to the closing of title to the Unit.

Conflict Between the Purchase Agreement and the Plan

Any conflict between the Plan and the Purchase Agreement shall be resolved in favor of the Plan unless otherwise provided for in a negotiated rider to the Purchase Agreement which is executed by Purchaser and Sponsor.

ASSIGNMENT OF PURCHASE AGREEMENTS

No assignment of a Purchase Agreement of a Purchaser shall be permitted without Sponsor's prior written consent, which may be withheld or delayed for any reason or no reason.

Any purported assignment by a Purchaser in violation of the Purchase Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle a Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. Under no circumstances will Sponsor consent to an assignment of the Purchase Agreement in which the Purchaser will receive consideration over and above the purchase price payable to Sponsor. If Sponsor, in its sole discretion consents to a Purchaser's request for an assignment of the Purchase Agreement, the assignee of the Purchase Agreement shall be required to close title to the Unit on the originally scheduled Closing Date set forth in the Purchase Agreement. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, then the Purchaser shall be required to pay Sponsor's attorneys a fee of $500.00, in advance, for preparation of an assignment agreement and any necessary revisions to the other Closing documents.

EFFECTIVE DATE OF PLAN

All Purchase Agreements signed by Sponsor shall be contingent upon Sponsor's declaring the Offering Plan effective pursuant to the requirements and terms of the Plan. The closing of title to any Unit may not occur until after the Plan has been declared effective and an amendment has been filed substantiating same, and the Condominium Declaration and By-Laws have been duly recorded.

Pursuant to the regulations promulgated by the Department of Law:

1. This Plan may not be declared effective until Purchase Agreements have been executed and delivered by bona fide Purchaser(s), including investors, for at least fifteen percent (15%) of the Units in the Building, other than the Parking Units.

2. After the conditions in the preceding Paragraph 1 have been met, Sponsor may, at its option, declare this Plan effective.

3. When Purchase Agreements have been executed and delivered to bona fide Purchasers for the sale of at least eighty percent (80%) of the Units, other than the Parking Units, Sponsor must declare this Plan effective.

The Plan will not be declared effective based on Purchase Agreements (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; (ii) if the Purchaser has had no fewer than three (3) business days to review the Offering Plan and all amendments prior to executing a Purchase Agreement; or (iii) with any Purchaser who is the Sponsor, the selling agent, or the Managing Agent or is a principal of the Sponsor, the selling agent, or the Managing Agent or is related to the Sponsor, the selling agent or the Managing Agent or to any principal of the Sponsor or selling agent or the Managing Agent by blood, marriage or adoption. However, a Purchaser other than Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing the Purchaser is bona fide.

The Plan may be abandoned at any time before the amendment substantiating effectiveness is filed and before all of the Units offered hereunder have been purchased. The Plan, if abandoned, shall be abandoned by amendment, together with form RS-3, filed with the Department of Law in appropriate form. Such amendment shall explain the basis for abandonment and must state how any funds received pursuant to the Plan will be distributed. All monies paid by Purchasers pursuant to Agreements shall be refunded to them in full, with interest, if any, within five (5) days after an amendment abandoning the Plan has been accepted for filing. The Sponsor may not abandon the Plan after the amendment substantiating effectiveness is filed for any reason other than (i) a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total amount of the Offering, or (ii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than one-half of one percent of the total amount of the Offering, or (iii) the taking of any material portion of the Property by condemnation or eminent domain. Notwithstanding the foregoing, there will be no obligation on the part of the Sponsor to incur expense or engage in litigation to cure title defects.

The Plan will be declared effective by the mailing or personal delivery of written notice to all Purchasers. Within three (3) business days after such notice is given, an amendment to the Plan will be submitted by Sponsor stating that the Plan has been declared effective. If requested, Sponsor will submit to the Department of Law copies of all Agreements, together with any amendments or modifications to such Agreements, within five (5) business days after the request is received.

In the event that all Purchase Agreements are either rescinded or terminated prior to the First Unit Closing, Sponsor shall re-declare this Plan effective irrespective of whether the Declaration of Condominium has been recorded.

The First Unit Closing shall not occur until either a temporary or permanent Certificate of Occupancy covering the Unit to be conveyed has been issued for the Building by the New York City Department of Buildings and shall not be sooner than the date that an amendment declaring the Plan effective has been accepted for filing. Please see the Sections in Part I of this Plan entitled "Description of Property and Improvements" and "Rights and Obligations of Sponsor" for further information.

TERMS OF SALE

The Units, when sold by the Sponsor, will be sold in fee simple absolute to Purchasers, who may be individuals, a duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government, any department or agency thereof, or any other entity which is permitted to own property in the State of New York. The sale of the Units will be made at the respective offering prices set forth in **Schedule A** of this Plan, as such prices may be changed by the Sponsor as set forth in the Section entitled "Changes in Prices and Units" in Part I of this Plan, and will include the respective undivided interests in the Common Elements. At the closing of title to an individual Unit, the Purchaser will pay to the Sponsor the balance of the purchase price for the Unit. Insurable title to the Unit and its appurtenant interests in the Common Elements will be conveyed as directed by the Sponsor by Bargain and Sale Deed with Covenants against Grantor's Acts and containing the provisions set forth in subdivision 5, Section 13 of the Lien Law, and it is a condition precedent to Purchaser's obligation to complete the Closing that title to the Unit will be insurable by a title insurance company that is licensed by the State of New York as being free and clear of all liens and encumbrances other than those set forth below. The form of Unit Deed is set forth in Part II of the Plan, but may not state all of the restrictions listed below.

Title to each Unit and its appurtenant interests in the Common Elements shall be conveyed subject to:

1. Any state of facts that a current survey of the unit or property shows.

2. Any additional state of facts an updated survey might show, provided that if any updated survey reveals encroachments, if any, of building walls, foundations or appurtenances belonging to the Property upon adjoining premises, same shall not constitute objections to title if Westminster Abstract Company or any other New York State licensed title company will insure that such encroachments may remain as long as the Building stands;

3. Sewer Agreements set forth in Liber 974 Cp 90, Liber 996, Cp 585 and Liber 173 Cp 178, Section 2;

4. Covenants and Restrictions set forth in the indenture recorded on November 26, 2012 under CRFN 2012000462301.

5. 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 existing structure (as renovated by Sponsor) the contemplated use under the Plan;

6. The Declaration, By-Laws, Floor Plans of the Condominium to be recorded in the Office of the City Register, as the same may be amended from time to time;

7. 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, existing as a result of construction of the Building, or construction of the individual Units, or which may have come or 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 portion thereof, or of 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 any 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. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

8. 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;

9. Revocability of the right to maintain street vaults and other areas, if any, under sidewalks;

10. Consents by Sponsor or any former owner of the Property for the erection of any structure or structures on, under or above any street or streets on which the Property may abut;

11. 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;

12. Service and/or maintenance contracts and agreements, if any, in effect on the date of the First Unit Closing;

13. Encroachments of stoops, areas, cellar steps, doors, ledges, window sills, bay windows, trim, coping, cornices, vaults, chutes, fuel oil lines, gas lines, drainage pipes, standpipes, sewerage pipes, foundations, footings, retaining walls, fences, fire escapes, air conditioning units, canopy and similar projections, if any, on, over or under the Property or the streets or sidewalks or property abutting the Property and rights of governmental

authorities and adjoining property owners to require the removal of any such projections, and variations between record lines of the Property and fences, walls, retaining walls and the like, if any;

14. All covenants, declarations, restrictions, reservations, agreements and easements of record, if any, which are still in force and effect on the date of the First Unit Closing, provided that they are not violated by and do not prevent legal use of the Units at the Property nor prevent the existence of the present structure;

15. The lien of any unpaid real estate tax, and the lien of any water charges or sewer rents generally, (which shall be apportioned at Closing);

16. Any sidewalk notices of record (provided that Sponsor shall indemnify and hold the Condominium Board harmless from damages associated with any liens which arise from such sidewalk notices filed before the First Unit Closing);

17. Any variations between tax lot lines and lines of record title; and

18. Standard printed exceptions and exclusions contained in the form of title insurance policy then issued by the title insurance company insuring Purchaser's title to its Unit; and

19. Any matter that a New York State licensed title insurance company shall be willing to omit as an exception in a title insurance policy that insures Purchaser's Unit or affirmatively insure against collection or enforcement of such matter out of or against the Unit.

Closings of title shall take place concurrently with or after the following events have occurred:

(a) The issuance of a temporary or permanent Certificate of Occupancy which covers the Unit being closed or the Building.

(b) The recordation in the New York County Office of the Register of the City of New York of the Declaration, the By-Laws and the filing in said Register's Office of Floor Plans of the Building showing the layout, location and approximate dimensions of the Units and the Unit designations, certified by the Tax Map Unit of the City of New York as conforming to the official tax lot number for each such Unit and including an Architect's statement as 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 as built;

(c) The serving by personal delivery or ordinary mail to the Purchaser written notice of the Closing Date not less than thirty (30) days prior to Closing of title, unless Purchaser elects to waive the thirty (30) day requirement; and the affording to

Purchaser of an opportunity to inspect the Unit in the presence of a representative of Sponsor; and

(d) The amending of the Offering Plan by Sponsor with an amendment substantiating that the Plan has been declared effective and confirming that the Units to be closed have been constructed in accordance with the applicable plans and specifications and that Sponsor has satisfied, or will satisfy prior to Closing of title, all of the requirements of this Section titled "Terms of Sale."

The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the Closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either (i) repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the purchase price and without any claim against Sponsor by reason of any damage to the Unit or the Building resulting from such fire or casualty, or (ii) not repair or restore and grant Purchaser the right to rescind the Purchase Agreement; if Purchaser does not exercise such right of rescission by written notice to Sponsor, within ten (10) days after Sponsor grants such right to Purchaser by written notice to Purchaser, then Purchaser shall be deemed to have irrevocably waived such right to rescind, and shall be obligated to close title to the Unit without any abatement of the purchase price and without any other claim against Sponsor by reason of any damage to the Unit or the Building by fire or other casualty. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the Closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit for damages not covered by Sponsor's insurance. Additionally, Purchaser shall be responsible for damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit or its appliances, fixtures and equipment in excess of what is covered by its insurance policy.

All personal property located within the Unit that is owned by the Sponsor and which is described in this Plan or in the Purchase Agreement is included in the conveyance to the Purchaser, unless specifically indicated otherwise. All personal property affixed to or located within the Common Elements that is owned by the Sponsor and is used in connection with the operation of the Common Elements is included in the property transferred to the Condominium by the Declaration.

Sponsor intends to borrow funds to construct the Building from Bank of America, N.A. ("BOA"). The loan agreements with BOA shall provide that if the loans are not satisfied at the time of the Unit Closings, BOA will release of the lien of the BOA mortgages from each Unit at the Closing thereof and subordinate of the lien of such mortgages to the Declaration of Condominium.

UNIT CLOSING COSTS AND ADJUSTMENTS

General

The estimated Closing costs, expenses and adjustments to be borne by each Purchaser of a Residential Unit will be as set forth below. Such costs are only estimates and are subject to change:

(a) Payment to Commonwealth Land Title Insurance Company, 140 East 45th Street, New York, New York 10017 (Phone: 212-949-0100), ("Commonwealth") or any other title company that Purchaser selects, of the cost of fee title insurance, if Purchaser elects to obtain title insurance. Fee title insurance rates are as follows:

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

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

RATE SCHEDULE FOR INSURANCE OVER $1,000,000

AMOUNT OF INSURANCE	PREMIUM
First $35,000 or less	$402.00
From $35,001 to $50,000	$6.67 per Thousand
From $50,001 to $100,000	$5.43 per Thousand
From $100,001 to $500,000	$4.36 per Thousand
From $500,001 to $1,000,000	$3.98 per Thousand
From $1,000,001 to $5,000,000	$3.66 per Thousand
From $5,000,001 to $10,000,000	$3.25 per Thousand
From $10,000,001 to $15,000,000	$3.07 per Thousand
From $15,000,001 and up	$2.76 per Thousand

Simultaneous issuance of a fee owner's and mortgage title insurance where the premium for the mortgage title policy does not exceed the fee policy will be calculated at a discounted rate of 21% of standard mortgage policy rates, as set forth below:

SIMULTANEOUS MORTGAGE RATE SCHEDULE

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

PURCHASERS MAY PURCHASE TITLE INSURANCE THROUGH ANY TITLE INSURANCE COMPANY AND ARE NOT REQUIRED TO PURCHASE TITLE INSURANCE THROUGH COMMONWEALTH.

(b) Recording fee for recording the deed and power of attorney of approximately $330.00.

(c) If a purchase money mortgage is obtained from a lending institution, the Purchaser may expect to incur the following costs:

(i) Legal fees of the lending institution's attorney;

(ii) Mortgage title insurance policy costs for a mortgage title insurance policy naming the lending institution as the insured. Mortgage title insurance rates as quoted by Commonwealth as of the Filing Date of this Plan will cost a base rate of $344.00 for the first $35,000.00 in coverage; plus $5.55 per additional thousand dollars of coverage from $35,001.00 up to $50,000.00; plus $4.54 per thousand dollars of coverage in excess of $50,000.00 up to $100,000.00; plus $3.64 per thousand dollars of coverage in excess of $100,000.00 up to $500,000.00; plus $3.31 per thousand dollars of coverage in excess of $500,000.00 up to $1,000,000.00 plus $3.05 per thousand dollars of coverage in excess of $1,000,000.00 to $5,000,000.00, $2.71 per thousand dollars of coverage in excess of $5,000.000.00 to $10,000,000.00, $2.55 per thousand dollars of coverage in excess of $10,000,000.00 to $15,000,000.00, $2.31 per thousand dollars of coverage in excess of $15,000,000.00. Mortgage title insurance, when purchased from Commonwealth simultaneously with fee

title insurance, will be discounted by a rate of 70%. Purchasers who chose not to purchase fee title insurance from Commonwealth will receive a 30% discount on a mortgage title insurance policy;

Lending institutions may require certain endorsements to their policies. Such endorsements range in cost from $25.00 per endorsement to 20% of the full mortgage insurance premium.

(iii) A mortgage recording tax of 2.05% of the amount of the mortgage actually executed by Purchaser for mortgages in the amount of less than $500,000.00. The mortgage recording tax for mortgages in the amount of $500,000.00 or more is 2.175% after the $30.00 deduction on the first ten thousand dollars of mortgage amount. Lenders are required to pay one quarter of one percent of the 2.05% tax or 2.175% tax, as the case may be, thereby reducing Purchaser's cost to 1.80% less $30.00 or 1.925% less $30.00, as the case may be;

(iv) Recording fee for recording of the mortgage, approximately $350.00; and

(v) Commitment fee or origination fee, appraisal fee, application fee, credit fee, and/or other fees and charges if any, charged by the lending institution.

(d) New York City Real Property Transfer Tax, currently equal to one percent (1%) of the purchase price with respect to single Residential Units which are sold for $500,000.00 or less, and 1.425% of the purchase price where the consideration is greater than $500,000.00. Although it is often customary in real estate transactions involving sales of multi-family buildings or single family homes for the seller to pay these transfer taxes and the transfer taxes in (e) immediately below, it is now customary in condominium development projects in the New York Metropolitan area, for the Purchaser to pay such transfer taxes. Under this Offering Plan and the Purchase Agreement, Purchasers are required to pay these taxes as a Closing cost. For purposes of paying this tax with respect to this Project, consideration also includes the amount of New York City Real Property Transfer Tax and New York State Transfer Taxes (deed stamps) to be paid for the Residential Unit, so that the effective tax rate is 1.014% of the purchase price where the purchase price is $500,000.00 or less and 1.451% where the purchase price is $500,000.00 or more.

The New York City Department of Finance has taken the position that when a Purchaser purchases two or more Residential Units, the New York City Transfer Tax will be 1.425% where the consideration is $500,000.00 or less and 2.625% where the consideration is greater than $500,000.00.

(e) New York State Transfer Taxes (deed stamps), which are currently at the rate of $2.00 per each $500.00 of consideration or part hereof. Pursuant to the terms of this Plan, this tax is an obligation of the Purchaser. For purposes of paying this

tax with respect to this project, consideration also includes the amount of New York City Real Property Transfer Tax and New York State Transfer Taxes (deed stamps) to be paid for the Residential Unit, so that the effective rate of State Transfer Tax is $2.03 per $500.00 of consideration, where the purchase price is less than $500,000.00 and $2.038 per $500.00 where the purchase price is $500,000.00 or more.

(f) Under Section 1402-a of the Tax Law of the State of New York, a "Mansion Tax" of one percent (1%) of consideration (or part thereof attributable to the real property being conveyed) is payable by the grantee (i.e., Purchaser) on each conveyance of residential real property, including condominium units, where the consideration for the entire conveyance is $1,000,000.00 or more. For purposes of paying this tax, consideration also includes the amount of New York City Real Property Transfer Tax and New York State Transfer Taxes (deed stamps) to be paid for the Residential Unit by Purchaser. Residential real property includes a 1-3 family house, an individual condominium unit and a cooperative unit that is or may be used, in whole or in part, as a personal residence.

(g) The legal fees of Sponsor's attorneys in the amount of $2,500.00 will be payable by Purchaser to Seiden & Schein, P.C. An additional fee of $500.00 per Closing shall be due and payable to Sponsor's attorneys for any Unit Closing which occurs outside the office of Seiden & Schein, P.C. Further, an additional fee of $500.00 shall be payable by Purchaser to Sponsor's attorneys for the work involved for each assignment and/or cancellation of a Purchase Agreement or contract. Assignments are permitted only pursuant to the terms of the Offering Plan. An additional fee of $500.00 shall be due and payable to Sponsor's attorneys for any previously scheduled Unit Closing which is adjourned by Purchaser less than five (5) business days before such Unit Closing is scheduled to occur. A further additional fee of $350.00 shall be payable by Purchaser to Sponsor's attorneys for reviewing and clearing title prior to closing.

(h) At the time of the closing of title to each Unit, the Purchaser of such Unit shall pay into the Working Capital Fund of the Condominium an amount equal to two (2) month's Common Charges then in effect for the Unit being purchased.

(i) Real estate taxes from the midnight preceding the date of the Closing through the end of the tax payment period within which the Closing Date occurs, which shall be either a quarter of a year or one half of a year, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in closing of title by Purchaser.

In addition to the above costs, each Purchaser of a Unit will be responsible for the fees and expenses of his own attorney, if any. As a result of the variable factors with respect to each Unit, such as purchase price, terms of a possible mortgage commitment and mortgage application and appraisal costs, fees of Purchaser's attorney and fees of the attorney representing

Purchaser's lending institution, Sponsor suggests that Purchasers review their closing costs with an attorney.

The Purchaser will be required to pay to the Condominium Board the Common Charges allocable to his Unit monthly in advance. Common Charges assessed during the month in which title to the Unit closes shall be adjusted with the Sponsor as of the midnight preceding the Closing Date, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any Common Charges which Sponsor was obligated to pay to the Board of Managers as a result of any unauthorized delay in Closing of title by Purchaser. The amount of such Common Charges to be assessed against each Unit will be fixed by the Board of Managers. Common Charges to be initially assessed are expected to conform to those shown in **Schedule A** contained herein.

Water and sewer charges for the Building will be adjusted between the Sponsor and the Condominium as of the midnight preceding the First Unit Closing.

If the Units have not been separately assessed for real estate tax purposes on the date of the First Unit Closing, Sponsor will have previously paid the real estate taxes through the end of such tax payment period. For example, if the First Unit Closing occurs on July 1, 2018 Sponsor will have paid the real estate taxes for the Property through December 31, 2018. At Unit Closings, individual Purchasers shall adjust real estate taxes with the Sponsor from 11:59 pm preceding the date of the Unit Closing through the end of the tax payment period within which the Closing Date occurs. However, Sponsor shall also be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in Closing of title by Purchaser. If no separate apportionment of real estate taxes has occurred as of the Closing date, such adjustment shall be made on the basis of the percentage of Common Interest attributable to such Unit.

Sponsor shall also collect from each Purchaser, at each Unit Closing, the amount necessary, on the basis of allocations set forth in **Schedule A** contained herein, to cover the six (6) month tax period subsequent to the tax period in which the Unit Closing occurs. The Managing Agent, on behalf of the Board of Managers, shall hold such funds in a separate account for the purpose of paying the real estate taxes on the Property when they are actually due and payable. At the time that such real estate taxes are due and payable, Sponsor shall pay over to the Board of Managers, out of its own funds, Sponsor's proportionate share of the real estate taxes then due, pro rata, on the Unsold Units.

In the event the actual real estate taxes in the six (6) month tax period subsequent to the Unit Closing are greater than the amounts collected at Closing, each Unit Owner shall pay his pro rata share of the additional real estate taxes promptly upon demand. If any Unit Owner fails to pay such Unit Owner's pro rata share of real estate taxes upon demand, the Board of Managers shall have the right to place a lien on such Unit for the non-payment thereof, as if such charges were Common Charges. In the event the actual real estate taxes are less than collected at Closing, Sponsor will direct the Managing Agent to refund to each Unit Owner the pro rata share of such excess collections. This provision shall survive the Closing.

Until a separate assessment for each Unit has occurred, each Unit Owner shall, upon demand, on January 1st and July 1st of each year, pay over to the Board of Managers such Unit Owner's pro rata share of real estate taxes. Sponsor shall also pay over to the Board of Managers its pro rata share of the real estate taxes with respect to any Unsold Units.

Mortgage Tax Credit

Section 339-ee(2) of the New York Real Property Law provides as follows:

> "In the event the proceeds of a construction mortgage were applied to construction of a unit of a condominium submitted to the provisions of this article, or in the event that a unit submitted to the provisions of this act was subject to a blanket mortgage whose proceeds were applied exclusively to payment of the construction mortgage or to capital expenditures or expenses for the development or operation of the condominium, or to purchase land or buildings for the condominium provided that such purchase was no more than two years prior to the recording of the declaration of condominium, and a mortgage tax was duly paid on such construction or blanket mortgage in accordance with article eleven of the tax law, then, as each unit is first conveyed, there shall be allowed a credit against the mortgage taxes (except the special additional mortgage recording tax imposed by subdivision one-a of section two hundred fifty-three of the tax law) that would otherwise be payable on a purchase money mortgage, said credit to be in the amount resulting from the product of the purchaser's pro-rata percentage of interest in the common elements and the mortgage tax already paid on the construction or blanket mortgage. No credit shall be allowed under this subdivision (a) on account of the special additional mortgage recording tax imposed by subdivision one-a of section two hundred fifty-three of the tax law or (b) where the first condominium unit is sold more than two years after the construction or blanket mortgage was recorded."

If a mortgage tax credit becomes available, pursuant to the above Section of the New York Real Property Law, it is specifically understood that such credit shall inure to the benefit of the Sponsor and not to the Purchaser. Accordingly, at Closing, each Purchaser electing mortgage financing shall pay an amount equal to the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. Sponsor, at Closing will be paid by such Purchaser to the extent of any mortgage tax credit allowed.

Partial Assignments of Sponsor's Construction Loan Mortgage

In the event that Sponsor is ineligible for a Mortgage Tax Credit, in whole or in part, Sponsor's intention is for its mortgage lender to assign a portion of its mortgage(s) ("Mortgage") to each Purchaser's lender, with the lender's cooperation, when and if a Purchaser obtains

financing. Each Purchaser's loan would, therefore, consist of a portion of the assigned Mortgage, for mortgage tax purposes.

Mortgage assignments (as opposed to new mortgages) are exempt from mortgage recording tax. Since a portion of the Mortgage would be assigned to each Purchaser's lender as each Unit is conveyed from Sponsor to Purchaser, the Purchaser would be exempt from paying mortgage recording tax to the City and State of New York to the extent that his mortgage consists of the assigned Mortgage. At the Closing, Sponsor would receive a payment from Purchaser equal to (but not in excess thereof) the mortgage tax that would otherwise be payable to the City and State of New York on the recording of Purchaser's mortgage.

The partial mortgage assignment would have no adverse impact on the purchase price of the Unit or on Purchaser's mortgage payment. Pursuant to the terms of the Purchase Agreement, a form of which is located in Part II of this Offering Plan, all Purchasers will be required to advise their lender of this provision in the Offering Plan and in the Purchase Agreement, and make a good faith effort to cooperate with Sponsor and Sponsor's lender in connection with the partial assignment of its Mortgage.

The entire contents of the Sections entitled "Mortgage Tax Credit," "Partial Assignments of Sponsor's Construction Loan Mortgage," as well as those in the immediately preceding section above entitled "General," as same may be revised or amended, shall be deemed to be incorporated into the Purchase Agreement for each Unit.

Example of Closing Costs

A numerical example for the costs set forth in this section of the Offering Plan for a hypothetical Residential Unit with a purchase price of $1,200,000.00 and a mortgage of $600,000.00 are set forth below. Tax, insurance and recording rates are subject to change:

1. title insurance for fee and mortgage, including the simultaneous mortgage discount: $5,972.00;
2. recording costs for deed and power of attorney: approximately $330.00;
3. mortgage recording tax: $11,520.00 (paid by the Purchaser-borrower);
4. recording cost of mortgage: approximately $350.00;
5. New York City Real Property Transfer Tax: $17,412.00;
6. New York State Transfer Tax (deed stamps): $4,888.00;
7. New York State Transfer Form RP-5217: $125.00;
8. New York State Mansion Tax: $12,223.00;
9. legal fee of Sponsor's attorney for closing title (at the office of Sponsor's attorney): $2,500.00;
10. legal fee of Sponsor's attorney for reviewing and clearing title: $350.00;
11. real estate tax escrow (and/or reimbursement of real estate taxes paid by Sponsor);

12. two (2) months' Common Charges as a contribution to the Condominium's Working Capital Fund.

Other fees which cannot be estimated because they pertain to events outside of Sponsor's control and/or statutory requirement include, but are not limited to, Purchaser's attorney's fee, lender's attorney's fee, possible commitment fee or loan origination fee, appraisal fee, application fee, credit check fee, and other fees and expenses payable to Purchaser's lender, and monthly Common Charges prospectively from the Closing Date.

RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor has the financial resources to meet its obligations to the Condominium. However, no bond or other security has been furnished to secure the performance of such obligations.

Sponsor has not yet procured financing for the construction of the Building. Subsequent to Sponsor's acquisition of construction financing, Sponsor will amend this Plan to disclose any requirements imposed by its construction lender with respect to the sale of the Residential Units.

The offering by Sponsor under the Plan is contingent upon the Plan being declared effective and the First Unit Closing shall not occur until the Plan has been declared effective. The Plan may be withdrawn or abandoned by Sponsor for any reason whatsoever at any time prior to its being declared effective.

Sponsor makes the representations set forth below with respect to certain obligations under this Plan and all Purchasers upon execution of their respective Purchase Agreements will be deemed to have accepted, approved and agreed to abide and be bound by the following:

1. Prior to the First Unit Closing, Sponsor will obtain a permanent or temporary Certificate of Occupancy for the Building, or, alternatively, will obtain a temporary Certificate of Occupancy for the Unit that is being closed. If the First Unit Closing occurs prior to the issuance of a permanent Certificate of Occupancy for the Building, Sponsor shall maintain in escrow an amount reasonably necessary to complete the work required to obtain a permanent Certificate of Occupancy, as determined and certified by Sponsor's architect.

2. Based upon its current construction schedule, Sponsor presently contemplates that, unless delayed by force majeure, the construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about January 1, 2018. Purchasers are advised, however, that: (i) the Residential Units will be completed at different times over a period that may likely extend significantly beyond such date, and (ii) Residential Units on higher floors generally close title later than Residential Units on lower floors. Purchasers will not be excused from paying their full Purchase Prices (without credit or set-off), and will have no claim against Sponsor for damages or losses, in the event that the First Unit Closing occurs earlier or later than the targeted date or the time to complete or to close title to the Units is delayed or postponed by Sponsor. Notwithstanding the foregoing, if the First Unit Closing does not occur within 12 months after the date set forth in Schedule B as the commencement date for the first year of Condominium operation, as such date may be extended from time to time by amendment to the Plan, Sponsor will offer all Purchasers

(provided such Purchaser is not in default) a right for 15 days, to rescind their Purchase Agreement and receive a refund of the Down Payment together with any interest earned thereon, except for funds expended by, or reimbursed to, Sponsor for upgrades or extras. In the event the actual or anticipated commencement date of the first year of Condominium operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections.

3. Sponsor is obligated to bear all costs and expenses incurred in connection with completing construction of the Building substantially in accordance with the Plans and Specifications. During the course of construction, Sponsor reserves the right, in its sole and absolute discretion, without prior notice to Purchasers or amendment to the Plan to (i) amend from time to time the Plans and Specifications (including changes in layouts and designs in accordance with the Section of the Plan entitled "Changes in Prices and Units"); and/or (ii) substitute materials, appliances, equipment and fixtures that are of substantially equal or better quality in place of those described in the Plan and the Plans and Specifications.

4. Notwithstanding any disclosure to the contrary in this Plan, Sponsor reserves the right to cause the Condominium Board not to bill Common Charges to any Unit Owner for so long as Sponsor pays the actual Condominium expenses, in lieu of Common Charges, from the date of the First Unit Closing up until such time as title to fifty percent (50%) of the Residential Units have been conveyed by Sponsor to third-party Purchasers. In the event that Sponsor makes such election, Common Charges will not be assessed by the Board of Managers to any Unit Owners. At such time that Sponsor causes the Board of Managers to assess Common Charges, each Unit Owner, including Sponsor, shall pay Common Charges and there will not be a Special Assessment for any item in the approved budget for the Condominium. Irrespective of whether Sponsor pays actual Condominium expanses or Common Charges, Sponsor shall pay the real estate taxes for the Unsold Units. Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units. Sponsor's financial obligations to the Condominium will be funded from sales proceeds, the rental or leasing of Unsold Units and/or its own funds. No bond or other security will be posted by Sponsor with respect to this obligation.

5. As a condition of closing title to any Unit any liens affecting such Unit shall be removed or otherwise remedied to the extent Sponsor is required to do so under the Purchase Agreement.

6. Within six (6) months after the First Unit Closing, 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 Property and apportion charges thereunder, if any. The Condominium will indemnify Sponsor against all claims and liability thereunder that relate to matters and events occurring on or after

the day upon which the First Unit Closing occurs. Warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in any Unit shall be assigned to the Purchaser on the Closing Date, including the warranties and undertakings received by Sponsor which relate to appliances, equipment, or fixtures located in the Units and the Common Elements. Sponsor makes no representation as to which, if any, of the warranties and other undertakings will continue to remain in force upon the Closing of any particular Unit. Sponsor shall have no liability or responsibility in the event a warrantor is unable, unwilling or for any reason, fails to perform under its warranty.

7. The risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until Purchaser takes possession of the Unit, at which time such risk shall be shall be assumed by Purchaser to the extent that such casualty is not covered by Sponsor's insurance), but without any obligation or liability by Sponsor to repair or restore any Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Unit, the Purchase Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price for the Unit. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws, the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return the Down Payment, together with any interest earned thereon, to Purchaser, whereupon Sponsor and Purchaser shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan.

8. Sponsor shall procure fire and casualty insurance coverage on behalf of the Condominium, at the Condominium's expense, to be effective at the First Unit Closing, in the amount set forth in to **Schedule B** in Part I of this Plan, which Schedule sets forth the projected budget for the first year of Condominium operation.

9. In the event of the transfer of ten (10) or more Unsold Units in the Condominium to the same purchaser, such purchaser will assume the status and the obligations of the Sponsor (as opposed to a Purchaser, as that term is used in this Plan) for those Unsold Units under the Offering Plan.

10. Sponsor shall be obligated to defend any suits or proceedings arising out of its acts or omissions which constitute negligence or willful misconduct, but shall not be obligated to indemnify the Board of Managers or the Unit Owners against any such suits or proceedings.

    Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims (i) as to any Unit arising out of any occurrence taking place on or after the earlier of the closing of title to such Unit or the leasing thereof to, or at the direction of, any Purchaser, or (ii) as to the Common Elements, arising out of any occurrence taking place on or after the date of the recording of the Declaration, except suits, proceedings or claims arising out of the negligence or willful misconduct of Sponsor or material misrepresentations made by Sponsor in the Offering Plan. Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims arising out of any occurrence which was prior to the date of the First Unit Closing except suits, proceedings or claims arising out of the negligence or willful misconduct of Sponsor or material misrepresentations made by Sponsor in the Offering Plan.

11. Sponsor shall deliver a set of "as-built" plans to the Board of Managers within 180 days after the First Unit Closing.

12. Sponsor shall build and complete the Building in accordance with the Building plans and specifications identified in the Plan. However, Sponsor reserves the right to substitute equipment, appliances, or materials of equal or greater quality or design, and Sponsor reserves the right to amend the Plan to disclose modified Unit layouts and Unit combinations. No change will be made by Sponsor in the size, location or number of Units, their respective percentages of Common Interest, or in the size or quality of Common Elements except by amendments to the Offering Plan and the Declaration. Unless the affected Purchaser provides a written consent, no material change will be made by Sponsor in the size, layout or percentage of Common Interest of a Unit if a Purchase Agreement has been fully executed and delivered by the Sponsor to Purchaser for that Unit and such Purchaser is not in default..

13. Sponsor shall keep copies of the Plan, Exhibits and documents referred to in the Plan on file at Sponsor's offices for six (6) years from the date the Declaration is recorded.

14. In accordance with Section 339-p of the Real Property Law, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the floor plans filed with the recording of the Declaration, and all amendments thereto, if any, are a substantially accurate copy of portions of the plans (as may be amended) of the Building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings.

15. During the time the principal of the Sponsor controls the Board of Managers, it is within its sole power to enforce the obligations of the Sponsor pursuant to the Plan and pertaining to the Common Elements. Therefore, Sponsor agrees that during such period it will, in its capacity as the controlling member of the Board of Managers, cause the Board of Managers to enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose.

16. Sponsor shall hold a majority of seats on the 5-member Residential Board until the later to occur of (i) five (5) years from the date of the First Unit Closing or (ii) the date upon which Sponsor shall own Unsold Residential Units having a percent interest in the Residential Section in the aggregate of ten (10%) percent or less.

17. Each Unit and the fixtures and personal property contained therein, are being sold and delivered as described in the Plan, at the time of transfer of title to such Unit unless Sponsor and the Purchaser otherwise agree in writing. With respect to Residential Units, upon receipt of the Initial Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Residential Unit within seven (7) days prior to the Closing Date and shall execute at such time an Inspection Statement acknowledging the Purchaser's acceptance of the Residential Unit in good condition and in accordance with the terms of the Plan. However, if Purchaser finds that Sponsor's improvements as described in the Plan or in the Purchase Agreement or other writing duly executed and delivered by Sponsor, have not been fully completed, although such improvements have been substantially completed, then Sponsor or its designated representative and Purchaser will at the time of such execution agree upon and set forth in the Inspection Statement a list of the incomplete work to be completed by Sponsor following the Closing without provision for escrow. Sponsor's obligation thereunder shall survive delivery of the deed to the Purchaser. The failure of Sponsor to complete such work shall not be grounds for Purchaser to delay the Closing or to unilaterally refuse to pay the full Balance of the Purchase Price at Closing. Purchasers shall be obligated to provide Sponsor and its contractors, subcontractors, agents and employees, unfettered access to the Residential Unit and any Limited Common Elements appurtenant thereto after Closing in order to complete the work on the Inspection Statement, failing which Sponsor shall be relieved of its obligations to complete the work set forth on the Inspection Statement.

18. The Housing Merchant Implied Warranty (General Business Law Article 36-B) does not apply to this offering because that statute applies only to new single family homes or new for-sale units in a multi-unit residential structure which is five (5) stories or less in which title is transferred to purchasers under a cooperative or condominium regime. Sponsor makes no other warranties, express or implied, in connection with this offering of the

Units and all such warranties are excluded. Sponsor has the obligation, nevertheless, to construct the Building in accordance with applicable Law, codes and regulations.

19. Sponsor intends to borrow funds to construct the Building from Bank of America, N.A. ("BOA"). The loan agreements with BOA shall provide that if the loans are not satisfied at the time of the Unit Closings, BOA will release of the lien of the BOA mortgages from each Unit at the Closing thereof and subordinate of the lien of such mortgages to the Declaration of Condominium.

Each of the obligations of the Sponsor contained in this section shall be enforceable by the Board of Managers on behalf of the Unit Owners as to Common Elements. The representations contained in paragraphs 1 through 18 of this Section shall survive delivery of the deed, as stated. All representations under the Plan, all obligations pursuant to the GBL, and such additional obligations under the Plan which are to be performed subsequent to the closing of each Unit, will survive delivery of the deed. Sponsor makes no other representation or warranties except as provided herein. However, nothing herein shall be construed to limit any rights which Purchasers may otherwise have pursuant to Article 23-A of the General Business Law, Part 20 of the Regulations promulgated by the Attorney General, and this Offering Plan which are not validly waived by Purchasers or Unit Owners pursuant to the provisions of this Plan or the Purchase Agreement with the Purchaser.

Warranties

Sponsor will correct, repair, or replace any material defects relating to construction of the Building, Common Elements or the Units or in the installation or operation of any appliances, fixtures, or equipment therein, or will cause the same to be corrected, repaired, or replaced, but only if:

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

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

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

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

(iii) with respect to any defects (patent or latent) in the construction of the Common Elements, within 1 year from the date of substantial completion of the portion of the Common Elements claimed to be defective. The issuance of a certification from a registered architect or licensed engineer shall be presumptive evidence that the construction of the Common Elements has been substantially completed. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications.

The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications.

Sponsor shall be deemed to have discharged any obligation it may have with respect to defects, whether patent or latent, if (i) Sponsor is not notified within the time periods specified herein or (ii) the Board and/or the Unit Owner in question fails to allow prompt access to Sponsor, Sponsor's contractors and/or the Managing Agent to the Unit in question, or (iii) Sponsor shall have corrected the defect in accordance with the practice of the industry as determined by Sponsor's general contractor or architect or engineer, in their sole discretion. Notwithstanding the foregoing, Sponsor will not be absolved of its obligations in the event that a Sponsor-controlled Board fails to allow Sponsor access to correct any defect in any part of the Building.

Notwithstanding the foregoing, Sponsor makes no representations or warranties relating to, and will not be responsible for correcting or repairing any latent defects of construction or defects in the installation or operation of any mechanical equipment, appliances, other equipment, finishes, materials or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, materialmen, or others, are assigned to the Board or Unit Owners. **In addition, in no event shall the Sponsor be responsible for any condition resulting from:**

(i) normal wear and tear or natural deterioration or from the normal settling (including, cracks in crown molding), deflection, expansion or shifting of the Building;

(ii) Purchaser's renovations and/or alterations to a Unit or its appurtenant Limited Common Elements;

(iii) for defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, protruding dry wall fastenings, ridging on sheet rock walls, slight variations in gypsum board taping visible only under certain lighting conditions, lumber shrinkage, door sticking or window sticking

due to weather, door warpage (including warpage of the main entrance door or terrace door to a Unit within reasonable tolerances of doors of similar size, weight and quality), slight scratches in stone, porcelain, plastic laminate, glass, metal, polyester resin, vitreous china, wood, or stainless steel surfaces, bath and kitchen tile grouting, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor;

(iv) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks or discoloration in any concrete walls or roof pavers, roof ballast, or concrete cracks which do not impair the structural soundness of the Building;

(v) variations in any floor or ceiling levels;

(vi) ceiling imperfections;

(vii) painting defects;

(viii) alignment of bathroom finishes;

(ix) air infiltration from windows;

(x) normal plumbing system, elevator operation, heating system and air conditioning system noises, vibrations or odors;

(xi) normal floor noises and creaking;

(xii) carpet or floor discoloring or stretching;

(xiii) variations in width, length, thickness, finish, color range or tone of wood floor strips, variations in wood floor stains and finishes, if performed by Sponsor, caused by normal foot traffic during construction and sales periods, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood;

(xiv) stains, runs, lumps, shags, or imperfections in weave in fabric panels;

(xv) repair of chips, scratches, mars, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, louvers, insulation attached to the curtain wall, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, water closets, kitchen cabinets, backsplashes and countertops, vanity tops and cabinets, ceramic tile, natural stone floors and walls, saddles, appliances, woodwork, millwork, doors, mirrors, hardware, appliance cabinets and flooring;

(xvi) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances, or replacement of fluorescent light ballasts;

(xvii) cracks or variations in tone, finish or color of any stone used in bathrooms or cracks, variations in tone, finish or color of vanity tops or other stone surfaces, discoloration to hardware and plumbing finishes;

(xviii) salting, leaching or color variation in colored mortar and deep colored brick, tiles or pavers and brick, dimensional variations in brick joints, mortar droppings on bricks;

(xix) ponding and/or controlled drainage on roof and terrace surfaces, terrace tiles or pavers not laid flat, stained tiles or color variations in tiles or pavers;

(xx) cracks in any pressure treated wood or redwood used or intended for use outside the Building;

(xxi) normal wear, including chips, to passenger elevator cabs, cab doors, elevator door frames, cab panels, Unit doors and Unit door frames; or

(xxii) reception issues pertaining to television, radio, internet, or other telecommunication devices currently existing or yet to come into existence.

Sponsor shall be obligated to repair only abnormally chipped stone, formica, granite, Corian, and porcelain surfaces, which repair shall be made by filling the stone, formica, granite, or Corian, or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, formica, granite, Corian or porcelain surfaces. Additionally, during the course of construction concrete cracks and/or chips of a material nature in the brick on the exterior façade of the Building may be repaired by Sponsor by field patching.

In no event shall Sponsor be responsible for Unit-to-Unit and/or hallway-to-Unit odor and noise transmission which is the result of activities such as, but are not limited to, cooking and cigarette smoking, by the Commercial Unit Owner(s), Residential Unit Owners, or other Building occupants.

Except as expressly set forth herein, Sponsor has no obligation to correct or repair any defect or conditions in the Units, Common Elements or Building. The foregoing sets forth the entire obligation of Sponsor to correct any defects and none other shall be implied. Sponsor shall have no obligation to repair or replace any defect resulting from the failure by the appropriate Unit Owner or the Board to properly service or maintain a particular item or items. Additionally, Sponsor shall have no obligation to repair or replace any defect resulting directly or indirectly from work done by any individual or entity retained by the Board or any Unit Owner(s).

THE ITEMS AND CONDITIONS DESCRIBED ABOVE IN ARE NOT DEFECTS AND MAY BE FOUND IN ANY NEWLY CONSTRUCTED BUILDING. PURCHASERS WHO PURCHASE A UNIT IN THE BUILDING OR IN ANY OTHER NEWLY CONSTRUCTED BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND CONDITIONS IN THEIR UNITS OR THE COMMON ELEMENTS. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF SUCH ITEMS AND CONDITIONS AND SHALL NOT BE LIABLE TO ANY PURCHASER OR CONDOMINIUM BOARD THEREFOR. IF PURCHASER OR CONDOMINIUM BOARD DESIRES TO CORRECT OR REPAIR ANY SUCH ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THE PURCHASER

OR CONDOMINIUM BOARD WILL HAVE TO PROCEED AT ITS SOLE COST AND EXPENSE AND/OR ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO IT BY SPONSOR.

NOTHING CONTAINED IN THIS SECTION WILL BE CONSTRUED SO AS TO RENDER SPONSOR LIABLE FOR, AND SPONSOR SHALL HAVE NO LIABILITY FOR, CONSEQUENTIAL DAMAGES (WHETHER BASED ON NEGLIGENCE, BREACH OF CONTRACT, BREACH OF WARRANTY, OR OTHERWISE), IT BEING INTENDED THAT SPONSOR'S SOLE OBLIGATION UNDER THIS SECTION WILL BE TO REPAIR OR REPLACE ANY DEFECTIVE ITEM OF CONSTRUCTION UPON, AND SUBJECT TO, THE TERMS AND CONDITIONS SET FORTH ABOVE. ADDITIONALLY, EXCEPT AS EXPRESSLY SET FORTH ABOVE, SPONSOR WILL HAVE NO OBLIGATION TO CORRECT OR REPAIR ANY DEFECTIVE OR OTHER CONDITIONS IN THE BUILDING (INCLUDING IN THE UNSOLD UNITS AND THE COMMON ELEMENTS) OR IN, OR WITH RESPECT TO, ITS INSTALLATIONS, APPARATUSES, EQUIPMENT, FIXTURES, FINISHES, MATERIALS, AND APPURTENANCES ASIDE FROM ANY SPONSOR WARRANTIES AND UNDERTAKINGS WITH RESPECT TO THE CONSTRUCTION AND COMPLETION OF THE BUILDING CONTAINED IN THIS SECTION, AND NO OTHER WARRANTIES OR UNDERTAKINGS SHALL BE IMPLIED.

Sponsor's Rights of Access

(a) General

As a condition of sales of Units pursuant to this Plan, Sponsor reserves to itself, its successors, assigns, designees, invitees, contractors, agents, employees and tenants, any and all easements and rights of access, in and to Units, Common Elements and Limited Common Elements consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder. If reasonable care under the circumstances is exercised to safeguard the Unit Owner's property, such entry shall not render Sponsor or its authorized agents liable for any damage to the Unit or to the personal property or fixtures contained therein.

(b) Examples of Specific Easements and Rights of Access Reserved by Sponsor

Without in any way limiting the generality of rights reserved in Paragraph (a) above, such rights reserved to Sponsor and its designee(s) specifically include the following:

1) The right to maintain any vacant and Unsold Unit(s) as general and sales and leasing office(s) and/or model Unit(s) and to maintain personnel at the Property, to post signs, and to conduct other activities connected with promotion, sales or leasing, such as

inspection by and display of vacant or leased Units, as well as all Common Elements and Limited Common Elements, to prospective purchasers or lessees;

2) Right of access in and to Units, Common Elements and Limited Common Elements for purposes of repair, refurbishment, correction, alterations, finishing, servicing (including but not limited to garbage collection) and similar work, as well as the marketing of Units;

3) Right to show vacant or leased Units;

4) Right to obtain unlimited front door keys upon request; and

5) Utility and other easements for the benefit of Unit Owners, Common Elements and Limited Common Elements;

Sponsor's Right to Perform Alterations

Sponsor (and its successors, assigns and designees) shall have the right to alter any Unit, Common Element or Limited Common Element consistent with the terms of this Plan, including, but not limited to, the right to combine two or more Units.

Sponsor or its designee and the Commercial Unit Owners and their successors and assigns shall, to the extent permitted by Law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property for the purposes of advertising (i) the sale or lease of any Unsold Residential Unit, the sale or lease of all or any portion of the Commercial Units and (ii) the operation of any business of a tenant or occupant of all or any portion of any Commercial Units or of any Unsold Residential Units, as the case may be. In addition, Sponsor and the Commercial Unit Owners shall have an easement and the right to alter, replace, restore, renovate, remodel and reconstruct the facade of the Building from the ground floor level through and including the bottom of the third floor of the Building with the consent of the Commercial Board but without the consent of the Residential Board or the Condominium Board; provided that any such alteration, replacement, restoration, renovation, remodeling, and/or reconstruction of the façade of the Building by the Commercial Unit Owners while Sponsor or Sponsor's designee owns any Unsold Units shall require the prior written consent of Sponsor or Sponsor's designee.

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 given with regard to the accuracy of any projected completion dates set forth herein. It is anticipated that during the first 5 years of Condominium operation, construction workers and related personnel will be at the Building from time to time, completing construction of the Building, making adjustments and corrections and performing various tasks relating to the completion of construction. During this period various building systems, including but not limited to water supply, air conditioning, heating, cooling, ventilating and elevators, may require substantial time after any Closing to complete and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems may require substantial time after

the First Unit Closing to be completed. In addition, the presence of hoists or construction elevator shafts or similar temporary construction facilities, may delay the Closing of title to certain Residential Units or lines of Residential Units until such hoists, elevators or temporary facilities are no longer needed and are removed. A Purchaser who closes title to his or her Unit during the completion of construction of Common Elements or other Units acknowledges that construction noise, vibration, fumes, odors, dust, debris and other temporary interruption of services may affect Purchaser's enjoyment of the Unit during such period. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser whatsoever or any third party in the event of non-completion of any item of construction on any projected date, or any interruption of services in the Building. Furthermore, Sponsor makes no representation or warranty (express or implied) that any noise, odors, fumes or vibrations, if any, emanating from mechanical equipment belonging to the Condominium will not disturb occupants of the Residential Units, and Sponsor shall have no liability whatsoever for any such disturbance to any Residential Unit Owner or occupant.

Sponsor's Right to Withhold Residential Units from Sale

All the Residential Units being offered are intended to be sold as Condominium Units in accordance with this Plan at the prices noted in Schedule A, subject to Sponsor's right to change offering prices, in accordance with this Plan. These prices have been established solely by the Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency.

Sponsor is retaining the unconditional right to rent eighty-five percent (85%) of the Residential Units in the Building that are being offered under this Plan. Unless and until this Plan is abandoned, Sponsor will endeavor in good faith to sell fifteen percent (15%) of the Residential Units, but makes no representation that it will execute Purchase Agreements to sell more than fifteen percent (15%) of the Residential Units and, therefore, owner-occupants may never gain effective control and management of the Condominium.

Sponsor's Right to Sell Units to Investors and Enter Into Use and Occupancy Agreements

In accordance with the terms of this Plan, Sponsor has the right to sell Units to Purchasers for investment or resale. Accordingly, it is possible that certain Unit Owners will not be residents of the Building. Sponsor has further reserved the right to enter into Use and Occupancy Agreements for any Unit prior to Closing of the sale with the Purchaser thereof or with any other party, and residents of the Condominium may be comprised of both Unit Owners and tenants leasing from Sponsor or the Unit Owners. Individuals leasing Units from Sponsor will not, except as expressly provided in their respective Use and Occupancy Agreements, have any special rights to purchase such Units. In addition, a Purchaser may be acquiring a Unit that has been previously occupied, but such Unit will be delivered at closing free and clear of all leases and tenancies except as may otherwise be agreed to in writing by the parties. Sponsor's right to rent or lease any Unsold Unit will not be subject to any right of first refusal in favor of the Condominium Board to lease such Unit from Sponsor on the same terms offered to the prospective tenant or occupant.

Sponsor anticipates that the Interim Use and Occupancy Agreement will not be subject to governmental regulation.

Any Use and Occupancy Agreement for a Unit entered into with a Purchaser will provide, among other things, that an uncured default by the Purchaser under the Agreement with respect to the Unit which is the subject of the Use and Occupancy Agreement will constitute a default under the lease entitling Sponsor, at its sole discretion, to terminate such Use and Occupancy Agreement in accordance with applicable law. In addition, each Agreement may provide that an uncured default by the Purchaser under any Use and Occupancy Agreement with respect to the Unit which is the subject of the Agreement will constitute a default under the Agreement entitling Sponsor, at its sole discretion, to terminate such Agreement and to exercise any remedies therein provided.

Purchasers or any other persons entering into a Use and Occupancy Agreement for a Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the Use and Occupancy Agreement. All other charges or other fees due under a Use and Occupancy Agreement shall be adjusted as of the Closing of the Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any Use and Occupancy Agreement.

Use of Unsold Residential Units

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

Sales Center/Model Units

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

Storage Bins

Notwithstanding that the resident storage room located on the amenities level is a Residential Common Element, Sponsor shall have the sole and exclusive right to the proceeds from the initial licensing by the Board of any Storage Bin located within the resident storage room.

Inclusionary Air Rights

The Building is being constructed with the use of approximately 9,300 square feet of inclusionary development rights (the "Inclusionary Air Rights") which are being purchased by Sponsor pursuant to an Inclusionary Air Rights Purchase Agreement ("IAR Purchase Agreement") between Sponsor and a developer of offsite affordable housing (such housing hereinafter referred to as "Inclusionary Housing") that is unrelated to Sponsor (the "IAR Seller"). Under the New York City Inclusionary Housing Program (the "Inclusionary Housing Program"), as more particularly set forth in Sections 23-90 through 23-96 of the Zoning Resolution of the City of New York (as amended from time to time, the "Zoning Resolution"), the acquisition of the Inclusionary Air Rights will enable Sponsor to complete the construction of the Building with approximately 9,300 square feet of floor space more than would otherwise be permitted under applicable Law.

In accordance with the terms of the IAR Purchase Agreement and the requirements of the Inclusionary Housing Program, IAR Seller has entered into a regulatory agreement with the Department of Housing Preservation and Development of the City of New York ("HPD") and it has obtained a "permit notice" from HPD ("Inclusionary Air Rights Permit Notice") addressed to the New York City Department of Buildings ("DOB"). The issuance of the Inclusionary Air Rights Permit Notice enabled Sponsor to obtain a building permit for the construction of the Building inclusive of the square footage utilizing the Inclusionary Air Rights ("IAR Space").

As of the Filing Date, construction of the Inclusionary Housing has not yet been completed, but it is anticipated (although not guaranteed) that it will be completed prior to the First Unit Closing. Under the terms of the IAR Purchase Agreement, at such time as IAR Seller completes the construction of the Inclusionary Housing and obtains a Temporary Certificate of Occupancy ("TCO") therefor, IAR Seller is obligated to apply to HPD for (i) a certificate evidencing such completion and (ii) a Certificate of Floor Area Compensation Transfer ("Transfer Certificate") which would permit it to transfer the Inclusionary Air Rights to Sponsor. Purchasers are advised that in addition to completing construction of the Inclusionary Housing, there are several additional preconditions to the issuance of HPD's certificate evidencing completion including, without limitation, the requirement that the IAR Seller enter into contracts for at least fifty percent (50%) of the apartments in the Inclusionary Housing.

In the event that IAR Seller fails, for any reason, to obtain the Transfer Certificate or to otherwise satisfy its obligations under the IAR Purchase Agreement and Sponsor does not obtain a Transfer Certificate from another source, Sponsor would likely lose its right to utilize the Inclusionary Air Rights for the Building.

Sponsor makes no guarantee that IAR Seller will complete the Inclusionary Housing or perform its obligations under the IAR Purchase Agreement. If the IAR Seller fails to deliver the Transfer Certificate to Sponsor, but construction of the Building is nonetheless completed pursuant to the New York City Department of Buildings ("DOB") approved plans and specifications, DOB may find that the Building is "overbuilt," and in such event DOB would determine which Units in the Building would constitute the IAR Space that would be ineligible to receive a TCO. Although the DOB approved plans and specifications for the Building do not identify specific floors in the Building which

constitute the IAR Space, (i) it has been the practice of the DOB to withhold the issuance of TCOs and Permanent Certificates of Occupancy for the uppermost stories of a "compensated development" (i.e. a building that is being built with Inclusionary Air Rights), although that practice could change at any time and (ii) the Zoning Resolution does permit the issuance of a TCO for that portion of the Building which is being built "as of right" (i.e., without use of the Inclusionary Air Rights). It is not clear as to what actions and/or remedies, if any, HPD and/or DOB would take in the event that the Building is overbuilt and Sponsor disclaims any responsibility to any Purchaser hereunder with respect thereto. In the event that DOB issues a final, non-appealable notice to Sponsor that a TCO will not be issued for one or more Units in the IAR Space for which there is/are executed Purchase Agreement(s), Sponsor will terminate such Purchase Agreement(s) and Sponsor will refund such Purchasers' down payments, plus all interest that has accrued. Purchasers are advised that the current Inclusionary Housing Program and the regulations and guidelines currently issued in connection therewith may not be reflective of the policies of the agencies involved, which may change over time.

Notwithstanding the foregoing, Sponsor's failure to obtain a TCO for the Units located within the IAR Space, as determined by the DOB, for any reason, should not give rise to a right of rescission with respect to any Purchaser where the Purchaser's Unit is covered by at least a TCO. If Sponsor is unable to construct Units in the IAR Space by using the Inclusionary Air Rights, or otherwise, it is possible that fewer Unit Owners than anticipated will be obligated to carry the costs to operate the Condominium and such Unit Owner's percentage ownership of the Common Interests may increase. HPD has a web site which provides further information regarding Inclusionary Housing which can be found at http://www1.nyc.gov/site/hpd/developers/inclusionary-housing.page. Purchasers are advised to visit this website.

CONTROL BY SPONSOR

Title to all Units which have not been sold by the time of the First Unit Closing will remain with the Sponsor or its designee(s) until such Units shall thereafter be sold to bona fide Purchasers. Such sales do not require a right of first refusal to the Board of Managers. Until the first annual meeting of the Condominium, the Residential Board will initially consist of two (2) persons designated by Sponsor, who shall be Douglas C. Steiner and Juliet Cullen-Cheung, and the Commercial Board will initially consist of one (1) person designated by Sponsor, who shall be Steffan Stern. Accordingly, until such first annual meeting, Sponsor will have absolute voting control of the Board of Managers and will thus have control of maintenance, facilities and services to be provided, as well as determining the Common Charges to be paid by Unit Owners. Sponsor shall hold a majority of seats on the 5-member Residential Board until the later to occur of (i) five (5) years from the date of the First Unit Closing or (ii) the date upon Sponsor shall own Unsold Residential Units having a percent interest in the Residential Section in the aggregate of ten (10%) percent or less (the "Sponsor Control Period"). Sponsor, during the time there are Unsold Residential Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Residential Board of Managers Sponsor will not use such vote to elect a particular individual to the Residential Board of Managers which would, by the election of such individual, give Sponsor voting control of the Residential Board.

Notwithstanding the foregoing, Sponsor may not exercise veto power over the Board regarding expenses required (i) to comply with applicable laws or regulations; (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer. Sponsor may exercise veto power over other expenses for a period ending not more than the earlier of five (5) years after the First Unit Closing or whenever Unsold Units constitute less than twenty-five percent (25%) of the Common Interest.

Sponsor may control the Board of Managers indefinitely. Sponsor, or any Sponsor designee, shall have exclusive control over the Commercial Board (i.e., it will have the right to designate both members of the two-member Commercial Board) for so long as Sponsor or its designee owns at least one (1) Unsold Commercial Unit. In addition, subsequent to the date when the Sponsor relinquishes control of the Residential Board and so long as the Sponsor or a Sponsor-designee shall continue to own Unsold Residential Units having an aggregate Residential Common Interest of at least five (5%) percent, Sponsor or Sponsor-designee shall have the right to designate two (2) of the five (5) members of the Residential Board. As such, even after Sponsor relinquishes control over the Residential Board, as disclosed above, it will have the right to designate four (4) members of the seven-member Board of Managers until it either owns Unsold Residential Units having an aggregate percentage of Residential Common Interest of less than five (5%) percent or it conveys title to both of the Commercial Units to a party other than a Sponsor-designee. In the event that, at any time after the first meeting of the Unit Owners, there is a vote by non-Sponsor members of the Board of Managers with respect to a legal action against Sponsor, Sponsor's designated Board members shall not be permitted to vote on such issue.

As long as the Sponsor or any Sponsor-designee shall continue to own a Unit, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) amend the Declaration or the By-Laws so as to in any way adversely affect the Sponsor or its designees, or (ii) interfere with: the offer, sale or leasing of Units at the Property; the operations of general or sales or leasing offices at the Property; or actions necessary for renovation, repair or correction at the Property, as required by Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law.

Members of the Board of Managers will serve without compensation. All officers of the Condominium shall also serve without compensation. Sponsor represents that for as long as it or any of its designees are members of the Board of Managers neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

An officer may be removed, with or without cause, by an affirmative vote of a majority of the members of the Board of Managers.

Additionally, the By-Laws of the Condominium do not include a provision that, after the initial Sponsor voting control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Therefore, PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. Further, Unit Owners who are owner-occupants and Unit Owners who are non-residents (including Sponsor) may have in inherent conflicts about how the Condominium should be managed because of their differing reasons for purchasing (i.e. purchase of a Unit as a home as opposed to an investment).

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 seven (7) persons, five (5) persons of whom shall comprise the "Residential Board," and two (2) persons of whom will comprise the "Commercial Board." The Residential Board will initially consist of two (2) persons designated by Sponsor, who shall be Douglas C. Steiner and Juliet Cullen-Cheung, and the Commercial Board will initially consist of one (1) person designated by Sponsor, who shall be Steffan Stern. Douglas C. Steiner, Juliet Cullen-Cheung and Steffan Stern are all employees of Steiner NYC, an entity that is affiliated with Sponsor.

From and after the first annual meeting of Unit Owners (which shall be called within 365 days after the First Unit Closing), the Board of Managers will consist of a Residential Board of five (5) persons elected or designated by the Residential Unit Owners and a Commercial Board consisting of two (2) persons elected or designated by the Commercial Unit Owners. The two (2) members of the Commercial Board shall be designated by Sponsor or a Sponsor-designee for so long as Sponsor or a Sponsor-designee owns at least one (1) Unsold Commercial Unit. Upon the transfer of title to both of the Commercial Units to a party other than a Sponsor-designee, the two (2) members of the Commercial Board shall be designated by the Retail Unit Owner. The Unit Owners shall hold annual meetings and at each such meeting they shall elect members of the Board of Managers. Each Unit Owner, including the Sponsor or its designee, shall be entitled to cast one vote for each .0001% of interest in the Common Elements attributable to their Unit(s) on all matters put to a vote at all meetings of the Unit Owners except that, when voting for the election of members of the Condominium Board, each Unit Owner: (i) shall be entitled to one vote for each .0001% of Common Interest attributable to its Unit per member to be elected, and (ii) shall not have the right to cumulate its votes in favor of any one or more members to be elected. If Units are owned by more than one person or entity as joint tenants, tenants by the entirety or as tenants in common, the persons or entities owning said Unit shall agree among themselves and cast the votes for their Unit.

Upon the later of (i) the date upon which Sponsor shall own Unsold Residential Units having a percent interest in the Residential Section in the aggregate of ten (10%) percent or less or (ii) five (5) years from the First Unit Closing (the "Sponsor Control Period"), Sponsor, including any designee thereof, will relinquish control of the Residential Board of Managers if it has such control and will not elect a majority of its nominees for positions on the Residential Board of Managers, even though its total percentage of Common Interest may otherwise enable it to do so. Sponsor, during the time there are Unsold Residential Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to relinquishing voting control of the Residential Board of Managers, Sponsor will not use such vote to elect a particular individual to the Residential Board of Managers which would, by the election of such individual, give Sponsor voting control of the Residential Board. Notwithstanding the foregoing, Sponsor may, at its discretion, relinquish voting control of the Residential Board prior to the end of the Sponsor Control Period.

Sponsor may control the Board of Managers indefinitely. As disclosed above, Sponsor, or any Sponsor-designee, shall have exclusive control over the Commercial Board (i.e., it will

have the right to designate both members of the two-member Commercial Board) for so long as Sponsor or its designee owns at least one (1) Unsold Commercial Unit. In addition, subsequent to the date when the Sponsor relinquishes control of the Residential Board and so long as the Sponsor or a Sponsor-designee shall continue to own Unsold Residential Units having an aggregate Residential Common Interest of at least five (5%) percent, Sponsor or Sponsor-designee shall have the right to designate two (2) of the five (5) members of the Residential Board. As such, even after Sponsor relinquishes control over the Residential Board, as disclosed above, it will have the right to designate four (4) members of the seven-member Board of Managers until it either owns Unsold Residential Units having an aggregate percentage of Residential Common Interest of less than five (5%) percent or it conveys title to both of the Commercial Units to a party other than a Sponsor-designee. In the event that, at any time after the first meeting of the Unit Owners, there is a vote by non-Sponsor members of the Board of Managers with respect to a legal action against Sponsor, Sponsor's designated Board members shall not be permitted to vote on such issue.

Subsequent to the date when the Sponsor relinquishes control of the Residential Board and as long as the Sponsor or a Sponsor-designee shall continue to own at least one (1) Unsold Residential Unit the Sponsor or Sponsor-designee shall have the right to elect one (1) of the members of the Residential Board.

The By-Laws of the Condominium do not include a provision that, after the initial Sponsor voting control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Therefore, PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. Further, Unit Owners who are owner-occupants and Unit Owners who are non-residents (including Sponsor) may have inherent conflicts on how the Condominium should be managed because of their differing reasons for purchasing (i.e., purchase of a Residential Unit as a home as opposed to an investment).

The Unit Owners annual meetings shall be held on or about the anniversary of the date of the first annual meeting. A special meeting of the Unit Owners shall be called by the President of the Condominium as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners having been presented to the Secretary.

Notice of the annual meeting of Unit Owners or of any special meetings of Unit Owners shall be given by the Secretary, as directed by the Board of Managers, to all Unit Owners not less than ten (10) days or more than thirty (30) days before such meeting. Minutes of all meetings of Unit Owners and of all meetings of the Board of Managers shall be kept by the Board, together with records of all actions taken by the Board and the financial records of the Condominium. The Board shall retain an independent certified public accountant to prepare an annual report of the receipts and expenditures of the Condominium, which report shall be promptly sent to each Unit Owner.

Each of the members of the seven (7) member Condominium Board will serve until the next regular annual meeting of Unit Owners and until a successor is elected and qualified. Members of the Board of Managers, except for those members elected by the Sponsor, to be

eligible for election, must be either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Except for a member of the Board of Managers designated by Sponsor or a Sponsor-designee, Residential Board members may be removed from office, with or without cause, by the affirmative vote of Residential Unit Owners owning, in the aggregate, a percentage of Residential Common Interest in excess of fifty percent (50%). Residential Board members designated by the Sponsor or a Sponsor-designee may only be removed for gross negligence, willful misconduct, or fraud by the affirmative vote of Residential Unit Owners owning, in the aggregate, a percentage of Residential Common Interest in excess of fifty (50%) percent of the Residential Common Interest of the Condominium. In the event of such removal, the Sponsor or Sponsor-designee, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers.

All members of the Board of Managers shall serve without compensation, and the Sponsor represents that, for as long as it or any of its designees are members of the Board of Managers, neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

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: determination of the Common Charges; adoption of rules and regulations covering the details of the Property; opening of bank accounts; purchasing, leasing or otherwise acquiring Units; selling, leasing or mortgaging of Units owned by the Board of Managers; and generally managing or supervising the Condominium property as provided in the Declaration and the By-Laws. The Common Expenses shall include such amounts as the Board of Managers deems proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, and to make up any deficit in the Common Expenses for any prior year. The Board, in its discretion, may delegate such managerial powers as it sees fit to the officers of the Condominium. The Board of Managers is authorized to employ a Managing Agent for the Condominium on such terms as the Board of Managers may deem proper. See the Section entitled "Management Agreement" in Part I of this Plan for further discussion.

In order to limit the liability of the Unit Owners, as members of the Board of Managers, the Managing Agent, if any, and any officers of the Condominium, any contract or other commitment shall be made by the Board of Managers or the Managing Agent or an officer of the Condominium, as the case may be, only as agent for the Unit Owners. The members of the Board of Managers, the Managing Agent or the officer, as the case may be, shall have no personal liability on any such contract or commitment (except as Unit Owners), and 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. The Board of Managers and the officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, or otherwise, except for willful misconduct, negligence or bad faith. The Unit Owners shall severally indemnify the members of the Board of Managers and the officers of the Condominium against any liability or claims except those arising out of the bad faith, negligence or willful misconduct of the members of the Board of Managers or the officers of the Condominium, but the liability of any Unit Owner on account of such indemnification 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.

Officers

The principal officers of the Condominium shall be (a) for the Residential Section, a President, Vice President, Secretary and Treasurer thereof, all of whom shall be elected by the Residential Board, (b) for the Commercial Section, a President and Secretary/Treasurer thereof, both of whom shall be elected by the Commercial Board, and (c) for the entire Condominium, (i) a President thereof, who shall be the same person serving as President of the Residential Board, (ii) a Vice President and Treasurer thereof, who shall be the same person serving as President of the Commercial Board, and (iii) a Secretary thereof, who shall be the same person serving as Secretary of the Residential Board. The Condominium Board, the Residential Board and the Commercial Board may each appoint an Assistant Treasurer, Assistant Secretary and such other officers as in their judgment may be desirable. Any officer or director of the Residential Board may be an officer or director of the Commercial Board, and any officer or director of the Commercial Board may be an officer or director of the Residential Board. None of the officers of the Condominium Board, the Residential Board or the Commercial Board need be Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Residential Board after the first annual meeting of Residential Unit Owners. Thereafter, the President and Vice President of the Residential Board must be Residential Unit Owners.

The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Board of Managers and of Unit Owners.

The Vice President shall take the place of the President of the Condominium in his or her absence.

The Secretary shall be empowered to take and keep minutes of all meetings and to keep the books and records of the Condominium.

The Treasurer shall be responsible for the funds of the Condominium and for accurately keeping the financial records and books of the Condominium.

The Board of Managers, in its discretion, shall delegate such powers to the officers as it sees fit to execute agreements, contracts, deeds, leases and checks etc. on behalf of the Condominium.

Severance of Ownership Prohibited

Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed, its undivided interest in the Common Elements, together with its 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, all of which are interests appurtenant to its Unit.

Right of First Refusal; Units Acquired or Leased by Residential Board

In administering the right of first refusal granted to the Residential Board with respect to any sale or lease of a Residential Unit, the Residential Board shall be required to exercise such rights, if at all, within twenty (20) days of its receipt of written notice from a Residential Unit Owner of the Residential Unit Owner's intention to sell or lease the Unit to a bona fide grantee or lessee. Notice of the decision to exercise or waive such right must be given to the Residential Unit Owner within five (5) days after the exercise of such decision and in any event within said twenty (20) day period by certified or registered mail. Failure of the Residential Board to either exercise such right or to give notice of the exercise of such right within the time periods provided above shall constitute a waiver of the right of first refusal. The Residential Board will also have the right of first refusal with respect to the Parking Units and the Storage Bins, but it will not have a right of first refusal with respect to the sale or lease of the Commercial Units.

In the event the Residential Board does exercise its right of first refusal, the acquisition or lease of the Residential Unit may be made from the working capital and Common Charges, or, if such funds are insufficient, the Residential Board may assess each Residential Unit Owner, other than the offering Unit Owner, in proportion to each Residential Unit Owner's percentage of Common Interest, or may borrow money to finance such acquisition. The sole security which may be given for any funds so borrowed is the Unit to be acquired. The Residential Board may also assess each Residential Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of such Residential Unit. In the event any Residential Units are acquired or leased by the Residential Board, the title or lease shall be held by the Residential Board on behalf of all Residential Unit Owners in proportion to their percentage of Common Interest and any sale or lease of such Residential Unit shall be made by the Residential Board on behalf of all Residential Unit Owners in proportion to their percentage of Common Interests. Such Residential Unit, while owned or leased by the Residential Board, may be used for any purpose for which it could be used by an individual Residential Unit Owner. In no event, however, may the Residential Board at any meeting of Unit Owners vote the votes appurtenant thereto.

The foregoing restrictions upon the sale and lease of Units will not apply to Sponsor or its designee with respect to any Unsold Units, or to Units acquired by a Permitted Mortgagee in foreclosure or by deed in lieu of foreclosure, or to the Commercial Unit Owners, each of which will be free to sell or lease their respective units without first offering to sell or lease to any Board.

Each Unit Owner, at the Closing of title to his or her Unit, shall be required to execute an instrument in the form of that contained in Part II in the Section entitled "Power of Attorney" in Part II of this Plan designating the Board of Managers and their successors as its attorneys in fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or their designee, on behalf of all Unit Owners.

Review of Real Estate Tax Assessments

It shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and/or challenge such assessments. Notwithstanding the foregoing, if proceedings are pending for the reduction of real estate taxes on the Land and Building for the tax year in which the First Unit Closing occurs, the Condominium will continue such proceedings with the attorney previously employed by the Sponsor. Sponsor shall have the sole right to negotiate and settle all claims in connection with said proceedings. The cost of such proceedings, including legal fees, and (in the event taxes are reduced) any refund shall be apportioned between the Sponsor and the respective Unit Owners according to the ownership of the Property during respective portions of the tax year. Any refund covering a period prior to the First Unit Closing and all expenses incurred in connection with the obtaining such refund, shall belong to and be incurred by the Sponsor alone.

Amendments to Condominium Declaration and By-Laws

Any provision of the By-Laws which benefit, protect, or otherwise affect only the Residential Section or the Residential Unit Owners may be modified or amended by the affirmative vote of Residential Unit Owners owning not less than sixty-six and two-thirds percent (66 + 2/3rds%) of the Residential Units and whose percentage of Common Interest, in the aggregate equals or exceeds sixty-six and two-thirds percent (66 + 2/3rds%). However, for as long as Sponsor or its designee owns title to one or more Unsold Units, the Rules and Regulations of the Condominium, or the By-Laws may not be amended in a manner which would adversely affect the Sponsor or its designee in any way, in Sponsor's sole discretion, unless the Sponsor or its designee gives its written consent to such an amendment. Additionally, (i) no such amendment shall adversely affect the lien of any mortgage without the written consent of the mortgagee; (ii) no such amendment may change the percentage of Common Interests allocated to any Unit or Units without the written consent of such Unit Owner; (iii) no such amendment shall increase the percentage of Common Interests allocated to any Unit or Units without the written consent of the mortgagee(s) of such Unit, or Units, if any.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

Sale and Lease of Residential Units

Each Residential Unit Owner, other than Sponsor or its designee with respect to any Unsold Residential Units, may sell or lease his or her Residential Unit, but only after such Residential Unit Owner first gives the Residential Board written notice of his or her intention to do so, accompanied by the terms of the offer as set forth in Article 8 of the By-Laws. The Residential Board, on behalf of all Residential Unit Owners, will have the exclusive right to elect, within twenty (20) days after receipt of the notice of sale, to purchase the Residential Unit, or to elect, within twenty (20) days after receipt of the notice of lease, to lease the Residential Unit, on the same terms set forth in the offer, as more specifically set forth in Article 8 of the By-Laws. Notice of the decision to exercise or waive such right must be given to the Residential Unit Owner within five (5) days after the exercise of such decision and in any event within said twenty (20) day period by certified or registered mail. If the Residential Board does not notify the Residential Unit Owner of its election to purchase or lease the Residential Unit within the aforementioned time periods, the Residential Unit Owner will have sixty (60) days after the expiration of the twenty (20) day period to contract to sell the Residential Unit or lease the Residential Unit in accordance with the terms stated in the offer to the Condominium Board. After the expiration of the sixty (60) day period, the Residential Unit Owner will again be required to first offer the Residential Unit to the Residential Board as provided above. In the event the Residential Board timely elects to purchase a Residential Unit or to lease such Residential Unit, or to cause it to be purchased or leased by its designee, then (a) with respect to a purchase, title shall close on the later of (i) 60 days after the giving of notice by the Residential Board of its election to accept such offer and (ii) the closing date specified in the Residential Unit Owner's bona fide offer and (b) with respect to a lease, the lease shall be executed within ten (10) days after the Residential Board elects to accept such offer.

In the event the Residential Board does exercise its right of first refusal, the acquisition or lease of the Residential Unit may be made from the working capital and Common Charges for the Residential Section, or, if such funds are insufficient, the Residential Board may assess each Residential Unit Owner, other than the offering Residential Unit Owner, in proportion to each Residential Unit Owner's percentage of Common Interest for any funds so borrowed for the Residential Unit to be acquired. The Residential Board may also assess each Residential Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of such Residential Unit. In the event that any Residential Units are acquired or leased by the Residential Board, the title or lease shall be held by the Residential Board on behalf of all Residential Unit Owners in proportion to their percentage of Common Interest, and any sale or lease of such Residential Unit shall be made by the Residential Board on behalf of all Residential Unit Owners in proportion to their percentage of Common Interests. Such Residential Unit, while owned or leased by the Residential Board, may be used for any purpose for which it could be used by an individual Residential Unit Owner.

The requirement to offer the Residential Board the right of first refusal will not apply to Sponsor or its designee with respect to the sale of any Unsold Units, or to Units acquired by a Permitted Mortgagee in foreclosure or by deed in lieu of foreclosure, or to the Commercial Unit Owners, each of which will be free to sell or lease their respective units without first offering to sell or lease to any Board.

Each Unit Owner, at the closing of title to his or her Unit, shall be required to execute an instrument in the form of that contained in Part II in the section of the Plan titled "Power of Attorney," designating the Board of Managers and their successors, as his or her attorneys in fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Residential Units acquired by the Board of Managers or their designee, on behalf of all Unit Owners. The Power of Attorney also grants Sponsor the right to amend the Declaration with respect to Unsold Units.

Each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, the Unit Owner's: (i) Common Interest; (ii) undivided interest in any Residential Unit or Residential Units acquired by the Condominium Board from Residential Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Residential Unit); and (iii) undivided interest in any other assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit, other than mortgages placed on such Unit in compliance with the By-Laws, are paid and satisfied at or prior to closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner will be required to execute, acknowledge and deliver a Unit Owner's Power of Attorney in favor of the Condominium Board, in the form set forth in Part II of this Plan.

The lease for any Residential Unit (other than Unsold Residential Units) will be in substantially the form of lease printed by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Condominium Board. The terms of the lease, the rents and any rent increases upon the renewal of such lease are not subject to the New York State Rent Stabilization Law or the New York City Rent Stabilization Code.

A Unit Owner may, without restriction, make a gift of his or her Unit to anyone during his or her lifetime, to devise such Unit by will or to pass same by intestacy.

The Condominium Board may not discriminate against any person for a reason proscribed by the laws of the State of New York.

Mortgage of Units

Each Unit Owner, after notice to the Condominium Board, is free to mortgage his or her Unit to a "Permitted Mortgagee," provided that prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all arrearages for any unpaid Common Charges and Special Assessments owed by such Unit Owner and discharge any liens affecting the Unit, other than Permitted Mortgages.

Determination of and Liens for Nonpayment of Common Charges

Each Unit Owner shall have an obligation to pay Common Charges and Special Assessments on other expenses when due. Unless otherwise stated in the footnotes to Schedule B, Common Charges for each Unit may be determined by multiplying that Unit's percentage of Common Interest by the total annual net expenses incurred or anticipated to be incurred for those items listed in Schedule B herein, together with the expense of any special repairs, major capital improvements or other expenses deemed by the Board of Managers to be a part of the Common Expenses and to be paid as Common Charges, all in accordance with Article 6, Section 1 of the By-Laws of the Condominium. Common Charges will be established on an annual basis and be paid in equal monthly installments, due and payable on the first day of each month. The Board of Managers may, in accordance with Article 6, Section 1 of the By-Laws, impose Special Assessments as it deems necessary, to meet unanticipated or extraordinary expenses, including, but not limited to, expenses incurred for major capital improvements. The Special Assessment to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest.

The Condominium Board, in its discretion, and subject to certain restrictions contained in the By-Laws, may decide in the future to create a reserve fund by Special Assessment or by increases in Common Charges.

Under the provisions of Section 339-z and 339-aa of the Real Property Law of the State of New York (the "Real Property Law"), the Board of Managers on behalf of the Unit Owners will have a lien on each Unit for unpaid Common Charges assessed by the Board of Managers. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of notice thereof in the Register of the City of New York, County of New York and until all sums secured thereby with the interest thereon shall have been fully paid or until six years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever may be earlier. 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 the foreclosure of a mortgage on real property or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien.

Upon the failure of a Unit Owner to pay Common Charges for the Unit within sixty (60) days of the same becoming due and payable, the Board of Managers shall have the right to place a lien against the Unit Owner's Unit for the unpaid Common Charges as set forth above. Failure of the Board of Managers to place such a lien shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time.

The Sponsor will cause the Board of Managers to file a lien as provided in Section 339-aa of the Real Property Law on Units in which Sponsor is more than 30 days in arrears on Common Charges while it is in control of the Board of Managers.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his or her Unit for any period subsequent to a sale, transfer, or other conveyance made by him or her of his or her Unit, with appurtenant Common Elements, in accordance with the Declaration and By-Laws.

All Unit Owners shall be required to comply with the Declaration, By-Laws, Rules and Regulations of the Condominium and with any other requirements duly imposed by the Board of Managers pursuant to the authority granted to them. The Board of Managers shall have the power to impose appropriate sanctions where a Unit Owner is in default. Such sanctions include placing a lien against the Unit Owner's Unit, instituting foreclosure proceedings and filing suit against a Unit Owner.

Repairs

All maintenance of and repairs to any Unit, including, but not limited to, electrical (except Common Elements), plumbing (except Common Elements) as well as the washing of exterior windows shall be at the Unit Owner's expense, excepting as otherwise specifically provided in the By-Laws.

All maintenance, repairs and replacements to the "General Common Elements" (as defined in the Declaration) 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, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the "Residential Common Elements" or the "Residential Limited Common Elements" (as such terms are defined in the Declaration) will be performed by (a) the Residential Board as a Residential Common Expense, if involving a Residential Common Element, or (b) by the Residential Unit Owner having direct and exclusive access thereto at his or her sole cost and expense, if involving a Residential Limited Common Element. Maintenance, repair and replacements in or to the "Parking Common Elements" (as such terms are defined in the Declaration) will be performed by the Residential Board as a Parking Common Expense.

The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other rights set forth in the By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the By-Laws (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; and (c) in any event charge the Unit Owner with the cost

of reasonable legal and other fees and costs incurred in enjoining, abating or remedying such violation.

Necessary repairs and replacements to each Residential Unit's windows, doors and skylights are to be performed by the Residential Board at such Residential Unit Owner's sole cost and expense, subject to Board approval in order to ensure that uniform materials are used throughout the Building. It shall be the responsibility of the Residential Board to ensure that replacement Residential Unit windows contain safety "stops" designed specifically to prevent a child from falling out of the window.

Additions, Alterations and Improvements

Sponsor or its designee may make structural or non-structural alterations in any Unit owned by it or with respect to any Limited Common Element for which it has exclusive use without prior consent of the Board of Managers. The Residential Board shall have the authority to establish rules for non-structural alterations, additions, improvements, and repairs made by any Residential Unit Owner to his Residential Unit. No Unit Owner, other than the Sponsor or its designee, as a holder of Unsold Units, may make a structural alteration in its Unit or with respect to any Limited Common Element for which it has exclusive use or which affects the exterior of the Building or the value of other Units without the prior written approval of the Board of Managers. The Sponsor or its designee needs no such consent for any of its Units. Any approval, if granted, shall provide that such alteration shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate insurance coverage for liability, property damage and worker's compensation (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such addition in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration or due to improper design or construction of the structural alteration. Such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration. Such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with the request by a Unit Owner for approval of a structural alteration.

Finally, any approval, if granted shall be subject to regulation by the Condominium Board as to any one or more of the following aspects of construction:

(1) time periods during which work is permitted;

(2) the manner in which construction debris will be handled;

(3) measures which must be taken to prevent compromising security of the Building during construction;

(4) the interruption of services during construction; and

(5) liability insurance for contractors during construction.

The Board of Managers and/or the manager or managing agent shall have a right of access to any Unit for the purpose of inspection, making any repairs or replacements to any of the Common Elements or Limited Common Elements contained in such Unit or elsewhere in the Building, remedying any condition which would result in damage to any other Unit or to the Common Elements or Limited Common Elements, or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purposes permitted by the By-Laws.

Certain structures cannot be built as-of-right with respect to the City of New York Building Code and require a variance from the City Board of Standards and Appeals. If the Board does not consent to the proposed alteration, an application for a variance is moot, since the Board would not permit the proposed alteration in any event.

In the event that a variance is needed, such a variance may be approved or denied by the Board of Managers at the Condominium in the Board's sole discretion. Structures that increase the size of the Building require a variance. These structures include: additional floors, additions to the rear of the Building above the cellar level, additional penthouses, roof mezzanines, greenhouses and gazebos.

Subject to the By-Laws and Rules and Regulations of the Condominium, which, among other requirements, assigns responsibility for negligence, misuse or neglect, a Residential Unit Owner who has an exclusive roof terrace area may, without a Department of Buildings permit, install plantings and furniture on it.

Insurance

The Board of Managers shall be required to obtain and maintain the following insurance: fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units, including all of the Units and all fixtures installed therein by the Sponsor and any property customary to the servicing and general occupancy, (but not including furniture, furnishings, equipment or other personal property supplied or installed by Unit Owners), together with all service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an aggregate amount to be determined by the Board of Managers but in no event to be less than eighty percent (80%) of the full replacement cost of the Building, including the above noted items, but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker. All such policies shall provide that adjustment of loss, if over $1,000,000.00, shall be made by the Board of Managers with approval of the "Insurance Trustee" (as defined in the By-laws), if any. The Board of Managers shall have the right to select an Insurance Trustee. Additionally, the net proceeds of such adjustment, if $1,000,000.00 or less, shall be payable to the Board of

Managers, and if more than $1,000,000.00 shall be payable to the Insurance Trustee, if any, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners. At the First Unit Closing, the fire insurance coverage of the Building shall be $80,356,220.00. Said coverage, or such other amount, as recommended by a New York State licensed insurance agent, shall be maintained while Sponsor is in control of the Board of Managers.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners, and shall provide that each Unit Owner is an additional insured party and that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Units. The standard mortgagee loss payable clause shall be attached to all policies.

The cost of all such insurance and the fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense.

The Board of Managers shall also obtain and maintain to the extent obtainable: (1) worker's compensation insurance for Condominium employees, if any; (2) public liability insurance covering each member of the Board of Managers and each Unit Owner in such limits as the Board of Managers may deem proper, and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements or the Units, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit. The Board of Managers shall review such limits once each year. The public liability insurance will also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least $1,000,000.00 covering all claims for bodily injury with respect to any one occurrence.

If, by reason of the occupancy or use of any particular Unit, the rate of fire or liability insurance for the Property shall be increased, such Unit Owner shall (if such occupancy or use continues for more than thirty (30) days after written notice from the Board of Managers specifying the occupancy or use) become liable for the additional insurance premiums incurred by the Condominium as if such additional premium constituted an assessment.

Each Unit Owner shall, at such Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any part thereof, with minimum combined single limits of liability of $500,000 for bodily injury or death arising out of any one occurrence including $500,000 for damage to property and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the apartment or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage). The limits of liability set forth in (a) and (b) above may be increased by the

Condominium Board from time to time. The insurance required above shall be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies of recognized standing, admitted to do business in the State of New York. Upon ten (10) days' written notice from the Condominium Board or the Managing Agent, the Unit Owner shall deliver to the Condominium Board a duplicate original of the aforesaid policies, certificates evidencing such insurance or such other confirmation satisfactory to the Condominium Board. To the extent either party is insured for loss or damage to property, each party will look to their own insurance policies for recovery.

Use of Residential Units

The Residential Units may be used only for private residences. However, a Residential Unit Owner may use his or her Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof, provided such professional use does not violate any zoning law and ordinances and provided further that the prior written consent of the Board of Managers to such professional use is obtained. No illuminated or other sign may be used in connection with the aforementioned use.

So long as Sponsor or its designee owns at least one (1) Unit may, without the consent of the Board of Managers, cause the Building's amenity spaces and lobby to be filmed or photographed for sales, promotional, or any other purpose that Sponsor deems reasonable, during regular business hours, subject only to the requirements of applicable Law.

Except as set forth above, 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 in any part of the Residential Units or Residential Common Elements, nor shall any "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Residential Unit therein or adjoining Residential Common Elements, nor shall any Residential Unit be rented for transient, hotel or motel purposes. The right, however, is reserved by the Sponsor, its designee, and the Board of Managers, or its agent, to place "For Sale," "For Rent," or "For Lease" or similar signs on any Unsold Units or unoccupied Units. Sponsor and its designee shall have the right to place "For Sale", "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building or on the facade of the Building without regard to size. Sponsor or its designee shall be responsible for installing and removing such signs. Additionally, the right is reserved by Sponsor and its designee to (i) maintain staff in one or more vacant and Unsold Units in the Building as a sales office and/or model Unit, (ii) maintain staff in the Common Elements for the purpose of marketing Unsold Units and (iii) maintain staff in all portions of the Building for the purpose of completing construction on the Building and to otherwise comply with its obligations under the Plan.

There shall be no playing or lounging in the entrances, passages, public halls, vestibules, corridors, stairways, or fire towers of the Building, except in any recreational

areas, if any, or other areas designated as such in the Declaration or by the Residential Board.

Except as elsewhere provided, no exterior of any Residential Unit or the windows or doors thereof or any other portions of the Common Elements shall be painted or decorated by any Residential Unit Owner in any manner without prior written consent of the Condominium Board.

No furniture, equipment, or other personal articles shall be placed in entrances, hallways, stairways, or in other Common Elements.

No Unit Owner shall make or permit any noise that will disturb or annoy the occupants of any of the Units in the Building or do or permit anything to be done therein which will interfere with the rights, comfort, or convenience of other Unit Owners.

Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows of a Unit, any dirt or other substances. In addition, where applicable, each Unit Owner shall keep his or her terrace(s) and terrace drain(s) free of debris.

Except as otherwise provided above, no exterior shades, awnings, window guards, ventilators, fans or air-conditioning devices shall be used on or about the Building or Common Elements except such as shall have been approved by the Board of Managers or as required by Law.

Except as provided above, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of a Residential Unit or adjoining Common Element except such as shall have been approved in writing by the Residential Board, nor shall anything be projected out of any window of the Building without similar approval.

All garbage and refuse from the Building shall be deposited with care in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct. Unit Owners shall be responsible for complying with all applicable recycling laws pertaining thereto.

No clothes, sheets, blankets, laundry, or other articles of any kind shall be hung on or out of a Unit or its appurtenant Limited Common Elements.

Water closets and other water apparatus in the Building shall not be used for any purposes other than those for which they were constructed; nor shall any sweepings, rubbish, rags, paper, ashes, or any other article be thrown into the same. Any damage resulting from misuse of any water closet or other apparatus shall be paid for by the Unit Owner causing such damage.

No Residential Unit Owner shall engage any employee of the Condominium for any private business of the Residential Unit Owner without prior written consent of the Residential Board.

No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) shall permitted be kept or harbored in any Residential Unit unless the same in each instance be expressly permitted in writing by the Residential Board. Any such consent, if given, shall be revocable at any time by the Residential Board. In no event shall any Unit Owner maintain more than two (2) pets (other than fish) in a Residential Unit without the consent of the Residential Board and in no event shall any animal be permitted in any of the public portions of the Building unless carried or on a leash. The individual Residential Unit Owners who keep an animal in the Building shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of having any animal in the Building. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building or on the sidewalk or street adjacent to the Building. The Board of Managers shall have the right to prohibit an animal from residing or visiting the Building if, in the Board's judgment, such animal creates a nuisance, health hazard or an unsanitary condition.

No radio or television aerial or dish shall be attached to or hung from the exterior of the Building without written approval of the Board of Managers.

The agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or Rules and Regulations of the Condominium.

The Board of Managers or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Board of Managers or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his or her 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 of Managers or the Managing Agent, then the Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

If any key or keys are entrusted by a Unit Owner, by any family member thereof, or by his agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board of Managers nor the Managing Agent shall (except as provided above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

No Unit Owner or any visitor, guest, patient, employee or any client of a Unit Owner shall be allowed in the heating, electrical or mechanical equipment areas without the express permission of the Board of Managers.

All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.

No Unit Owner shall interfere in any manner with any portion of the Common Elements which are not appurtenant to the Unit Owner's Unit.

Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements, that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of his family members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his Unit or Limited Common Elements any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or Limited Common Elements.

The exterior of all front doors of Residential Units shall not be painted or decorated other than with the consent of the Residential Board. .

Any damage to the Building or equipment caused by Unit Owners, their guests, visitors, clients, patients or employees shall be repaired at the expense of the said Unit Owner.

Complaints regarding the management of the Building and grounds or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

No Unit shall be used or be occupied in such manner as to obstruct or interfere with the enjoyment of occupants or Unit Owners above, below and to each side of other Units; nor shall any nuisance or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

Certain parts of the Common Elements are intended for use for the purpose of affording pedestrian movement within the Condominium and for providing access to the Units. No part of the Common Elements shall be obstructed as to interfere with its use for the purposes hereinabove recited; nor shall any part of the Common Elements be used for general storage purposes, except maintenance storage or where specifically designated as such; nor shall anything be done thereon in any manner which shall increase the rate of hazard and liability insurance covering said area and improvements situated thereon.

No offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having

jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

Smoke detectors and carbon monoxide detectors must be installed in every Residential Unit as required by New York City Building Code. It is the obligation of the Residential Unit Owner to maintain the alarms and to make certain the units are in working order at all times.

All Unit Owners shall be obligated to install white or off-white curtains, drapes, shades or blinds ("Window Treatments") in each Unit which are visible from the exterior of the Building in order to give the Building a uniform exterior appearance. Such Window Treatments shall be hung from each such window within sixty (60) days of the Closing Date, unless otherwise provided by the Board in writing. Notwithstanding the foregoing under no circumstances shall newspapers, blankets bed sheets, clothes or other articles of any kind be hung in the windows in lieu of Window Treatments and no personal property shall be stored in any window bay, except behind the Window Treatments.

The cost of maintenance and repair of the sidewalks, and adjacent curbs, including keeping them free from snow, ice, dirt and rubbish, shall be the responsibility of the Condominium, to be charged to all Unit Owners as a Common Expense.

No group tour or exhibition of any part of a Unit or its contents shall be conducted nor shall any auction sale be held in any part of a Unit, without the consent of the Board of Managers or the Managing Agent in each instance.

Plantings on any terrace or balcony shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches from the terrace or balcony surface, and, if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace or balcony, but shall stand on supports at least two inches above such surface. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings. No planter shall be placed on any private terrace area or balcony if it imposes a load exceeding 60 pounds per square foot, without the express written consent of the Board and, if required, the New York City Department of Buildings.

Any consent or approval given under the Rules and Regulations of the Condominium may be amended, modified, added to, or repealed at any time by resolution of the Board of Managers. Further, any such consent or approval may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature.

The Rules and Regulations of the Condominium are set forth in Part II of this Offering Plan as an addendum to the By-Laws. The Rules and Regulations govern the use of the Units and Common Elements and may be amended from time to time by the Board. However, no amendment of the Rules and Regulations shall be applicable to any Unsold Unit, unless agreed to by Sponsor or the Sponsor-designee.

Parking Units and Storage Bins

Parking Units and Storage Bins ("Accessory Spaces" or, individually, an "Accessory Space") shall be offered, on a first-come, first-served basis, solely to Purchasers and Residential Unit Owners and their lessees. Since there will be fewer Accessory Spaces than there will be Residential Units, Purchasers of Residential Units are not guaranteed the opportunity to purchase an Accessory Space. Sponsor reserves the right to sell more than one Accessory Unit to any Purchaser. No Person shall have the right to use an Accessory Space unless he owns or leases a Residential Unit. Notwithstanding the foregoing, Sponsor reserves the right to hold certain Accessory Spaces off of the market, in its sole discretion. The Purchase Prices of each Accessory Space are disclosed on Schedule A.

Except for Accessory Spaces owned by Sponsor or its designee, Accessory Spaces shall only be leased to Residential Unit Owners or to bona fide lessees of Residential Unit Owners. No Residential Unit Owner, other than Sponsor or its designee, shall own more than two (2) Parking Units and two (2) Storage Bins at a time without the express written consent of the Residential Board.

The use of the Parking Units is limited to parking for automobiles, motorcycles and mopeds. Neither the Residential Board nor its respective agents or employees shall be liable for any theft or damage to any automobile, motorcycle, or moped, or to any personal property stored therein.

Neither the Sponsor nor the Board will be responsible for any damage to items placed in the Storage Bins. Residents who place items in the Storage Bins do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. The Storage Bins shall be maintained, repaired and replaced as deemed necessary by the Residential Board. The cost of maintaining repairing and replacing the Storage Bins shall be charged to the Residential Unit Owner(s) who hold(s) the license to use such Storage Bin(s). The Storage Units may be used in accordance with applicable Law and only for the storage of the personal effects of the Residential Unit Owner having exclusive access to such Storage Unit. No items which would constitute a threat to the health or safety of the Residential Unit Owners or other occupants of the Building or otherwise create a nuisance in the Building shall be stored in the Storage Units.

The Board shall have the right of first refusal with respect to the sale and leasing of Accessory Spaces.

Resident Manager's Unit

On or about the date of the First Unit Closing, Sponsor will lease Unit 2P to the Board of Managers, to be used as a residence for the Condominium's resident manager. The lease term for Unit 2P will be two (2) years. The rent for Unit 2P will be $5,186.62 per month in the first lease year and $10,000 in the second lease year, commencing on the date of the First Unit Closing.

Sponsor hereby offers the Board of Managers the option to purchase Unit 2P at any time during the two (2) year lease term at the offering price disclosed on **Schedule A** in this Plan. At Unit Closing, each Purchaser shall be obligated to make a one-time contribution toward a purchase Down Payment which equals thirty percent (30%) of the Purchase Price and closing costs which equal five percent (5%) of the Purchase Price, as provided on **Schedule A-2**, which is located in Part I of this Plan. Sponsor anticipates, but does not guaranty, that the remaining seventy percent (70%) of the Purchase Price of Unit 2P shall be financed through an institutional lender. Sponsor makes no representations as to the availability of such institutional financing or the terms thereof, if such institutional financing is obtained. In the event that the Board cannot obtain institutional financing for the purchase of Unit 2P, Sponsor reserves the right, but shall not have the obligation, to provide mortgage financing to the Board. The financing shall be based either on a five (5) year interest-only mortgage with a balloon payment at the end of such five (5) year term or on a thirty (30) year amortized mortgage, at a fixed interest rate (at Sponsor's option). The interest rate of either such Sponsor mortgage shall not exceed 7% per annum.

In the event that the Board does not purchase Unit 2P on or before the end of such two (2) year lease term, for any reason or no reason, Sponsor reserves the right to offer Unit 2P for sale or rent to the general public, and, therefore, there may be no Unit in the Building for the Condominium's resident manager to reside in. In such event, the Board shall be obligated by Law to hire a superintendent or janitor who does not reside in the Building, but who exclusively services the Condominium. The Board shall also be required to obtain 24 hour emergency superintendent or janitor coverage. If Sponsor does not offer Unit 2P to the general public at such time or thereafter, no representation is made regarding the rent that would be charged by Sponsor therefor.

Prospective Purchasers are also advised that in the event that the Board does not purchase Unit 2P and Sponsor exercises its right to sell or rent Unit 2P to any other party, the one-time contributions made by Purchasers at each Closing pursuant to **Schedule A-2** shall retained by the Board, to be used in the Board's sole discretion.

Notwithstanding the foregoing, Sponsor reserves the right, in its sole discretion, to substitute any other two-bedroom Unsold Unit for which a Purchase Agreement has not been fully executed for Unit 2P, for the purpose of housing the resident manager, pursuant to a duly filed amendment to this Plan.

Real Property Law §339-kk

Subsection kk to Section 339 of the Real Property Law ("RPL"), a copy of which is set forth in Part II of the Plan, was enacted into law July 22, 1998. RPL §339-kk is intended to provide additional financial protection for a condominium association if a sponsor or other non-occupant owner fails to make monthly payments for Common Charges, Special Assessments and late fees due in connection with such owner's Condominium Unit(s).

RPL §339-kk provides, by its terms, among other things, that with respect to unsold units of a condominium owned by a sponsor or by any other non-occupant owner and occupied by a tenant:

(a) If payment of common charges, assessments or late fees by any non-occupant condominium unit owner is more than sixty (60) days late after the expiration of any grace period within which they are due, payments from a tenant of such condominium unit may become directly payable to the condominium upon written notice by the condominium to the tenant and the non-occupant condominium unit owner. Where a majority of the condominium board has been elected by condominium unit owners who are in occupancy of their respective condominium units, the condominium board may elect not to require that the rental payments be paid to the condominium. Once the common charges, assessments and late fees of the non-occupant condominium unit owner have been brought current, the condominium board must notify the non-occupant condominium unit owner and the tenant within three (3) business days and thereafter the rent will be payable to the non-occupant condominium unit owner or a designated agent.

(b) Payment by a tenant of rent or the amount required pursuant to the tenant's lease or statutory tenancy to the Condominium pursuant to the RPL §339-kk, relieves the tenant from the obligation to pay rent to the non-occupying condominium unit owner.

(c) Any rights existing under any other laws are not limited by RPL §339-kk.

(d) A non-occupant condominium unit owner who disputes the condominium's claim to rental payments is entitled to present facts supporting such owner's position at the next scheduled meeting of the condominium board, which must be held within thirty (30) days after receipt of notice that the non-occupant condominium unit owner seeks to dispute the condominium's claim.

Sponsor makes no representation or guarantee that any Unit Owner (other than Sponsor), any tenant, or the Condominium, will in fact comply with RPL §339-kk, and Sponsor shall have no liability for their failure to do so.

RPL §339-kk does not address a number of issues. Accordingly, Sponsor makes no representation as to (i) RPL §339-kk's effect on the lien priority of a loan heretofore

or hereafter made to a non-occupant Unit Owner and secured by the Unit, or whether RPL §339-kk's enactment or compliance therewith by a tenant constitutes a default by the Unit Owner under said loan, (ii) RPL §339-kk's effect on assignments of leases and rents given by a non-occupant Unit Owner to a mortgagee in connection with purchase-money financing or otherwise, (iii) the Condominium's remedies if a tenant fails or refuses to make rental payments to the Condominium Board after notice from the Condominium Board (in accordance with RPL §339-kk) to do so, (iv) the consequence of the Condominium Board's failure to give notice to a tenant, or (v) who is responsible for designating an agent to whom rental payments are to be made after the non-occupant Unit Owner is brought current in payment of common charges, assessments and late fees.

Finally, no representation is made about the tax effects of RPL §339-kk.

All prospective Purchasers should review RPL §339-kk to determine its effect on their own situation.

REAL ESTATE TAXES

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

Until the Units are separately assessed, the Condominium Board will pay all real estate taxes with respect to the property and will allocate the cost thereof among all Unit Owners in proportion to each Unit's Common Interest. Such allocation shall be final; there will be no adjustment of real estate taxes subsequent to the allocation by the Condominium Board.

Real Estate Tax Projections

As disclosed in the real estate tax analysis prepared by Sponsor's real estate consultant, Tuchman, Korngold, Weiss, Liebman & Gelles, LLC, located at 6 East 45th Street, New York, New York 10017, which is located in Part II of this Plan (the "Real Estate Tax Analysis"), the New York City Department of Finance assesses real estate taxes annually based upon the property's use and condition as of the January prior to the beginning of the following tax year (the "Taxable Status Date"). Each tax year commences on July 1 of each calendar year. During the first year of Condominium operation total real estate tax liability of the Property is estimated to be $718,330 for January 1, 2018 through June 30, 2018, based on an estimated assessed valuation of $11,000,011, and $1,208,102 for July 1, 2018 through December 31, 2018, based on an estimated assessed valuation of $18,500,020, at an estimated real estate tax rate of 13.25% for the Residential Units and 11.25% for the Commercial Units and the Parking Units. It is projected that the 2018/2019 tax year will be the first tax year that the Property will be fully assessed for real estate tax purposes and, therefore, real estate taxes for the entire 2018/2019 tax year will be higher than the real estate taxes disclosed on Schedule A. Purchasers should read the full text of the Real Estate Tax Analysis for additional discussion regarding the Property's assessed value and estimated real estate tax liability during the first year of Condominium operation and during the 2018/2019 tax year.

Sponsor does not intend to apply for the New York City Co-op and Condo Property Tax Abatement (the "Tax Abatement"). However the Board of Managers or an eligible Unit Owner may, in its sole discretion, apply for the Tax Abatement if it is made available by the City of New York. If the Board of Managers or an eligible Unit Owner applies for, and obtains, the Tax Abatement, and the Law authorizing the Tax Abatement is extended in its present form, eligible Unit Owners would be entitled to an abatement equal to 17.5% of their annual real estate tax bill. Only persons who make their Unit their primary residence are eligible for the tax abatement and Units that are owned by limited liability companies, corporations and other business entities are not eligible for the Tax Abatement. For further disclosure, please refer to the Real Estate Tax Analysis.

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

There is no assurance the New York City Department of Finance will allocate taxes based each Unit's percentage of common interest, as provided in the Real Estate Tax Analysis. It is therefore possible that owners of Units having the same percentage of Common Interest will pay different amounts of real estate taxes.

Sponsor makes no representation or warranty that any Unit will receive the Tax Abatement, and no representation or warranty as to the date such benefit will take effect if it is received. Sponsor will not undertake to apply for the Tax Abatement. It shall be the responsibility of each Purchaser to timely apply for the Tax Abatement individually once title to the Unit has been conveyed from the Sponsor.

No representation or warranty can be made as to (a) whether there will be (i) a further increase in the actual valuation of the Property during the projected budget year or (ii) an increase in the assessed valuation of the Property by reason of the condominium conversion or otherwise, or (b) the method of determining the assessed valuation (whether on a rent roll, market or other basis) or (c) the amount of any increase in the assessed valuation of the Property.

Purchasers should note that if the assessed valuation of the Property for real estate tax purposes is increased at any time as result of improvements to the Property or for any other reason, then greater amounts of real estate taxes than is shown in the Real Estate Tax Analysis may be due with respect to the Property.

Real estate taxes paid by Sponsor are one of the items to be adjusted between Sponsor and each Purchaser at the Closing of each Unit. In addition, at Closing, each Purchaser will be required to deposit with Sponsor a sum equal to the estimated real estate taxes attributable to his Unit for the period of six months following the next tax period. The Sponsor shall utilize such fund to pay the real estate taxes against the Property, until such time as each Unit is separately assessed. See the Section entitled "Unit Closing Costs and Adjustments" in Part I of this Plan for further discussion.

The By-Laws provide that the Board is entitled to execute and deliver documents necessary in connection with proceedings to obtain reduced real estate tax assessments with respect Unit Owners, for the benefit and on behalf of (i) all Unit Owners, or (ii) for individual Unit Owners, provided that each such Unit Owner indemnifies the Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

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

A Unit Owner will own his or her Unit and its appurtenant Common Elements in fee simple absolute and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Unit Owner owns his or her Unit in fee simple absolute, he or she may mortgage his or her Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

As fully set forth in the tax opinion of Seiden & Schein, P.C. counsel to the Sponsor, found in Part I of this Plan (the "Tax Opinion"), under present law, a Unit Owner will, for Federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid or accrued under Sections 163 and 164.* These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Tax Opinion. These deductions may also affect an individual Unit Owner's liability for the alternative minimum Federal income tax. Each individual Unit Owner will, for New York State and New York City income tax purposes, be entitled to similar deductions for the mortgage interest and real estate taxes paid or accrued during the taxable year. Such deductions may also affect his or her New York City minimum tax liability.

Once the Building is converted to condominium ownership, the affairs of the Condominium will be governed by a Condominium Board. Common Charges will be borne by all Unit Owners and assessed and collected by the Condominium Board. Under present law, the exact tax status of the Condominium Board is uncertain and no opinion has been rendered with respect to it. The Federal income tax consequences to the Condominium Board with respect to the receipt of the Common Charges and of the expenditure of Condominium funds will depend on whether the Condominium Board:

(i) is treated as a conduit,

(ii) qualifies and elects to be taxed under Section 528, or

(iii) is treated as a corporation.

If the Condominium Board is treated as a conduit, it will not be subject to tax. Rather, items of income, expenses, credits and deductions will be attributed to each Unit Owner in proportion to his Common Charges. Thus, for example, interest earned on funds reported by the Condominium Board would be taxed to the Unit Owners. There appear to be no judicial precedents directly supporting such treatment, and the position of the Internal Revenue Service (the "Service"), which is described more fully below, appears to be that a condominium management association is an association taxable as a corporation.

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* All section references are to the Internal Revenue Code of 1986 (the "Code") unless otherwise indicated.

If it satisfies the requirements of Section 528, the Condominium Board may elect to be exempt from Federal income tax on the Common Charges. Generally, those requirements are:

(i) The condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance, and care of association property;

(ii) Sixty percent (60%) or more of the gross income of the condominium management association must consist of assessments from residential unit owners ("Exempt Function Income");

(iii) Ninety percent (90%) of the expenditures of the condominium management association must be for the acquisition, construction, management, maintenance, and care of the condominium management association's property;

(iv) No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the condominium management association's property or by rebates of excess assessments; and

(v) Substantially all of the units must be used as residences.

Under the Treasury regulations issued pursuant to Section 528, a condominium management association must qualify annually for the election under Section 528, and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of Section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue. It appears that the aforementioned requirements will be met for a Section 528 election for at least the first year of operation.

A condominium management association meeting the requirements of Section 528 and electing to be exempt from Federal income tax on Exempt Function Income would be taxable at a rate of 30% on the amount by which its other income exceeds the amount of allowable deductions that are directly connected with the production of such income. Such an association, however, would not be allowed certain deductions that are available to corporations that are not taxable under Section 528.

If the Condominium Board either cannot qualify or chooses not to elect the benefits of Section 528, certain published rulings of the Service implicitly state that a condominium management association will be treated as an association taxable as a corporation. Consequently, unless a valid election pursuant to Section 528 has been made, it appears that the Condominium Board would be taxable on that portion of the Common Charges which exceeds the deductible expenses paid or incurred by the Condominium Board for the operation of the Condominium property. The Condominium would also be taxable on income derived from the interim investment of the Common Charges, on income from nonresidential leases of Common Elements, and on income from the operation of facilities that are available to outsiders, net of deductible expenses related to the production of such income.

If the Condominium is treated as a corporation for Federal income tax purposes, the Condominium Board might still contend that a portion of the Common Charges that it receives should not be included in its gross income. For example, published rulings of the Service indicate that assessments collected by a condominium management association and expressly designated for use for specified capital improvements that are owned in common, and which are not commingled with funds collected for operating expenses or as contingency reserves, should not be included in the gross income of a condominium management association. No part of such an assessment may, however, be expended by the condominium management association for the benefit of an individual owner.

In addition, in connection with assessments for ordinary operating expenses, such as the Common Charges, a condominium management association may not have any taxable income if the expenses of the condominium management association with respect to managing, operating, and replacing the common elements of the Condominium either equal the assessment or any excess amount is annually returned to unit owners or applied to the next year's assessment. Based on the facts in existence at the present time, it appears that the Condominium Board is unlikely to have a substantial amount of income other than the Common Charges.

If Section 528 is not applicable, moreover, the Service has noted that a condominium management association may be eligible for the tax treatment afforded to certain cooperatives under Subchapter T of the Code. However, there is very little guidance with respect to the applicability of these provisions to an association managing residential condominium units since generally only farming cooperatives avail themselves of these provisions.

If the Condominium Board makes additional assessments to cover the amounts of any Federal, New York State, or New York City tax liability incurred, such additional assessments may also be taxable to the Condominium.

The foregoing summary is for informational purposes only and Sponsor's counsel expresses no opinion with respect to the likelihood of which method of taxation will be applied to the Condominium.

IRS Circular 230 Disclosure: In May 2005 the U.S. Treasury Department amended the regulations known as "Circular 230," which, among other things, set forth rules and standards with respect to the rendering of Federal tax advice. In general, the amended rules require such Federal tax advice to include a certain level of detail and discussion and to satisfy certain other requirements, unless the advice meets certain exceptions or is accompanied by a disclosure of certain limitations of the advice. In compliance with Circular 230, the following disclosure sets forth these limitations. Specifically, taxpayers are hereby informed that (i) this Offering Plan was not intended or written to be used, and it cannot be used, by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer by the IRS; (ii) this Offering Plan was written to support the promotion or marketing of the transactions(s) or matter(s) addressed in this Offering Plan; (iii) the taxpayer should seek advice based on taxpayer's particular circumstances from an independent tax adviser.

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COUNSEL'S TAX OPINION LETTER

August 28, 2015

181 Avenue A, LLC
c/o Steiner NYC
15 Washington Avenue
Brooklyn Navy Yard
Brooklyn, New York 11205

RE: Condominium Offering Plan ("the Plan") for
438 East 12th, New York, New York

Gentlemen:

You have requested our opinion concerning (i) the availability of certain deductions for Federal, New York State and New York City income tax purposes (but not for purposes of the New York City earnings tax on nonresidents) to persons who purchase Units for private residential use ("Unit Owners") under the Plan and (ii) the proper treatment by the Condominium Board for such income tax purposes of the Common Charges paid or borne by all Unit Owners. Except where otherwise indicated herein, the terms used in this opinion have the same meanings as in the Plan.

In this connection, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1986 ("Code"), the New York State Tax Law, the New York City Administrative Code, the Regulations promulgated thereunder and such other materials as we deemed relevant, and we have assumed that the first closing under the Plan will occur in 2018.

I. Deductions for Mortgage Interest and Real Estate Taxes

A Unit Owner will own his Unit and its Appurtenant Interest in the Common Elements in fee simple absolute. Accordingly, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will be individually liable for the payment of such real estate taxes. A Unit Owner, per terms of the Offering Plan, may also mortgage such Unit(s) and become individually liable for the payment of any finance charges or interest on such mortgage indebtedness.

In our opinion, a non-corporate Unit Owner who itemizes his deductions will be entitled to a deduction in computing his taxable income for Federal income tax purposes for bona fide mortgage interest incurred with respect to his Unit in the year paid or accrued provided that, up to the aggregate amount of $1,000,000.00 for all qualifying mortgages on all qualifying Units, A) the mortgage does not exceed the lesser of (i) the Owner's original basis in his Unit plus the cost of improvements, if any, or (ii) the fair market value of the Unit and B) his Unit is a "qualified residence." A Unit will be a "qualified residence" if it is either (i) the Owner's "principal residence" as that term is defined by Section 1034 or (ii) a residence as defined by Section 280A(d)(1) and the Owner selects it as a qualified residence. Thus, a single taxpayer or a married couple filing a joint return may have two, and only two, qualified residences. In the case of a married couple filing separate returns, each taxpayer may take into account a single "qualified residence," unless by written agreement they consent to one of them taking into account a principal residence and one other residence. Under Section 461(g) of the Code, no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than points paid in certain cases).

In our opinion, a Unit Owner whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Unit in the year paid or accrued under Section 164 of the Code.

It is also our opinion that each Unit Owner whose Unit is used in an active profession and/or trade or business, other than the rental of such Unit, in which the Unit Owner materially participates, will, for Federal income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Unit in the year paid or accrued under Section 164 of the Code.

Other rules are applicable to a Unit Owner if the Unit is to be used in a trade or business or is to be held for rental. In these cases, the Tax Reform Act of 1986 will have broad impact, and no opinion is offered as to the consequences to such a Unit Owner.

It is also our opinion that each Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid or accrued during the taxable year. Section 615 of the New York State Tax Law.

It should be noted, however, that the benefit of a Unit Owner's deductions for interest and real estate taxes may be reduced if the Unit Owner is subject to the Federal alternative minimum tax, or the State or City minimum taxes (Section 55 of the Code; Sections 615 and 622 of the New York State Tax Law; Sections 11-1715 and 11-1722 of the New York City Code). In addition, it should be noted that state and local taxes, including real estate taxes, are not deductible for purposes of calculating an individual's federal alternative minimum taxable income, and that interest with respect to a "qualified

residence" is generally deductible only to the extent incurred in acquiring, constructing or rehabilitating a "qualified residence" or in refinancing, without an increase in the principal amount thereof, such an indebtedness; the difference in the treatment of these and other items, for federal alternative minimum tax purposes may result in a taxpayer becoming subject to such tax even though he has no items of tax preference.

It should be noted that our opinion as to the availability of deductions to a Unit Owner with respect to mortgage interest and real estate taxes in connection with his or her Unit used in an active profession and/or trade or business, other than the rental of such unit, is based on the assumption that such owner will have "at risk," within the meaning of Section 465 of the Code, in such profession, trade or business, an amount equal to, or in excess of his losses in connection with said profession, trade or business, including such deduction.

II. Common Charges

Common Charges will be borne by the Unit Owners and assessed and collected by the Board of Managers ("Condominium Board").

Under Section 528 some Condominium Boards may be eligible to be exempt from tax on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met. Generally, these requirements are:

(i) The condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance and care of association property;

(ii) Sixty percent or more of the gross income of the condominium management association must consist of assessments from residential unit owners ("Exempt Function Income");

(iii) Ninety percent of the expenditures of the condominium management association must be for the acquisition, construction, management, maintenance, and care of the condominium management association's property;

(iv) No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the condominium management association's property or by rebates of excess assessments; and

(v) Substantially all of the units must be used as residences.

Under the Treasury regulations issued pursuant to Section 528, a condominium management association must qualify annually for the election under Section 528, and

additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of Section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue.

It appears, based upon your representations to us, that the requirements will be met as the Offering Plan is currently structured. With respect to requirement (v) above "Substantially all" is interpreted in Treasury Regulation 1.528-4(b) as meaning at least 85% of the total square footage of all units in the project. Since more than 85% of the total square footage of the units in the project will be used as residences, the "Substantially all" requirement is met.

Assuming the Condominium Board is eligible to make a Section 528 election, it would still be subject to tax on any income not received as assessments or other such payment from Unit Owners; thus, if the Condominium Board realized interest income from funds on deposit, such interest may be taxable to it.

If an election under Section 528 is not in effect for the taxable year, the tax status of the Condominium Board will be governed by the rules in effect prior to the enactment of Section 528 ("existing law").

Under existing law, the tax status of the Condominium Board is uncertain. The Bylaws provide that the Condominium Board will act as the agent of the Unit Owners. Thus, the Condominium Board may take the position that it is simply a conduit for receipts and payments of the Unit Owners for whom it acts as agent and not a separate entity. In such case, the Unit Owners would themselves be taxable on any interest or similar income which is earned from investments of the amounts which are assessed and collected from the Unit Owners and/or held as reserve funds.

However, the Internal Revenue Service may contend that for purposes of those matters administered through the Condominium Board, such as the assessment and expenditure of Common Charges, the Unit Owners through the Condominium Board, constitute an association taxable as a corporation. In such event, such association may be deemed subject to the Federal corporate income tax (and also to New York State and New York City corporate income taxes) on the portion of the Common Charges which is deemed to constitute gross income of such association, to the extent that such portion (together with any income earned from other sources, such as interim investments of funds by such association) exceeds the current expenses paid or incurred through the Condominium Board which are deductible for Federal income tax purposes.

In this connection, published rulings indicate that Common Charges which are assessed by the Condominium Board and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to such Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from whom the assessments were collected (Revenue Ruling 75-370, 1975 - 2 Cumulative Bulletin 25), or because the

assessed Common Charges are deemed to be nontaxable contributions to the capital of the association (Revenue Ruling 75-371, 1975 - 2 Cumulative Bulletin 52, *cf.* Concord Village, Inc., 65 T.C. 142 (1975)). However, if treated as contributions to the capital of the association, it should be noted that when such amounts (together with any other funds accumulated by the association) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the Unit Owners, and that each Unit Owner should therefore be treated as receiving a distribution equal to the fair market value of that benefit; under the usual rules applicable to distributions of associations, a distribution is first treated as taxable ordinary income to the extent of the distributee's proportionate share of the association's earnings and profits, then as a tax-free recovery of basis to the extent thereof, and the balance, if any, as capital gain.

In this connection, it should be noted that if the Condominium Board is determined to be a separate taxable entity for federal income tax purposes, it is possible that the limitations of Section 277 may be found to apply. If this were the case, the Condominium Board's income from sources other than Unit Owners, if any, could not be offset by the Condominium Board's expenses incurred in the provision of services to Unit Owners. It is unclear how interest or other income earned on the investment of a required reserve fund would be treated for this purpose; if such income were treated as not derived from the Unit Owners in consideration of services rendered them by the Condominium Board, then such income may not be reduced by the Condominium Board's operating expenses with respect to the property and may result in a liability for taxes.

In the event that the Condominium Board is required to pay any Federal, New York State or New York City income tax and the Condominium Board makes an additional assessment in order to meet this tax liability, it should be noted that the additional amount collected through such assessment may itself be subject to tax (*see* Old Colony Trust Co. v. Commission, 279 U.S. 716 (1929); Revenue Ruling 74-75, 1974 - 1 Cumulative Bulletin 19; Revenue Ruling 86-14 I.R.B. 1986-5, 33).

We express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or as to any tax status of the Plan of a Unit under the laws of any other U.S. or foreign jurisdiction.

Thus, this opinion does not deal with tax consequences which may result from ownership of a Unit in connection with the Unit Owner's trade or business, other than set forth herein, or for purposes of investment or the production of income, or which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not deal with the tax consequences which may arise if Units or Limited Common Elements are acquired and/or leased by the Condominium Board. It is also to be noted that under certain circumstances an owner of any Unit, by virtue of such ownership, may be deemed to become a resident of New York City and that this opinion does not deal with the circumstances under which this may occur, or with the income, estate or other tax

consequences that may arise therefrom. Thus, each person contemplating the purchase of a Unit is strongly advised to consult his own tax advisor as to all such tax matters (as well as with respect to the tax matters discussed in this opinion).

In our opinion, Unit Owners will be entitled to income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or rulings of the Internal Revenue Service on which counsel relied which cause Unit Owners not to be entitled to income tax deductions.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan.

IRS Circular 230 Disclosure: In May 2005 the U.S. Treasury Department amended the regulations known as "Circular 230," which, among other things, set forth rules and standards with respect to the rendering of Federal tax advice. In general, the amended rules require such Federal tax advice to include a certain level of detail and discussion and to satisfy certain other requirements, unless the advice meets certain exceptions or is accompanied by a disclosure of certain limitations of the advice. In compliance with Circular 230, the following disclosure sets forth these limitations. Specifically, taxpayers are hereby informed that (i) this Offering Plan was not intended or written to be used, and it cannot be used, by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer by the IRS; (ii) this Offering Plan was written to support the promotion or marketing of the transactions(s) or matter(s) addressed in this Offering Plan; (iii) the taxpayer should seek advice based on taxpayer's particular circumstances from an independent tax adviser.

Very truly yours,
SEIDEN & SCHEIN, P.C.

By: Alvin Schein

RESERVE FUND

Sponsor has budgeted in Schedule B for a reserve fund. Such funds are intended to be used for periodic maintenance, repair and replacement of the Common Elements, in accordance with the By-laws.

WORKING CAPITAL FUND AND APPORTIONMENTS

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

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

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

(2) deposits with utility companies, if any, and fees for assignable permits and licenses, if any;

(3) charges for electricity and other utilities for the Common Elements and the Limited Common Elements;

(4) cost of fuel on hand (plus sales tax), if any;

(5) charges and receipts in connection with service, maintenance and concession contracts;

(6) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);

(7) cost of Building supplies on hand at Sponsor's cost (including sales tax);

(8) premiums for transferable insurance policies; if any;

(9) management fees; and

(10) other customary adjustments.

If any of the foregoing items to be apportioned cannot be adjusted at the First Unit Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the First Unit Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as herein otherwise expressly provided, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters herein mentioned.

The Working Capital Fund will be held and used for working capital, or such other appropriate purposes as will be determined by the Board and may be augmented by allocations from the monthly Common Charges collected from each Unit. While Sponsor controls the Board (see the Section entitled "Control By Sponsor" in Part I of this Plan), the Working Capital Fund will not be used to reduce estimated Common Charges attributable to Unsold Units.

The Board will be able to utilize the money in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Common Charges or Common Charges attributable to Unsold Units.

In the event that capital expenditures for renewal or replacement of Building components or systems or to remedy major building defects are needed, it may be necessary to increase Common Charges or make special assessments payable by Unit Owners who are responsible for the repair and replacement of the Common Element in need of such renewal, replacement or remedy. Alternatively, the Board may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the By-Laws and subject, in certain instances, to Unit Owner approval. In addition, pursuant to the By-Laws each Board is entitled to determine amounts for a reserve for replacements in establishing the annual budgets.

When the Condominium initially commences operation, it may be necessary for the Sponsor to advance funds for the purchase of certain equipment, tools and other essential items and/or to pre-pay certain expenses such as, but not limited to, insurance. In the event that Sponsor advances any monies for the initial operation of the Condominium, the Sponsor shall be reimbursed by the Condominium within twelve (12) months of the first day of Condominium operation pursuant to a note that will be signed by both Sponsor and the Board of Managers. As of the Filing Date, it is not possible to estimate the amount of the note. If the Condominium does not have sufficient funds to timely reimburse Sponsor, it may be necessary to impose a special assessment on each Unit Owner.

NO REPRESENTATION OR WARRANTY IS MADE THAT THE WORKING CAPITAL FUND WILL BE, OR IS INTENDED TO BE, ADEQUATE TO COVER CURRENT OR FUTURE EXPENSES, FOR THE FIRST OR ANY SUBSEQUENT YEAR OF CONDOMINIUM OPERATION. NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

MANAGEMENT AGREEMENT

At the First Closing, Sponsor will assign, and the Condominium Board will assume, the Management Agreement for the Condominium between Sponsor and FirstService Residential ("Managing Agent"), having an office at 622 Third Avenue, 15th Floor, New York, New York 10017 ("Management Agreement"). Sponsor may, in the alternative, have the Condominium Board enter into the Management Agreement directly with Managing Agent.

The Management Agreement will provide for an initial term of one (1) year commencing on the date of the First Closing ("Commencement Date"). Thereafter, the Management Agreement will continue on a year-to-year basis with a 4% fee increase per year, but may be cancelled by either party without cause, upon not less than 60 day's prior written notice.

Managing Agent will receive an annual fee, payable in equal monthly installments during the initial term of the Management Agreement of $50,000 per annum. The management fee is comparable to the rate for similar services in comparable buildings. In addition, for services rendered to Residential Unit Owners (other than Sponsor), in connection with processing applications to (i) sell, lease or otherwise transfer Residential Units and obtaining necessary waivers of the right of first refusal by the Condominium Board, (ii) mortgage or refinance of an existing mortgage on a Residential Unit and (iii) alter or renovate a Residential Unit, Managing Agent shall receive a fee from the Residential Unit Owner in such amounts as shall be determined, time to time, by the Condominium Board.

The duties and services to be rendered by Managing Agent include, among others:

(1) billing and collecting Common Charges.

(2) causing the Common Elements to be maintained, repaired and altered in the manner deemed advisable by the Condominium Board.

(3) contracting for necessary services and repairs and purchasing all supplies necessary to properly maintain and operate the Building and its Common Elements.

(4) checking all bills received in connection with the maintenance and operation of the Common Elements and causing all such bills and other expenses to be paid.

(5) supervising, hiring, discharging and paying employees necessary for the proper maintenance and operation of the Building.

(6) rendering monthly statements of receipts and disbursements to Sponsor or other designated entity, upon request.

(7) maintaining payroll records and filing withholding tax statements for employees.

(8) maintaining accurate sets of books for the Condominium Board.

(9) cooperating with the Condominium Board's accountants in preparing and submitting annually to the Condominium Board an operating budget of the anticipated income and expenses for the ensuing year.

(10) attending meetings of the Condominium Board and Unit Owners, and preparing agendas and sending notices relating to such meetings.

(11) causing to be obtained and maintained insurance for the Condominium in amounts deemed advisable by the Condominium Board.

(12) processing applications of Unit Owners for permission to alter the Residential Units.

(13) processing applications for waivers of the right of first refusal.

(14) generally, doing all things deemed reasonably necessary or desirable by the Condominium Board for the proper management of the Building.

Managing Agent, at the expense of the Condominium, will be insured during the term of the Management Agreement under a fidelity insurance policy in favor of the Condominium for any loss resulting from fraudulent or dishonest acts committed by Managing Agent, its directors, officers or employees.

The Management Agreement provides that the Condominium Board shall indemnify Managing Agent with respect to claims in connection with Managing Agent's carrying out the provisions of the Management Agreement or acting under the express or implied directions of the Condominium Board, unless arising from the gross negligence, bad faith or willful misconduct of Managing Agent in carrying out its duties.

Sponsor reserves the right during the Sponsor Control Period to designate any other reputable managing agent to perform all of the duties and services to be performed by Managing Agent under the Plan and if Sponsor does so, Sponsor will cause such other managing agent to accept employment on terms substantially similar to the terms specified above

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

IDENTITY OF PARTIES

Sponsor

The Sponsor of the Offering Plan is 181 Avenue A, LLC, a New York limited liability company having an office at c/o Steiner NYC, 15 Washington Avenue, Brooklyn Navy Yard, Brooklyn, New York 11205. According to New York State Department of State records, 181 Avenue A, LLC was formed on or about May 10, 2012.

Sponsor's principals are Douglas C. Steiner and David S. Steiner. 181 Avenue A, LLC has not been the sponsor or a principal of the sponsor of any other cooperative or condominium conversion plan within the last five (5) years.

200 Laurel Associates, L.L.C. is the sole member of Sponsor. 200 Laurel Associates, L.L.C. has not been the sponsor or a principal of the sponsor of any other cooperative or condominium conversion plan within the last five (5) years.

Douglas C. Steiner has been involved in the following condominium offerings within the last five (5) years.

NAME	ADDRESS	YEAR OF FILING
58 Metropolitan Condominium	58 Metropolitan Avenue Brooklyn, New York	2008
80 Metropolitan Condominium	80 Metropolitan Avenue Brooklyn, New York	2007

David S. Steiner has not been involved in any condominium or cooperative offerings within the last five (5) years.

Douglas C. Steiner has worked for Steiner NYC LLC and its predecessor entities for over 30 years, personally developing, leasing and managing millions of square feet of commercial property. He is also Chairman of Steiner Studios, New York's first Hollywood-style film and television production facility, comprised of 580,000 square feet on 50 acres inside the historic Brooklyn Navy Yard. Mr. Steiner led the fight to re-establish New York's position as a world-class entertainment production center; he spearheaded the creation of the New York State Film Production Credit and each of its four renewals and expansions. Mr. Steiner serves on the New York City Regional Economic Development Council by appointment of Governor Cuomo, has served on panels for Crain's New York Business and the New York City Office of the Mayor, and is the recipient of awards from the Brooklyn International Film Festival as well as numerous New York political organizations. The Brooklyn Borough President has decreed by official proclamation that November 10, 2005 is "Douglas Steiner Day." Mr. Steiner has a Bachelor of Arts in English from Stanford University, where he was Editor-in-Chief of the Stanford Chaparral, and was awarded an honorary Ph.D. by Brooklyn College. He serves on the boards of

BRIC Arts Media Brooklyn, the Downtown Brooklyn Partnership, and the Open Space Alliance for North Brooklyn.

David S. Steiner has a long and distinguished history as a real estate developer, with over 60 years of experience in the industry. Mr. Steiner is a founder of the National Association of Industrial and Office Parks ("NAIOP"), serving as National President for two consecutive terms. He was named Developer of the Year in 1990 by NAIOP. Mr. Steiner is highly active in public service. He currently serves as a member of the Board of Commissioners of the Port Authority of New York and New Jersey. He has been affiliated with the following organizations: State of New Jersey Economic Development Council; State of New Jersey Commerce Commission; and the Tri-State Regional Planning Commission. He has also served as the National President of the American Israel Public Affairs Committee, which is the primary voice for Israel supporters in United States politics. After graduating with a Bachelor of Science in Civil Engineering from the Carnegie Institute of Technology (now Carnegie Mellon University), Mr. Steiner served for two years with the U.S. Army Corps of Engineers during the Korean War. As a First Lieutenant, Company Commander, he was responsible for road, bridge, and building construction. Mr. Steiner received an honorary Ph.D. from Carnegie Mellon University in 2011.

Managing Agent

Sponsor intends for First Service Residential New York Inc., a New York corporation, having an office at 622 Third Avenue, New York, New York 10017 (the "Managing Agent") to be the managing agent for the Building. The Managing Agent has been engaged in the development ownership, operation and management of New York City multifamily residential properties for over twenty-five years.

There have been no prior felony convictions of the Managing Agent, or any principals of the Managing Agent; and no prior convictions, injunctions and judgments against the Managing Agent, or any principals of the Managing Agent.

A list of properties which have been managed by the Managing Agent include: The Plaza Condominium, 306 West 48th Street, 8 Spruce Street (NY by Gehry), 28 East 10th Street, 141 East 88th Street, Morton Square Condominium, 225 Fifth Avenue Condominium, Greenwich Club Condominium and 515 East 72nd Street Condominium. The Managing Agent manages over 500 properties, 70,000 units, made up of rental, cooperative and condominium ownership. Additional information concerning the Managing Agent's management portfolio can be furnished upon request.

Architect

Sponsor has retained S9, an affiliate of Perkins Eastman Architects, PC, having an office at 115 Fifth Avenue, New York, New York 10003 to prepare the Description of Property and Specifications, located in Part II of the Plan. The principal of S9 Navid Maqami. Sponsor's architect has no financial relationship, past or present, to the Property or to the Sponsor, except in its capacity as architect and is being paid a fee for its services.

Counsel to Sponsor

The Sponsor has retained the law firm of Seiden & Schein, P.C., 570 Lexington Avenue, New York, New York, 10022 (Tel. # (212) 935-1400) to represent it in the preparation and consummation of the Offering Plan. The principal attorney who is responsible for this matter is Alvin Schein, Esq. This firm drafted the Declaration, the By-Laws, this Plan, the form of Purchase Agreement, the form of Unit Deed and all other documents necessary in connection with the formation of the Condominium, and is advising the Sponsor in connection with all legal matters incidental thereto. No separate counsel has been retained to represent the Condominium. It is suggested and expected that each Purchaser will consult and be represented by his own counsel in connection with this Plan.

Seiden & Schein, P.C. has no financial relationship, past or present, in the Property or to the Sponsor, except that it is being paid a fee for its services.

Selling Agent

The Sponsor has retained Douglas Elliman Real Estate, having its principal office at 575 Madison Avenue, New York, New York 10022, as Selling Agent for this Offering Plan. Douglas Elliman Real Estate has no financial relationship, past or present, to the Building or the Sponsor, except that it shall be paid a fee for its services.

REPORTS TO UNIT OWNERS

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

(a) the financial statement of the Condominium prepared by a certified public accountant or public accountant by March 15th of each calendar year for the prior fiscal year; such statement shall be certified while the Sponsor is in control of the Board of Managers;

(b) a prior notice of the annual Unit Owner's meeting; and

(c) a copy of the proposed annual budget, if any, of the Condominium within ten (10) days, prior to the date set for adoption thereof by the Board of Managers. While the Sponsor is in control of the Board of Managers such budget shall be certified.

DOCUMENTS ON FILE

Copies of this Plan and all exhibits or documents referred to herein shall be available for inspection for no charge, and for copying at reasonable charge, by prospective Purchasers and by any person who shall have purchased a Unit offered under this Plan, or shall have participated in the offering of such Unit, at the office of Sponsor during convenient weekday hours, and shall remain available for such inspection for a period of six years from the date of the First Unit Closing. Sponsor shall, within 180 days after the First Unit Closing, deliver to the Condominium Board a copy of all documents filed with the appropriate recording office. The Plan may also be borrowed by a prospective Purchaser from the Sponsor upon payment of a one hundred dollar ($100.00) deposit, which amount will be fully refunded upon the execution of a Purchase Agreement that has been subsequently accepted by Sponsor or upon return of the Plan in good condition.

GENERAL

This Plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. This Plan does not contain a full summary of all the provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents and, in the case of any such documents executed by or with the written consent of a Purchaser pursuant to this Plan, any rider or separate agreement changing or adding provisions to such document.

As of the Filing Date, there were no lawsuits or other legal proceedings pending or any judgments outstanding that could materially affect this offering, the Purchasers of Units, the Property, the Condominium or the operation thereof, or the Sponsor's capacity to perform all its obligations under the Plan.

To the best of Sponsor's knowledge, the Property has not been the subject of any prior public offering. As of the acceptance date of this Offering, Sponsor has not entered into any preliminary binding agreements and has not collected any money from prospective Purchasers for the sale of Units in the Building. The Sponsor has previously tested the market pursuant to Cooperative Policy Statement No. 1.

In accordance with the provisions of the laws of the State and City of New York, neither Sponsor nor any Selling Agent engaged by Sponsor will discriminate against any person because of gender, sexual orientation, race, creed, color, national origin, ancestry, disability, marital status, age, religion or other ground proscribed by law in the sale of Units offered by Sponsor pursuant to this Plan, or in the leasing of any such Units or any other portion of the Building.

Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers or prospective Purchasers, without obtaining the consent of Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided (such as in case of an uncured default), nor unilaterally change the purchase price or the payment terms contained in such Purchase Agreement. All substantive or material revisions to the offering will be contained in a duly filed amendment to this Plan. In the case of a material revision adversely affecting the rights, obligations or liabilities of then existing Purchasers or reducing the undertakings or obligations of Sponsor, such Purchasers will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreements by written notice to Sponsor and be refunded their deposits paid thereunder, with any interest earned thereon. However, as to a Purchaser who first became an interim tenant of the Building after the acceptance date of this Plan pursuant to a Purchase Agreement, such rescission will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Unit within thirty (30) days thereafter.

All statements and representations made in this Plan with respect to items prepared by others such as the Section entitled "Sponsor's Statement of Building Condition" in Part I of this

Plan and the Floor Plans of the Building, have been made in reliance upon the respective firms and their authority as experts.

As of the date that this Offering Plan has been accepted for filing by the New York State Department of Law, no contracts or agreements were entered into and no deposits or advances of funds for the purchase of any Units were accepted by Sponsor.

Unless the context otherwise requires, words used in the singular in Part I of this Plan include the plural and vice versa, and a reference to any one gender, masculine, feminine, or neuter, includes the other two.

No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. The Plan may not be changed or modified orally.

Sponsor is not reserving the right to add floor area to the Building, except as is necessary to complete the Units being offered hereunder.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the Architect's Description of Property and Specifications set forth in Part II of this Plan. Sponsor represents that, to the best of its knowledge, the Description of Property and Specifications set forth in Part II of this Plan, prepared by S9, and affiliate of Perkins Eastman Architects, PC, registered architects in the State of New York, accurately states the description of the Property and its specifications, as it will be built upon the plans that it has examined.

Part II

FORM OF

PURCHASE AGREEMENT

438 EAST 12th STREET CONDOMINIUM
PURCHASE AGREEMENT
438 EAST 12TH STREET, NEW YORK, NEW YORK

CONTRACT DATE: _____

RESIDENTIAL UNIT NUMBER: _____ PERCENTAGE OF GENERAL COMMON INTEREST: _____%

PARKING UNIT NUMBER: _____ PERCENTAGE OF GENERAL COMMON INTEREST: _____%

STORAGE BIN NUMBER: _____

PURCHASER(S) NAME(S):

(1) _____ (2) _____

PURCHASER(S) MAILING ADDRESS(ES):

(1) _____ (2) _____

_____ _____

BROKER (IF ANY): _____

PURCHASER'S ATTORNEY: _____

ADDRESS OF PURCHASER'S ATTORNEY: _____

_____

TELEPHONE: (____) _____ - _____ FAX: (____) _____ - _____

PURCHASE PRICE FOR RESIDENTIAL UNIT: $_____

PURCHASE PRICE FOR STORAGE BIN (OPTIONAL): $_____

PURCHASE PRICE FOR PARKING UNIT (OPTIONAL): $_____

TOTAL PURCHASE PRICE: $_____

10% INITIAL DOWN PAYMENT FOR RESIDENTIAL UNIT: $_____
("INITIAL RESIDENTIAL UNIT DOWN PAYMENT")

5% ADDITIONAL DOWN PAYMENT FOR RESIDENTIAL UNIT: $_____
("ADDITIONAL RESIDENTIAL UNIT DOWN PAYMENT")

10% INITIAL DOWN PAYMENT FOR STORAGE BIN: $_____
("INITIAL STORAGE BIN DOWN PAYMENT")

5% ADDITIONAL DOWN PAYMENT FOR STORAGE BIN: $_____
("ADDITIONAL STORAGE BIN DOWN PAYMENT")

10% INITIAL DOWN PAYMENT FOR PARKING UNIT: $_____
("INITIAL PARKING UNIT DOWN PAYMENT")

5% ADDITIONAL DOWN PAYMENT FOR PARKING UNIT
("ADDITIONAL PARKING UNIT DOWN PAYMENT") $_____

BALANCE DUE AT CLOSING: $_____

Statement of Seller

181 Avenue A, LLC, a New York limited liability company having an office at c/o Steiner NYC, 15 Washington Avenue, Brooklyn Navy Yard, Brooklyn, New York 11205. ("Seller"), has promulgated a Plan of Condominium Ownership for 438 East 12th Street Condominium, located at 438 East 12th Street, New York, New York (the "Plan") pursuant to which the land, the appurtenances and the Units (the "Units") located in the County, City, and State of New York, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

Statement of Purchaser

Purchaser acknowledges as follows:

A. Purchaser acknowledges having received and read the Plan and all amendments thereto, if any, filed with the Department of Law of the State of New York (the Plan, together with all such filed amendments, if any, are hereinafter collectively referred to as the "Offering Plan") at least three (3) business days prior to Purchaser's signing this Agreement. Purchaser understands that if Purchaser has not been afforded at least three (3) business days prior to Purchaser's signing this Agreement to receive and read the Offering Plan, then in such event, Purchaser shall have seven (7) days after delivering this Agreement together with the Down Payment to rescind this Agreement and have the Down Payment refunded promptly by either personally delivering a written notice of rescission to Seller or Selling Agent with the seven (7) day period or mailing the notice of rescission to Seller or the Selling Agent and having the mailing postmarked within the seven (7) day period. The Offering Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Offering Plan, the provisions of the Offering Plan will govern and be binding.

B. Purchaser has been given an opportunity to examine the architectural plans for the above numbered Unit and for the building in which it is located (the "Building").

C. The Offering Plan, which includes the Declaration to be made by the Seller which is to be recorded in the Office of the Register of the City of New York, County of New York, and the schedules, the By-Laws and Rules and Regulations attached thereto, are incorporated herein by reference and made part of this Purchase Agreement with the same force and effect as if fully set forth herein.

D. Purchaser is desirous of purchasing the above-numbered Unit(s), as designated in the Declaration and on the floor plans filed or to be filed in the aforesaid Register's Office, together with an undivided interest in the Common Elements appurtenant thereto as set forth in the Offering Plan (the above-numbered Unit(s) and the undivided interest being hereinafter collectively referred to herein as the "Unit").

Agreement Between Seller and Purchaser

For good and valuable consideration, receipt of which is hereby acknowledged, Seller and Purchaser mutually agree as follows:

1. **Payment for Unit(s) and Storage Bin.**

1.1 Seller hereby agrees to sell and convey, and Purchaser hereby agrees to purchase, the Residential Unit for the Purchase Price stated above. The Initial Residential Unit Down Payment stated above has been made on the signing of this Purchase Agreement, receipt of which by check subject to collection is hereby acknowledged by Seller. In the event that the Initial Residential Unit Down Payment check is dishonored, this Purchase Agreement shall be deemed to be terminated, and Seller shall have the right to pursue all rights and remedies available to it by law or equity.

1.2 **(STORAGE LICENSE--DELETE IF NOT APPLICABLE).** Pursuant to the terms set forth in the Storage License Agreement to be dated as of the Closing Date between the Residential Board of Managers and Purchaser, a form of which is attached hereto and made a part hereof as Exhibit A (the "Storage License"), Purchaser hereby agrees to license from the Residential Board of Managers the Storage Bins(s) for the License Fee(s) stated above. The Initial Storage License Fee Down Payment stated above has been made on the signing of this Purchase Agreement, receipt of which by check subject to collection is hereby acknowledged by Seller. In the event that the Initial Storage License Fee Down Payment check is dishonored, this Purchase Agreement shall be deemed to be terminated, and Seller shall have the right to pursue all rights and remedies available to it by law or equity.

1.3 **(PARKING UNIT--DELETE IF NOT APPLICABLE)** Seller hereby agrees to sell and convey, and Purchaser hereby agrees to purchase, the Parking Unit for the Purchase Price stated above. The Initial Parking Unit Down Payment stated above has been made on the signing of this Purchase Agreement, receipt of which by check subject to collection is hereby acknowledged by Seller. In the event that the Initial Parking Unit Down Payment check is dishonored, this Purchase Agreement shall be deemed to be terminated, and Seller shall have the right to pursue all rights and remedies available to it by law or equity.

1.4 The Initial Residential Unit Down Payment, the Initial Storage Unit Down Payment and the Initial Parking Unit Down Payment are referred to collectively as the "Initial Down Payments".

1.5 The Additional Residential Unit Down Payment and, if applicable, the Additional Storage Bin Down Payment and/or the Additional Parking Unit Down Payment (collectively, the "Additional Down Payments") shall be delivered to Seller's counsel, Seiden & Schein, P.C., as escrow agent, within 180 days after the Contract Date, **time being of the essence**. The Additional Residential Unit Down Payment or the Additional Down Payments, as the case may be, shall be payable by unendorsed certified or official bank check of Purchaser, drawn on a bank or trust company which is a member of the New York Clearing House Association (or any successor organization) to the order of Seiden & Schein, P.C., as Escrow Agent.

1.6 The Initial Down Payments and the Additional Down Payments are herein collectively referred to as the "Down Payment".

1.7 The Balance Due at Closing, as modified or adjusted by any rider to this Purchase Agreement, shall be payable at the Closing (as hereinafter defined in Paragraph 2) by unendorsed certified or official bank check of Purchaser, or Purchaser's lender, drawn on a bank or trust company which is a member of the New York Clearing House Association (or any successor organization) to the order of Seller or as otherwise directed by Seller.

2. Closing of Title.

2.1 The closing of title to the Unit (the "Closing") shall take place on no less than thirty (30) days prior written notice to Purchaser at such place as Seller may designate, at an hour and on a date (hereinafter called the "Closing Date") to be specified by Seller. If Seller consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay an extra fee to Seller's attorney as set forth in Paragraph 6 hereof. Seller shall have the right, from time to time, to adjourn the Closing Date on written notice to Purchaser. If adjourned, Seller shall fix a new date and time for the Closing and shall give Purchaser not less than five (5) days written notice of the newly scheduled Closing Date. In addition to any other rights Seller may have by reason of Purchaser's failure to timely close title when requested, Seller shall be reimbursed by Purchaser for the cost of any real estate taxes and Common Charges which Seller would not otherwise have had to pay if there had been no unauthorized delay in closing of title by Purchaser.

2.2 The Closing shall occur only after or concurrently with the prerequisites as set forth under the Section entitled "Terms of Sale" in Part I of the Offering Plan.

2.3 At the Closing, Seller shall deliver to Purchaser, or direct the delivery to Purchaser of, a bargain and sale deed, with covenant against grantor's acts, conveying the Unit to Purchaser, such deed to be substantially in the form contained in Part II of the Offering Plan, executed and acknowledged by Seller or as directed by Seller in form for recording.

2.4 **(DELETE IF NOT APPLICABLE)** At the Closing, Seller shall deliver to Purchaser a Storage License, which has been executed by the Residential Board of Managers, and Purchaser shall co-execute such Storage License at the Closing.

3. Power of Attorney to Board of Managers. At the Closing and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the power of attorney to the Board of Managers substantially in the form contained in Part II of the Offering Plan. Purchaser agrees to deliver such power of attorney to Seller or as directed by Seller at the closing of title for recording and to pay the recording fee.

4. Binding Effect of Declaration, Bylaws, Offering Plan, Rules and Regulations. Purchaser hereby agrees to be bound by the Declaration, the By-Laws, the Rules and Regulations, and the Offering Plan. The provisions of this Section 4 shall survive the Closing.

5. Condition of Title. Seller shall give and Purchaser accept such title to the Unit, as Commonwealth Land Title Insurance Company or any other reputable title insurance

company licensed to do business in the State of New York will be willing to insure in accordance with its standard form of title policy which has been approved by the New York State Insurance Department, in fee simple, without exceptions for any liens and encumbrances other than those set forth in the Offering Plan, specifically in Part I thereof in the section entitled "Terms of Sale," and any mortgages obtained by Purchaser.

Notwithstanding the above, the existence of unpaid taxes or liens and encumbrances of any kind at the time of Closing shall not constitute an objection to title, provided that Commonwealth Land Title Insurance Company, as agent, or another reputable title insurer licensed to do business in the State of New York shall be willing to insure against collection of same from the Unit herein described. The parties agree that Seller may pay and discharge any liens and encumbrances upon the Property, not provided for in the Offering Plan or this Purchase Agreement, out of the monies to be paid by Purchaser at the time of closing title.

6. **Expenses of Closing and Closing Adjustments.**

6.1 At Closing, Purchaser will pay the Closing costs and expenses referred to in the section of the Offering Plan (as same may be amended to date) titled "Unit Closing Costs and Adjustments," which costs and expenses include, but are not limited to, the amount of any credit for mortgage recording tax as set forth in such section, payment for title insurance, if Purchaser elects or is required by its lender to obtain same, recording fees for recording the Deed and Power of Attorney, New York City Real Property Transfer Tax, New York State Transfer Tax, transfer tax on Units which are $1,000,000.00 or more in price, Seller's attorney's fees for closing the Unit, and, if Purchaser obtains a mortgage loan, the costs associated with obtaining such mortgage loan. The legal fees of Seller's attorneys in the amount of $2,500.00, will be payable by Purchaser to Seiden & Schein, P.C., provided that an additional fee of $500.00 per Closing shall be due and payable for any Unit closing which occurs in a location other than in the office of Seller's attorneys. An additional sum of $350.00 shall be payable by Purchaser to Seller's attorneys for services rendered in connection with the review and clearing of title. An additional fee of $500.00 shall be due and payable to Seller's attorneys for any previously scheduled Unit Closing which is adjourned by Purchaser less than five (5) business days before such Unit Closing is scheduled to occur. A further fee of $500.00 shall be payable by Purchaser to Seller's attorneys for the work involved for each assignment of a Purchase Agreement that is permitted by Seller. Assignments are permitted only pursuant to the terms of the Offering Plan. Any fees payable to Seller's attorney by Purchaser will be paid by certified check or official bank check drawn on a bank or trust company which is which is a member of the New York Clearing House Association or any successor organization. At Closing, Purchaser will also pay to the Board of Managers a sum equal to two (2) months of Common Charges then in effect for the Unit being purchased as a contribution toward the Working Capital Fund of the Condominium.

6.2 Except as otherwise provided in this Purchase Agreement or in the Offering Plan, real estate taxes and Common Charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Offering Plan. Any such expenses or adjustments payable to Seller in excess of $500.00 will be paid by unendorsed certified check or official bank check drawn on a bank or

trust company which is a member of the New York Clearing House Association (or any successor organization). This paragraph shall survive the Closing.

6.3 If Seller obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on the Unit, Purchaser and Seller will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the Closing.

6.4 Any errors or omissions in computing apportionments at Closing shall be corrected and payment made to the proper party promptly after discovery. The provisions of this subsection shall survive the Closing.

7. **Purchase Agreement Subject to Mortgages**. Purchaser agrees that all terms and provisions of this Purchase Agreement are and shall be subject and subordinate to the lien of any mortgage(s) heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this Paragraph 7, however, as of the conclusion of the Closing the only mortgage(s) to which the Unit will be subject to a title exception will be the mortgage(s) obtained by Purchaser.

8. **No Mortgage Contingency**. THIS PURCHASE AGREEMENT IS NOT CONTINGENT UPON PURCHASER OBTAINING MORTGAGE FINANCING. UPON EXECUTING THIS PURCHASE AGREEMENT, PURCHASER SHALL BE OBLIGATED TO CLOSE TITLE WHETHER OR NOT PURCHASER OBTAINS A MORTGAGE.

9. **Default by Purchaser**. If Purchaser shall fail to pay any portion of the Purchase Price when due and close title on the date, hour and place specified by Seller pursuant to Paragraph 2 hereof, or shall fail to perform any of Purchaser's other obligations hereunder, Seller may send notice to Purchaser of Seller's intention to cancel this Purchase Agreement if such default shall not be cured within thirty (30) days from the mailing date of such notice. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THIS PURCHASE AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date of such written notice, Seller may (but shall not be obligated to) elect to cancel this Purchase Agreement by notice of cancellation to Purchaser sent after the cure period has expired. In the event that Seller shall elect so to cancel this Purchase Agreement, Seller shall certify to its attorneys, Seiden & Schein, P.C., that title has not closed because of Purchaser's default and that Seller has elected to cancel this Purchase Agreement by reason thereof, and Seiden & Schein, P.C., pursuant to Paragraph 16 hereunder, shall cause to have paid over to Seller, as liquidated damages, the Down Payment and the interest earned thereon (if any), and upon such payment being made, each of the parties hereto shall be relieved of any further liabilities or obligations

hereunder, except as to provisions in this Purchase Agreement which specifically survive the cancellation of this Purchase Agreement. If this Purchase Agreement shall be canceled by Seller pursuant to the provisions of this Paragraph 9, Seller may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. Seiden & Schein, P.C. may rely upon the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

10. **No Assignment**. Purchaser shall have no right to assign this Purchase Agreement without Seller's prior written consent, which consent may be withheld or denied by Seller for any reason or no reason. Any purported assignment of this Purchase Agreement in violation thereof shall be voidable at the option of Seller.

11. **Notices**. Any notice to be given hereunder shall be in writing and sent by registered or certified mail, a nationally recognized private courier (such as, but not limited to United Parcel Service), or personal delivery to Purchaser at the address given above with a copy to Purchaser's attorney (named on Page 1 of this Purchase Agreement) and to Seller at c/o Steiner NYC, 15 Washington Avenue, Brooklyn Navy Yard, New York 11205 (with copy to Seiden & Schein, P.C., 570 Lexington Avenue, New York, New York 10022, Attention: Alvin Schein, Esq.) or at such other address as either party may hereafter designate to the other in writing. The date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

12. **No Representation**. Except as herein or in the Offering Plan specifically set forth, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements of any nature, whether made by Seller, Seller's attorney or Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Building or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the Building services, the estimated Common Charges and expenses allocable to the Unit or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if any such estimate of Common Charges or expenses is incorrect, or any such income tax deduction is not permitted to Purchaser, or the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans and specifications for the Building is not accurate or correct, provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Building in accordance with the Offering Plan and that Purchaser will not be relieved from its obligations hereunder by reason of any minor inaccuracy or error. Further, Seller shall not be liable for any condition to the Unit or the Common Elements of the Building which is disclosed in the section of the Offering Plan entitled "Rights and Obligations of Sponsor". All of the provisions of the Offering Plan which disclaim or limit any liabilities, warranties, or other obligations of Seller are incorporated by reference into this Purchase Agreement.

13. Recording of Deed and Power of Attorney. At the Closing, Purchaser will deliver the executed deed received from Seller and executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the Register of the City of New York, County of New York. Such deed and power of attorney will be substantially in the forms for such documents which are set forth in the Offering Plan.

14. Binding Effect. This Purchase Agreement shall not be effective or binding on Seller until a counterpart hereof is executed by Seller and delivered to Purchaser. Subject to the provisions hereof, this Purchase Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

15. Purchase Agreement Subject to Offering Plan Becoming Effective; Seller's Right to Cancel. This Purchase Agreement is contingent upon the Offering Plan being declared effective. The Offering Plan may be abandoned by Seller at any time for any reason or no reason prior to its being declared effective, provided Purchase Agreements for not more than 80% of the Units have been fully executed, delivered, and accepted. If the Offering Plan is abandoned prior to becoming effective, this Purchase Agreement shall be deemed canceled, and the Offering Plan terminated, and Purchaser shall receive back, not later than twenty (20) days thereafter, in full, the Down Payment, plus any interest accrued thereon, and upon such repayment each party shall be relieved of any further liabilities and shall be released from all obligations hereunder and under the Offering Plan, except those liabilities and obligations that are herein expressly provided to survive the cancellation or termination of this Agreement.

16. Monies to be Held in Trust.

16.1 The law firm of Seiden & Schein, P.C., with an address at 570 Lexington Avenue, 14th Floor, New York, New York 10022, telephone number (212) 935-1400, shall serve as escrow agent (the "Escrow Agent") for Seller and Purchaser. Escrow Agent has designated Jay G. Seiden, Esq., Alvin Schein, Esq. and Adam A. Levenson, Esq. to serve as signatories on the "Escrow Account," as defined below. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Seller, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in the Escrow Account.

16.2 Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its courts for any cause of action arising out of this Purchase Agreement or otherwise concerning the release of the Deposit from Escrow.

16.3 The required Down Payment pursuant to this Purchase Agreement will be fifteen percent (15%) of the Purchase Price. All monies, including all deposits for special work ("Special Work Deposits"), the Down Payment, or advances, received by Seller (collectively, "Deposits") through its agents or employees pursuant to this Purchase Agreement either prior to or subsequent to the consummation of the Offering Plan will be deposited by Escrow Agent in a segregated, special escrow account or accounts titled "Seiden & Schein, P.C., Attorney Escrow Account", or similar name, with the name of Purchaser and Unit number added to the title of a sub-account with Bank of America, N.A. at its branch located at 900 Third Avenue, New York, New York (the "Escrow Account"). Such account or accounts shall be interest bearing if so

requested by Purchaser in accordance with Section 71-a(3) of the Lien Law. The Escrow Account is not an IOLA account. The Escrow Account is federally insured by the FDIC to the maximum amount of $250,000. Such $250,000 coverage includes, in the aggregate, the Down Payment, plus any and all other deposits that Purchaser has on account at Bank of America, N.A. Any Purchaser deposits at Bank of America, N.A. (including the Down Payment) which, in the aggregate, exceed $250,000 will not be insured by the FDIC. The Down Payment will be held in trust in accordance with the escrow and trust provisions of Sections 352(h) and 352-e(2-b) of the New York General Business Law, the terms and conditions of the Offering Plan, and the Regulations promulgated pursuant to said Section 352-e(2-b) by the Attorney General's Office. Down Payments, with any accumulated interest, shall remain the property of Purchaser, except as provided by law, and as provided herein. Any Federal 1099 forms or other tax forms required to be forwarded by Escrow Agent to recipients of interest will be mailed by Escrow Agent to Purchaser (or to the designated interest-earning recipient of Purchaser, if Purchaser comprises two or more parties).

16.4 All Deposits tendered by Purchaser shall be in the form of a check which identifies Purchaser, and is made payable by Purchaser to the order of Seiden & Schein, P.C., as Escrow Agent.

16.5 Within five (5) business days after this Purchase Agreement has been executed by Purchaser, Seller, and Escrow Agent, Escrow Agent shall place the Deposit into the Escrow Account. Within ten (10) business days after the Deposit has been placed into the Escrow Account, Escrow Agent shall send written notice to the Purchaser and Seller. The notice shall provide the account number and the initial interest rate to be earned on the Down Payment. Any Special Work Deposit shall be initially deposited into the Escrow Account, and released in accordance to the terms of this Purchase Agreement.

16.6 If Purchaser does not receive written notice of such deposit within fifteen (15) business days after tender of the executed Purchase Agreement and Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the executed Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York 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.

16.7 All Down Payments, but not Special Work Deposits made for upgrades, extras, or custom work received in connection with this 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 Seller, as per GBL § 352-h.

16.8 Under no circumstances shall Seller seek or accept release of the Down Payment of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law.

Consummation of the Plan does not relieve the Seller of its obligations pursuant to GBL §§ 352-e and 352-h.

16.9 The Escrow Agent shall release the Down Payment if so directed:

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

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

(c) by a final, non-appealable order or judgment of a court of competent jurisdiction; or

(d) pursuant to the terms of an award issued upon the completion of binding arbitration conducted in accordance with Paragraph 27 herein.

In the event that the Down Payment is to be released pursuant to an arbitration award pursuant to paragraph (d), above, Escrow Agent shall release such Down Payment no earlier than ninety (90) days after the delivery such award determination to Seller and Purchaser.

If the Escrow Agent is not directed to release the Down Payment pursuant to paragraphs (a) through (d) above, and the Escrow Agent receives a request by either party to release the Down Payment, then the Escrow Agent must give both the Purchaser and Seller prior written notice of not fewer than thirty (30) days after the expiration of the thirty (30) day default cure period (time being of the essence), as provided in Paragraph 9 hereof, before releasing the Down Payment (the "30 Day Escrow Notice"). If the Escrow Agent has not received notice of objection to the release of the Down Payment prior to the expiration of the 30 Day Escrow Notice, the Down Payment and shall be released to Seller as liquidated damages and the Escrow Agent shall provide further written notice to both parties informing them of said release. The disposition of the Special Work Deposit shall be determined in accordance with the rider to this Purchase Agreement [delete if there is no Special Work Deposit]. If the Escrow Agent receives a written notice from either party objecting to the release of the Down Payment within the thirty (30) day period pursuant to the 30 Day Escrow Notice, the Escrow Agent shall continue to hold the Down Payment until otherwise directed pursuant to paragraphs (a) through (d) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Down Payment contained in the Escrow Account with the New York County Clerk and shall give written notice to both parties of such deposit.

16.10 Seller shall not object to the release of the Down Payment 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.

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

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

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

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

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

16.16 Prior to release of the Down Payment, Escrow Agent's fees and disbursements shall neither be paid by Seller from the Down Payment nor deducted from the Down Payment by any financial institution under any circumstance.

16.17 In the event of an uncured default by Purchaser in its obligations under this Purchase Agreement, the Down Payment and all other monies deposited by Purchaser with Escrow Agent or Seller pursuant to this Purchase Agreement or any amendment thereto, plus all interest earned thereon, shall be paid over to Seller as liquidated damages; provided that Purchaser shall also be liable to Seller for the actual cost incurred by Seller for any special work in the Unit ordered by Purchaser, less any monies which were deposited by Purchaser on account of special work and either paid over to or retained by Seller as liquidated damages. Seller agrees not to seek the remedy of specific performance for the payment of the Balance of the Purchase Price in connection with this Purchase Agreement as to which there has been a default by Purchaser.

17. Equipment and Furnishings. Seller shall have no obligation to provide Purchaser with any fixtures, equipment, hardware, appliances and/or furnishings other than those which are specifically referred to in the Offering Plan to be provided to Purchaser with the Unit as part of the Purchase Price. Furnishings, equipment, appliances and/or decorations in any model unit or sales office not referred to in the Offering Plan are excluded from this sale unless

specifically included by a rider to this Purchase Agreement. The cost of any such items will be added to the Purchase Price of the Unit.

18. Acceptance of Condition of Unit; Risk of Loss.

18.1 The signing of this Purchase Agreement by Purchaser signifies Purchaser's acceptance of the condition of the Property, as represented by Seller in the Offering Plan, including the Building, the Common Elements, and the Unit and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein (hereinafter collectively called "Installations"). If Purchaser is signing this Purchase Agreement after the substantial completion of the Installations, Purchaser hereby agrees to accept the Installations in their respective existing conditions, ordinary wear and tear excepted between the date Purchaser signs this Purchase Agreement and delivery of the deed to Purchaser. Purchaser acknowledges having read the Section of the Offering Plan entitled "Description of Property and Specifications" set forth in Part II of the Offering Plan, which sets forth a description of the physical condition of the Building, and acknowledged having been given the opportunity to review the reports referred to in the Section of the Offering Plan entitled "Sponsor's Statement of Building Condition." Purchaser understands that Seller has no obligation to make any repairs, improvements or decorations in or to the Property, the Building, the Unit or the Installations, except as may otherwise be set forth in the Offering Plan. In connection therewith, Purchaser acknowledges having read the Section of the Offering Plan entitled "Rights and Obligations of Sponsor."

18.2 Prior to the Closing of title to the Unit, no Purchaser shall be permitted to enter the Unit without the prior consent of Seller. Purchaser shall have the right to enter and inspect such Unit on one (1) occasion prior to the Closing of title in the presence of a representative of Seller, but shall be obligated to make an inspection appointment with Seller. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the Closing of title thereto. Purchaser understands that the existence of any incomplete items of construction at Closing which do not materially affect the use and operation of the Unit shall not be grounds for Purchaser to adjourn the Closing or to refuse to pay the balance of the Purchase Price of such Purchaser's Unit and close title to Purchaser's Unit.

18.3 (a) Except as set forth below, the risk of loss from fire or other casualty with respect to the Unit shall remain with Seller until the Closing of title for the Unit. Seller, at its sole discretion, reserves the right either (i) to repair or restore such Unit, whereupon Purchaser shall be obligated to close title without an abatement in the Purchase Price and without any claim against Seller by reason of any damage to the Unit or the Building resulting from such fire or casualty, or (ii) to not repair or restore, or, having commenced any such repair or restoration, to thereafter elect not to complete such repairs or restoration, and, in either case (as to subparagraph (ii)), grant Purchaser the right to rescind this Purchase Agreement. If Purchaser does not exercise such right of rescission by written notice to Seller, within ten (10) days after Seller grants such right to Purchaser by written notice to Purchaser, then Purchaser shall be deemed to have irrevocably waived such right to rescind, and shall be obligated to close title to the Unit without any abatement of the Purchase Price and without any other claim against Seller by reason of any damage to the Unit or the Building by fire or other casualty. If Purchaser

timely elects to cancel this Purchase Agreement, Seller shall return Purchaser's Down Payment, plus all interest accrued thereon.

(b) Notwithstanding Section 18.3(a) above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the Closing of title (which Purchaser shall have no right to do without the prior consent of Seller, and which Seller may withhold in its sole and absolute discretion), then Purchaser shall bear the risk of loss or other casualty with respect to the Unit, except as otherwise provided in the Offering Plan. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Seller shall not be obligated to repair any damages to the Unit or his appliances, fixtures and equipment, except as otherwise provided in the Offering Plan. However, Purchaser does not assume the risk of loss to the Unit if the cause of such loss originated outside his Unit and did not result from the acts of Purchaser or the other occupants of the Unit or Purchaser's guests, invitees or workmen. If Purchaser is obligated to repair the damage in accordance with the foregoing, then his failure to repair the damage shall not excuse him from paying the balance due under this Purchase Agreement and accepting title to the Unit.

18.4 With respect to all risk of loss after an amendment substantiating the effectiveness of the Offering Plan has been filed, but prior to Closing, Seller is not obliged or liable to repair the damage or restore the Unit other than to repair damage or destruction from fire or other casualty to the Property in order to cure or comply with any work order from an insurer, or to cure or comply with a defect in title or hazardous or dangerous condition against the Property which did not exist on the date of acceptance of the Offering Plan. If Seller or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage (i) this Purchase Agreement shall continue in full force and effect, (ii) Purchaser will not have the right to reject title to the Unit or to receive a credit against, or abatement of, the Purchase Price, and (iii) Seller will be entitled to a reasonable period of time to complete (or to permit the Condominium Board to complete) such repairs or replacements. Purchaser will not be required to pay the balance of the Purchase Price unless and until (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty, and (ii) its essential services (such as gas, electricity and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss will belong entirely to Seller (subject to the rights, if any, of the Condominium Board or other Unit Owners under the provisions of the Declaration and By-Laws) and if such proceeds are paid to Purchaser, Purchaser will promptly, upon receipt, turn them over to Seller. The provisions of the preceding sentence will survive the Closing.

18.5 In the event that Seller is not obligated to restore or repair, and elects not to restore or repair, or, having commenced any such restoration or repair, elects not to complete such restoration or repair, as set forth above, and notifies Purchaser that it does not elect to repair or restore the Unit or complete any such repair or restoration that shall have commenced, or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's By-Laws, this Purchase Agreement will be deemed canceled and of no further force or effect and Purchaser shall be entitled to a return of the Down Payment (with interest, if any), whereupon the parties will be released and discharged from all obligations and liability hereunder and under the Offering Plan, except those liabilities and obligations that are herein

expressly provided to survive the cancellation or termination of this Purchase Agreement. However, if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Seller shall be entitled to receive and/or retain the Down Payment, and any interest accrued thereon, as liquidated damages.

18.6 **DELETE IF NOT APPLICABLE**: In the event that the Storage Bin is not substantially complete and available for use on the Closing Date, Purchaser shall be obligated to execute a Storage License, deliver the entire Balance Due at Closing to Seller, and close title to the Residential Unit. However, the Storage Bin Down Payment and the portion of the Balance Due at Closing attributed to the Storage Bin will be held in escrow by Escrow Agent until Seller has notified Purchaser, in writing, that the Storage Bin is substantially complete and available for use.

18.7 **DELETE IF NOT APPLICABLE**: In the event that the Parking Unit is not substantially complete and available for use on the Closing Date, Purchaser shall be obligated to deliver the entire Balance Due at Closing to Seller, and close title to the Parking Unit. However, the portion of the Down Payment that is attributable to the Parking Unit, and the portion of the Balance Due at Closing attributed to the Parking Unit, will be held in escrow by Escrow Agent until Seller has notified Purchaser, in writing, that the Parking Unit is substantially complete and available for use.

19. **Possession of Unit Prior to Closing**. Seller may, in its discretion, grant Purchaser possession of the Unit prior to Closing under an Interim Use and Occupancy Agreement. If Purchaser is or hereafter becomes a tenant of the Unit, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser, together with any interest thereon, within forty-five (45) days following the Closing, provided Purchaser is not in default under the Interim Use and Occupancy Agreement. If the Unit is occupied by a person other than Purchaser, then the unapplied security deposit (if any) of the tenant or occupant will be transferred at Closing to Purchaser, who will upon receipt, sign and deliver to Seller an agreement acknowledging the amount received, indemnifying Seller from all liability in connection therewith and agreeing to hold such security deposit in trust and to deposit same in an interest bearing bank account pursuant to the provisions of Section 7-103 of the New York General Obligations Law (such agreement to be in form and substance satisfactory to Seller). In either event, Seller will have the right to deduct from any tenant's security deposit the amount of any rent arrearage owing to Seller and to sue the tenant to the extent such security is insufficient.

20. **Limitation of Seller's Liability**. Seller's liability under this Purchase Agreement for failure to complete and/or deliver or have delivered title for any reasons whatsoever shall be limited to the return of the Down Payment deposited hereunder (with interest, if any), and upon the return of said Down Payment (and interest, if any), this Purchase Agreement shall be null and void and the parties hereto released from any and all liability hereunder and under the Offering Plan except those liabilities and obligations that are expressly provided to survive the cancellation or termination of this Purchase Agreement. In any event, Seller shall not be required to bring any action or proceeding or incur any expense to render the title to the Unit marketable or insurable, or to cure any objection to title.

21. Definitions.

21.1 The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers hereunder, in which case their obligations shall be deemed joint and several.

21.2 Except where otherwise herein defined, capitalized terms used herein shall have the same meanings as are ascribed thereto in the Offering Plan.

21.3 The "Contract Date" on page 1 of this Purchase Agreement shall be filled in by Seller only upon signing this Purchase Agreement by both Seller and Purchaser, and shall be the date that this Purchase Agreement is delivered to Purchaser or Purchaser's counsel, fully executed by all of the parties hereto.

22. Gender. The use of the masculine gender in this Purchase Agreement shall be deemed to refer to the feminine gender or to an entity whenever the context so requires.

23. Other Agreements. This Purchase Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them, and no oral representations or statements shall be considered a part hereof.

24. Amendment of Purchase Agreement. This Purchase Agreement may not be amended, altered or discharged except by agreement in writing signed by the party sought to be charged therewith or by his, her or its duly authorized agent.

25. Brokerage. Purchaser represents and warrants to Seller that Purchaser did not negotiate with any broker for the purchase of the Unit other than the Selling Agent and the Broker named on Page 1 of this Purchase Agreement. Purchaser and Seller each agree to indemnify and hold each other harmless from any and all liabilities arising from claims made against them for commissions by any broker other than the above-named on account of each other's act or the acts of each other's representatives. Seller shall pay the commission of the above named broker(s) pursuant to a separate agreement. The provisions of this Paragraph shall survive the Closing or the cancellation of this Purchase Agreement.

26. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the law of the State of New York.

27. Jury Waiver. Purchaser hereby waives trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with this Purchase Agreement or the relationship of the parties as Purchaser and Seller, or the right of Purchaser to any statutory relief or remedy. Purchaser, on behalf of Purchaser and all permanent residents of the Unit(s), including minor children, hereby agrees that any and all disputes with Seller, Seller's parent company or its subsidiaries or affiliates arising out of the Unit(s), this Purchase Agreement, any other agreements, communications or dealings involving Purchaser, or the construction or condition of the Unit(s) including, but not limited to, disputes concerning breach of contract, express and implied warranties, personal injuries and/or illness, mold-related claims, representations and/or omissions by Seller, on-site and off-site conditions and all other torts and statutory causes of action ("Claims") shall be resolved by binding arbitration in New

York County in accordance with the rules and procedures of Arbitration of the American Arbitration Association or its successor or an equivalent organization mutually agreed upon by the parties. The arbitrator will be neutral and independent of both the Sponsor and its principals. In addition, Purchaser agrees that Purchaser may not initiate any arbitration proceeding for any Claim(s) unless and until Purchaser has first given Seller specific written notice of each claim (at c/o Steiner NYC, 15 Washington Avenue, Brooklyn Navy Yard, New York 11205, Attn: Warranty Dispute Resolution) and given Seller a reasonable opportunity after such notice to cure any default, including the repair of the Unit(s), in accordance with the Offering Plan. The provisions of this paragraph shall be governed by the provisions of the Federal Arbitration Act, 9 U.S.C. §1, et seq. and shall survive settlement.

Arbitration is a less formal method of resolving disputes than litigation in a court, and arbitration has certain limitations, as compared to litigation in court. Such limitations include, but are not limited to, (i) giving up the right to bring a legal action against one another in court, except as may be provided by the rules of the arbitration forum in which a claim is filed; (ii) limiting the ability of the parties to obtain documents and perform discovery; (iii) arbitrators may not have to explain the reasons for their award; (iv) a notice of pendency may not be filed against a property based on ongoing arbitration proceedings.

As with litigation, certain time limits are imposed for bringing a claim in litigation.

Arbitration awards are generally binding and, therefore, a party's ability to have a court reverse an arbitration award is limited (see New York Civil Practice Law and Rules §7511). PURCHASER SHALL BE OBLIGATED TO REIMBURSE SPONSOR FOR ANY LEGAL FEES AND DISBURSEMENTS INCURRED BY SPONSOR IN DEFENDING SPONSOR'S RIGHTS AND ENFORCING PURCHASER'S OBLIGATIONS UNDER THIS PURCHASE AGREEMENT.

For further information about arbitration, please visit www.adr.org.

The provisions of this paragraph 27 shall survive the closing of title or the cancellation of this Purchase Agreement.

28. Acceptance by Seller. THE SUBMISSION OF THIS PURCHASE AGREEMENT SHALL NOT BE DEEMED TO CONSTITUTE AN OFFER TO SELL, OR AN OPTION TO PURCHASE, AND THIS PURCHASE AGREEMENT SHALL NOT BE BINDING UPON SELLER UNLESS AND UNTIL IT IS EXECUTED AND DELIVERED BY BOTH PURCHASER AND SELLER AND, IN SUCH EVENT, SUBJECT TO ALL THE TERMS AND CONDITIONS HEREOF.

29. Transfer Tax Return. At Closing, Purchaser will duly complete and sign before a Notary Public the Real Property Transfer Tax Return required to be filed with the City of New York and the appropriate New York State Real Estate Transfer Tax Return and Credit Line Mortgage Certificate (NYS form TP-584 or its successor) required to be filed with the New York County Register's office. These transfer tax returns shall be delivered at Closing to the representative of Purchaser's title insurance company (or, if none, to Seller's attorney) for filing

with the proper governmental offices. Purchaser shall also execute and deliver to Seller a W-8 or W-9 Internal Revenue Service form upon signing this Purchase Agreement.

30. Survival. The Closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance by Seller with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom.

31. Conflict with Offering Plan. Any conflict between the Offering Plan and this Purchase Agreement will be resolved in favor of the Offering Plan.

32. Foreign Investment in Real Property Tax Act. Pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA), upon disposition of a United States real property interest by a foreign person on or after January 1, 1985, the purchaser of such real property interest must deduct and withhold a tax equal to ten percent (10%) of the purchase price unless the seller furnishes a certificate that it is not a foreign entity or individual. Seller will furnish to Purchaser a non-foreign certification at closing, thereby complying with FIRPTA and relieving Purchaser from any withholding obligations.

33. Prohibition Against Advertising. Prior to Closing, Purchaser shall not 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 Seller's prior written consent.

34. Rules of Construction. There shall be no presumption against the draftsman of this Purchase Agreement or the Offering Plan.

35. Costs of Enforcing and Defending This Purchase Agreement. Purchaser shall be obligated to reimburse Seller for any legal fees and disbursements incurred by Seller in defending Seller's rights under this Purchase Agreement or, in the event Purchaser defaults under this Purchase Agreement beyond any applicable grace period, in canceling this Purchase Agreement or otherwise enforcing Purchaser's obligations or Seller's rights hereunder. This provision shall survive the Closing or the cancellation of this Purchase Agreement.

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

37. Performance by and Liability of Seller. Purchaser's acceptance of the deed for the Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Purchase Agreement, the Offering Plan, General Business Law §352-e, and applicable regulations thereunder, except those (if any) herein or therein expressly stated to survive delivery of such deed.

38. Partial Assignment of Mortgage. In the event that Purchaser applies for mortgage financing, and in the event that Seller has an outstanding mortgage loan ("Mortgage") at the time of Closing, Purchaser shall make a good faith effort to cooperate with Seller and

Seller's lender to facilitate a partial assignment of Seller's Mortgage to Purchaser, as more fully described in the "Unit Closing Costs and Adjustments" section of the Offering Plan.

39. Prohibited Purchaser and Prohibition Against Money Laundering.

39.1 Purchaser is not now, nor shall be at any time prior to or at the Unit Closing, a Person with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders or lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC"). Neither Purchaser nor any Person who owns an interest in Purchaser is now nor shall be at any time prior to or at the Unit Closing, a Person with whom a U.S. Person, including a "financial institution" as defined in 31 U.S.C. 5312 (a) (z), as periodically amended, is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by OFAC or otherwise.

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

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

IN WITNESS WHEREOF, Seller and Purchaser have executed this Purchase Agreement as of the Contract Date.

_____

PURCHASER:

DATE: _____

_____

PURCHASER
DATE: _____

ACCEPTED:

181 Avenue A, LLC

By:_____

DATE: _____

WITH RESPECT TO PARAGRAPH 16:

SEIDEN & SCHEIN, P.C.

By: _____

EXHIBIT A

FORM OF STORAGE BIN LICENSE AGREEMENT

THIS STORAGE BIN LICENSE AGREEMENT (this "Agreement") dated as of the ___ day of _____, 201_ by and between the Residential Board of Managers (the "Residential Board") of 438 East 12th Street Condominium having an office at 438 East 12th Street, New York, New York 10009 ("Licensor") and _____ having an address at _____, Unit __, New York, New York ('Licensee").

WHEREAS, 438 East 12th Street Condominium (the "Condominium") is governed by a certain Declaration of Condominium dated _____, 201_, recorded in the New York County Office of the Register of the City of New York on _____, 201_ under File No. (CRFN) _____, as the same has been or may be amended from time to time (the "Declaration"), the by-laws of the Condominium, as the same has been or may be amended from time to time (the "By-Laws") and the Residential Rules and Regulations of the Condominium, as the same has been or may be amended from time to time (the "Residential Rules and Regulations") (the Residential Rules and Regulations, the Declaration, the By-Laws are collectively referred to as the "Condominium Documents"); and

WHEREAS, in a portion of the _____ of the Condominium there are Residential Common Elements (the "Licensed Area") in which Storage Bins have been installed for use by permitted Unit Owners or lessees of permitted Unit Owners; and

WHEREAS, Licensee, owns or simultaneously herewith is acquiring title to a Unit in the Condominium; and

WHEREAS, Licensee desires the right to the exclusive use of Storage Bin # _____ (the "Designated Storage Bin"), subject to the terms of this Agreement and to the terms of the Condominium Documents;

NOW THEREFORE, in consideration of the sum of $10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Licensor hereby grants to Licensee, its successors and assigns, a license for the exclusive use of the Designated Storage Bin (the "License"), and Licensee hereby accepts such License from Licensor for a term commencing on the date hereof and terminating in ninety-nine (99) years from the date hereof.

2. The Designated Storage Bin shall used solely for the storage of personal effects of the Unit Owner, and in no event shall any food or other perishable item or any hazardous, flammable or explosive item be stored in the Designated Storage Bin, nor shall the Designated Storage Bin be used for the storage of any item if storage of such item in the Designated Storage Bin violates any applicable law, regulation, code or ordinance.

3. Licensee shall not (a) store any property in the Licensed Area, other than in the Designated Storage Bin; or (b) allow any other person to use the License, except in accordance with the terms hereof.

4. This License may be assigned by Licensee, at any time, provided, however, that (i) the assignee is a Unit Owner at the Condominium or a lessee of a Unit Owner at the Condominium, (ii) the assignee assumes the obligations hereunder substantially in the form annexed hereto as Exhibit 1, (iii) notification of the assignment is delivered in writing to the Residential Board in compliance with the Condominium Documents, as the same maybe modified from time to time, and any other requirements of the Residential Board, and (iv) no outstanding monies are owed to the Condominium by the Licensee and/or the assignee.

5. This License may be sub-licensed by Licensee, at any time, provided, however, that (i) the sub-licensee is a Unit Owner at the Condominium or a lessee of a Unit Owner at the Condominium, (ii) Licensee and sub-licensee shall be obligated to comply with the obligations stated herein, (iii) notification of the sub-license is delivered in writing to the Residential Board in compliance with its requirements, as the same maybe modified from time to time and the Residential Board consents to the sub-license, and (iv) no outstanding monies are owed to the Condominium by the Licensee and/or the sub-licensee.

6. This License shall automatically terminate at such time as the Licensee no longer owns or rents a Unit in the Condominium, unless this License is assigned to and assumed by another Unit Owner.

7. Prior to the sale of Licensee's Residential Unit, Licensee shall offer the Designated Storage Bin to the Residential Board on the same terms as provided for in Article 8 of the By-Laws.

8. Licensee represents that it has made a thorough inspection of the Licensed Area and agrees to take same in its "as is" condition as of the date of this Agreement. Licensee shall, throughout the term of this Agreement, take good care of the Designated Storage Bin. All maintenance, repairs and replacements to the Designated Storage Bin as well as the Licensed Area shall be performed by the Residential Board and the cost thereof shall be a Residential Common Expense, unless such repair or replacement is necessitated by the negligence, misuse, or abuse of a Licensee, in which case the entire cost and expense of such repair or replacement shall be borne by such Licensee. Licensee shall not hang signage of any kind on or from the Designated Storage Bin, paint or otherwise alter the Designated Storage Bin in any way without the written consent of the Residential Board.

9. Neither Licensor nor its respective agents or employees shall be liable for any theft or damage to any property stored in the Licensed Area and the Designated Storage Bin.

10. The terms of this Agreement are subject to the terms of the Condominium Documents. Nothing contained herein shall be construed as limiting the rights and obligations of the parties under the Condominium Documents. Any conflict between

the provisions of this Agreement and the Condominium Documents shall be resolved in favor of the Condominium Documents.

11. A. If Licensee defaults in its obligations hereunder or under the Condominium Documents, and does not cure such default within sixty (60) days of written notice of such default by the Residential Board, then the Residential Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the Designated Storage Bin until Licensee cures such default or (ii) terminate this Agreement upon written notice to Licensee.

B. In the event that this Agreement is terminated by the Residential Board in accordance with paragraph (11)(A) hereof, no portion of the license fee shall be refunded to Licensee.

12. The Residential Board or its agents shall have the right to open the Designated Storage Bin in an emergency at any time without notice, and, at other reasonable times upon prior notice to Licensee, to inspect and examine the Designated Storage Bin and to make such repairs, replacements and improvements as the Residential Board shall deem necessary.

13. This Agreement shall constitute a License only and shall not be construed under any circumstances to be a sale of the Designated Storage Bin or conveyance of title thereto. In no event shall a landlord/tenant relationship exist between the Licensor and the Licensee with respect to this Agreement.

14. Licensee shall indemnify and hold the Licensor and their respective officers, agents and employees, harmless from and against any and all liabilities, claims, penalties and judgments, together with any related costs and expenses, including reasonable legal fees, asserted against or sustained by any of them in connection with any act, omission, or negligence of Licensee or Licensee's family, servants, employees, agents, guests and invitees in connection with this License.

15. Licensee shall be obligated to reimburse the Licensor for any legal fees and disbursements incurred by the Licensor in defending the rights of the Licensor under this Agreement or, in the event Licensee defaults under this Agreement beyond the sixty (60) day grace period described in paragraph 11 hereof, enforcing Licensee's obligations hereunder.

16. Neither this Agreement nor any provision hereof may be waived, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, amendment, discharge or termination is sought and then only to the extent set forth in such instrument.

17. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Agreement, which alone fully and completely express their agreement and that this Agreement supersedes any and all such understandings and agreements with respect to the subject matter hereof.

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

19. Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

20. Any failure by the Licensor to insist upon strict performance by Licensee of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Licensor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Licensee of any and all of the provisions of this Agreement to be performed by Licensee.

21. All notices made pursuant to this Agreement shall be made in accordance with the Condominium Documents.

22. All terms not defined herein shall have the meaning ascribed to them in the Condominium Documents.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

LICENSOR:

Residential Board of Managers of
438 East 12th Street Condominium

By: _____
Name: _____
Its: _____

LICENSEE:

_____

EXHIBIT 1
TO FORM OF STORAGE BIN LICENSE AGREEMENT

ASSIGNMENT AND ASSUMPTION
OF STORAGE BIN LICENSE AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF STORAGE BIN LICENSE AGREEMENT (this "Assignment") made as of the _____ day of _____, _____ by and between _____ (hereinafter referred to as the "Assignor"), having an address at _____, New York _____ and _____ (hereinafter referred to as the "Assignee"), having an address at _____, New York _____.

WITNESSETH:

WHEREAS, Assignor executed that certain Storage Bin License Agreement dated as of the ___ day of _____, 201__ (the "Agreement") to have the exclusive right to use Storage Bin #__ located in the _____ of 438 East 12th Street Condominium, 438 East 12th Street, New York, New York, in accordance with the terms of the Condominium Offering Plan dated _____, 201_ (the "Plan"), as amended to date; and

WHEREAS, the Assignor desires to assign to the Assignee all of the Assignor's right, title and interest in and to the Agreement; and

WHEREAS, the Assignee desires to assume all of the obligations and responsibilities of the Assignor in and to the Agreement; and

WHEREAS, the parties hereto wish to set forth their agreements with respect to this Assignment.

NOW, THEREFORE, in consideration of the mutual promises herein contained, and other good and valuable consideration, the parties hereto agree as follows:

1. ASSIGNMENT: The Assignor hereby assigns to the Assignee, from and after the date hereof, all of the Assignor's right, title and interest in and to the Agreement, a copy of which is attached hereto and made a part hereof, for a purchase price of $_____.

2. ASSUMPTION: The Assignee hereby assumes all of the obligations, promises, covenants and responsibilities of the Assignor in and to the Agreement as if the Assignee had signed the Agreement originally as "Licensee."

3. AUTHORIZATION AND DIRECTION: The Assignor and the Assignee hereby authorize and direct the Condominium to have the books and records of the Condominium reflect that Assignee has the

exclusive right to use Storage Bin # ___.

4. EFFECTIVE DATE: This Assignment shall not be deemed effective unless and until signed by each of the parties hereto.

5. DEFINED TERMS: All terms not defined herein shall have the meanings ascribed to them in the Plan.

IN WITNESS WHEREOF, the Assignor and the Assignee have duly executed this Assignment and Assumption of Storage Bin License Agreement on the day and year first above written.

ASSIGNOR:	ASSIGNEE:
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____

POWER OF ATTORNEY

The undersigned, _____, residing at 438 East 12th Street, New York, New York 10009, being the Unit Owner of Unit No. _____ in the Condominium known as 438 East 12th Street Condominium (the "Condominium"), 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 dated _____, and recorded in the New York County office of the Register of the City of New York on _____ in CRFN _____ and on the Floor Plans on file in said office as Map No. _____, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of 438 East 12th Street Condominium, acting jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, 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 Unit Owner desires to abandon 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, the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Unit Owner desires to rent the same, at such price or on such rental, as the case may be, pursuant to the offer as required by the right of first refusal, and on such terms as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto) to 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, 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 majority of such persons shall constitute the acts of said attorneys-in-fact.

This Power of Attorney affects Condominium Unit No. __ in 438 East 12th Street Condominium, located at 438 East 12th Street, New York, New York, and identified on the Tax Map of the City of New York for New York County as Tax Lot ____ on Block 439.

The undersigned do(es) hereby nominate, constitute and appoint 181 Avenue A, LLC ("Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, the 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 with Article 17 of the Declaration or (2) shall be required by (a) an institutional lender procured by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the

undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) and the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as the Sponsor or Sponsor-designee(s) shall cease to own any Units in the Condominium.

The undersigned acknowledges that in addition to the foregoing Article 17 of the Declaration grants to the Sponsor, the Board of Managers and the Commercial Unit Owner certain self-operative rights that are hereby incorporated by reference into this Power of Attorney.

This Power of Attorney shall not revoke any prior Powers of Attorney executed by the principal(s).

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned have (has) executed this Power of Attorney this __ day of _____, 201_.

Principal(s):

_____

_____

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

POWER OF ATTORNEY

_____

as Unit Owner

Unit No. _____ in 438 East 12th Street Condominium

Tax Map Identification:

Tax Block 439
Lot 26
New York County

Record and Return to:

FORM OF

RESIDENTIAL UNIT DEED

UNIT DEED

THIS INDENTURE made the _____ day of _____, 201__, between **181 Avenue A, LLC**, a New York limited liability company, having an office at c/o Steiner NYC, 15 Washington Avenue, Brooklyn Navy Yard, Brooklyn, New York 11205 (the "Grantor"), and _____, residing at _____ (the "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 Building known as 438 East 12th Street, New York, New York, and also designated and described as Unit No. _____ in the Declaration comprising 438 East 12th Street Condominium (hereinafter called the "Property") made by the Grantor under the Condominium Act of the State of New York, as amended (Article 9-B of the Real Property Law of the State of New York), dated _____, 201__ , and recorded in the New York County Office of the Register of the City of New York, on the _____ day of _____, 201__, as CRFN_____ (hereinafter called the "Declaration"), which Unit is also designated on the Floor Plan of the Building, certified by _____, and filed in the said Office of the Register of the City of New York, County of New York as CRFN _____ (hereinafter called the "Unit").

The Unit is identified in the Declaration as Condominium Unit No. _____ in 438 East 12th Street Condominium, located at 438 East 12th Street, New York, New York, and is identified on the Tax Map of the City of New York for New York County as Tax Lot _____ in Block ___.

The Property is described as follows:

SEE SCHEDULE A

TOGETHER with Grantor's right title and interest, if any in and to any strips or gores adjoining the above described premises on any of the sides thereof.

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit.

TOGETHER with an undivided _____ percent interest in the common elements of the Property described in said Declaration (hereinafter called the "Common Elements").

TOGETHER with, and subject to, the rights, obligations, easements, restrictions, and other provision set forth in the Declaration of Condominium and the By-Laws, together with any amendments thereto, all of which shall constitute covenants with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein.

SUBJECT to any state of facts that a correct, up to date, survey of the Property would show;

SUBJECT to Sewer Agreements set forth in Liber 974 Cp 90, Liber 996, Cp 585 and Liber 173 Cp 178, Section 2;

SUBJECT to Covenants and Restrictions set forth in the indenture recorded on November 26, 2012 under CRFN 2012000462301;

SUBJECT to rights of tenants or persons in possession, if any;

SUBJECT to taxes, tax liens, tax sales, water charges, sewer rents, and assessments as set forth herein;

SUBJECT to all other matters affecting title to the Unit.

EXCEPT as otherwise specifically permitted by the Board of Managers of the Condominium or provided in the Declaration or in the By-Laws, the Unit is intended for residential use only.

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid.

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

The Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvements before using any part of the same for any other purpose.

The use for which the Unit is intended is as a residential dwelling, subject to applicable governmental regulations and such other restrictions as are set forth in the Declaration and Condominium By-Laws and Condominium Rules and Regulations.

The Grantee accepts and ratifies the provisions of the Declaration, the Condominium By-Laws, and the Condominium Rules and Regulations recorded simultaneously with and as part of the Declaration and, as long as Grantee shall hold title to the Unit, Grantee agrees to comply with all the terms and provisions thereof as the same may be amended from time to time by instruments recorded in the New York County Office of the City Register of New York.

The terms "Grantor" and "Grantee" shall be read as "Grantors" and "Grantees" whenever the sense of this deed so requires.

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

Grantor: **181 Avenue A, LLC**

By: _____

Grantee:

_____

_____

STATE OF NEW YORK)
COUNTY OF NEW YORK) s.s.:

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

STATE OF NEW YORK)
COUNTY OF NEW YORK) s.s.:

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(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
COUNTY OF NEW YORK) s.s.:

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(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

S9 an affiliate of
Perkins Eastman Architects DPC

12/21/2015

Adam Levenson
Seiden & Schein
570 Lexington Avenue, 14th Fl
New York, NY 10022

Re: Project Name: 438 East 12th Street Condo
Project Number: 53190
438 East 12th Street:Description of Property & Specifications or Bldg. Condition

1. Location and Use of Property:

   a. The property is located in Manhattan, occupying a portion of the block fronting Avenue A and East 12th Street and East 11th Street.

   b. Address: 438 East 12th Street, New York, NY 10009

   c. Tax Block: 439; Base Lot Number: 26

   d. Zoning District: R8B & R7A, Zoning Map: 12C

   e. Permissible Use:
      i. R8B Zoning Area- Proposed multi-dwelling Use Group 2 is permitted as-of-right.
      ii. R7A Zoning Area- Proposed multi-dwelling Use Group 2; Community Facility Use Group 4A; Proposed Retail Use Group 6 are permitted as-of-right.

   f. The property and proposed use will comply with all zoning and use requirements at closing.

2. Status of Construction:

   a. Anticipated Date of Substantial Completion: December 2017.
   b. Building Construction Classification: IB (noncombustible), fully Sprinklered.
   c. Certificate of Occupancy: A Permanent Certificate of Occupancy will be obtained upon completion of the work as filed under New Building Application #110190721-NB-2. A temporary Certificate of Occupancy shall be obtained prior to closing of the first residential unit.
   d. Alteration permit numbers and description of work: N/A

3. Site:

   a. Zoning Lot Area: Approximately 29,705 SF

   b. Number of Buildings and Use: There will be one building structure on the base lot. The First floor will contain two residential lobbies, the primary one facing 12th street and a secondary one facing 11th street, and (1) Commercial space

NORTH AMERICA
BOSTON, MA
CHARLOTTE, NC
CHICAGO, IL
LOS ANGELES, CA
NEW YORK, NY
PITTSBURGH, PA
SAN FRANCISCO, CA
STAMFORD, CT
TORONTO, ON
WASHINGTON, DC
SOUTH AMERICA
GUAYAQUIL, ECU
ASIA
MUMBAI, IND
SHANGHAI, PRC
MIDDLE EAST
DUBAI, UAE

S9 ARCHITECTURE AND ENGINEERING, PC
115 FIFTH AVENUE
NEW YORK, NY 10003
T. 212.353.7200
F. 212.353.7676

(divisible). The building shall be 6 floors plus a garden level, with 82 residential units and six (6) parking units.

c. Streets Owned or Maintained by the Project:
   i. Paving (material and condition): Existing roadbed and pavement along East 12nd Street, East 11th Street and Avenue A are in fair condition. These streets are paved with asphalt and are owned and maintained by the City of New York.
   ii. Curbing (material and condition): Existing curbs adjoining the site are in fair to good condition. All existing curbs will be replaced to meet NYC Department of Transportation standards as part of project sidewalk improvements along both frontages. The curbs shall be steel faced concrete curbs.
   iii. Catch basins and drainage (material and locations): Catch basins are located in the roadway bed fronting the project on East 12th Street, East 11th street and Avenue A. The catch basins in the roadway are maintained by NYC Department of Environmental Protection. A new area drain will be provided in recessed building entrance as per Builders Pavement Plan approved by the Department of Buildings on January 29, 2015 (D.O.B. Application # 121897803).
   iv. Street lighting (material, type, location, condition): There are 4 functional metal pole mounted streetlights located on the sidewalk adjoining the site. There is one on the E 12th Street side, one in the corner of E 12th street and Avenue A, one on Avenue A side, and one in the corner of E 11th street and Avenue A. The poles are in good condition and will remain undisturbed.

d. Drives, Sidewalks and Ramps:
   i. Paving (material and condition): Existing concrete sidewalks vary in condition from fair to good. All existing sidewalks will be replaced with new concrete sidewalks and pedestrian curb cuts and parking driveways meeting NYC Department of Transportation standard specifications as part of the improvements. The Condominium shall be responsible for maintaining the sidewalks per the requirements of DOT or AHJ.
   ii. Curbing (material and condition): Sidewalk curbing will be replaced as noted above (3)(c)(ii).
   iii. Catch basins and drainage (material and locations): The street drainage will be as described in Section (3)(c)(iii).
   iv. Street lighting (material, type, location, condition): The street lighting will be as described in Section (3)(c)(iv).
   v. All repairs and improvements to the existing concrete sidewalk including location of electrical vaults will be in accordance with the Builders Pavement Plan approved by the Department Of Buildings on January 29, 2015 (D.O.B. application # 121897803).

e. Environmental Restrictions: The property has a "little e" designation for noise (28 OITC). Lots 26, 27, 31, 33 and 34 have been designated with an "e" designation for Noise (E-216) as part of the November 19, 2008 East Village / Lower East Side Rezoning (CEQR # 07 DCP 078M). In order to satisfy the noise e designation requirements of achieving a window/wall of 28 dB(A) for residential spaces, all residential windows will consist of aluminum windows and curtain wall with 1-1/4" insulated glazing system with ¼" outer lite, ¾" air space, and ¼" inner lite, or approved equivalent, with a minimum OITC rating of 28. In order to meet the Alternative Means of Ventilation (AMV) requirement

within the residential units, trickle vents, Tilton models TV-695 and TV-425 will be installed in each residential living space.

4. Utilities:

   a. Utilities will enter the building below grade from East 11th Street.

   b. Electricity: Consolidated Edison Company, Inc. (Con Ed) will supply 128/208 volt, 3-phase, 4-wire electric service to the building. There will be one (1) main meter for the building loads, individual meters for every Condominium Unit arranged in meter banks, and six (6) individual meters for the commercial units. The electrical service will enter the main electrical room located in the amenity level on the south end of the building on East 11th Street via a Con Ed vault.

   c. Gas: Con Ed will supply gas service with one (1) twin set meter dedicated for Condominium Unit gas cooking ranges, one (1) meter for common gas dryers located in the Laundry Room, one (1) meter for PHE, and one (1) meter for the gas boilers. Gas usage will be sub-metered and charged separately to the commercial units based on consumption.

   d. Steam: There will be no steam service provided.

   e. Water: A new six-inch domestic service will enter the amenity level from the existing 12" New York City Department of Environmental Protection (DEP) water main in East 11th Street. The service will be read by a master water meter and will be sub-metered and charged separately to the commercial spaces based on consumption.

   f. Sewer: The building sanitary service and storm systems will connect to City of New York public combined sewer drainage system through two (2) 8-inch combined (storm and sewer) outflow pipes in accordance with the DEP to East 12th and East 11th Streets. The charges for sewer service provided to the building (including Condominium Units and in the common areas of the building) will be levied on the basis of a master city meter and borne by the Condominium Association as part of the common expense. For the Commercial Unit on the first floor, a 4" capped sanitary and a 2" capped vent connection is provided for future commercial tenants. Sewage usage will be sub-metered and charged separately to the commercial units based on consumption.

   g. Telephone: Telephone service will be available through wiring provided from a telephone company lock box on every residential floor to an S-One Fios cabinet located in every residential Condominium Unit. The Fios cabinet is provided by the telephone service provider for fiber optic cable connection from the S-One Fios cabinet. Copper connection will be provided to a structure wire cabinet (SWC) located in every residential Condominium Unit. There will be distribution wiring from SWC location to telephone jacks in various locations throughout the residential Condominium Unit. Every residential Condominium Unit Owner will be responsible for arranging final connections, obtaining a service account, maintaining wiring within the residential Condominium Unit, and for the cost of telephone use for their individual residential Condominium Unit.

   The telephone charges with respect to the public areas of the building (such as the lobby attendant, elevator alarm, fire alarm, etc.) will be borne by the Condominium Association as part of the common expense.

h. Cable Television: Cable Television service will be available to every residential Condominium Unit through wiring provided from a lock box on every residential floor to a SWC located within in residential Condominium Unit. Every residential Condominium Unit will have distribution wiring from that location to cable connectors in various locations within the residential Condominium Unit. Every residential Condominium Unit Owner will be responsible for arranging final connections, obtaining a service account, maintaining wiring within the residential Condominium Unit, and for the cost of cable television use for their individual residential Condominium Unit.

i. Data (Internet) Service: Every residential Condominium Unit will have distribution wiring designed for data transmission from the SWC to various locations in the residential Condominium Unit. Every residential Condominium Unit Owner will be responsible for arranging final connections, obtaining a service account, maintaining wiring with the residential Condominium Unit, and for the cost of operation and service use for their individual residential Condominium Unit.

5. Sub-soil Conditions:

a. A geotechnical report dated March 13, 2014, has been prepared by RA Consultants, LLC, presenting the results of investigations consisting of borings and test pits. The structural engineer has designed foundations that take into account the recommendations of these evaluations.

b. The soils report mentioned above indicates the presence of groundwater at depths approximately 10'7" below grade (approximately elevation +7'9"). Groundwater levels should be expected to vary with seasonal precipitation as well as with long term variations of the nearby East River and other unknown factors. The residential condominium s lab at garden level is located at elevation +10'3", above groundwater. The floor slab for the commercial basement and interior garden-level amenities and common areas are located at elevation +5'10", below groundwater. Preventative measures are being taken in the design of the support of excavation and foundations and subgrade waterproofing to protect from moisture infiltration. High-quality waterproofing membrane (Grace Pre-prufe or equal) will be installed below the foundation mat slab and on foundation walls. Perforated pipe, installed in crushed stone between the foundation mat slab and topping slab and directed to the building's sump pits, is designed to capture and divert groundwater.

c. The site is not within a FEMA flood zone.

6. Landscaping and Enclosures:

a. Plantings: Trees, shrubs, and other plantings will be provided in planters at the common courtyard at the garden level and roof deck. Garden level units A, B and C, Unit 2D, and Penthouse Units A, B, C, D, G and H will have walk-out terraces finished with concrete pavers, wood decking, and plants within planter boxes. Units 3F, 3J and 3K will have walk-out terraces finished with concrete pavers, wood decking, and/or synthetic turf and will have plants within planter boxes. Penthouse Units C, D, F and H will have private rooftop terraces accessed via private staircase. These terraces will be finished with concrete pavers, wood decking, and/or synthetic turf and will have plants, including shrubs, grasses,

ornamental trees, and/or flowering perennials, within planter boxes. Some planters will be equipped with drip irrigation.

b. Trees: There are four (4) existing trees to remain on the adjacent sidewalk – one (1) on East 11th Street, two (2) on Avenue A, and one (1) on East 12th Street. Two (2) new trees shall be planted; one (1) on East 11th Street and one (1) on Avenue A. The trees will be indigenous to the area and irrigation free.

c. Grass Cover: Synthetic grass will be provided in areas at the main roof common terrace, common courtyard, and on select private residential Condominium Unit terraces.

d. Fencing: 3'6" high dividers will be provided to separate private terraces located on the garden level, 3rd floor and main roof.

e. Gates: Wood and metal gates will be provided for egress at four (4) private terraces on the main roof.

f. Garden walls: No garden wall will be provided within the premises.

g. Retaining walls: No retaining walls will be provided within the premises.

h. Display pools and fountains: No display pools or fountains will be provided within the premises.

7. Building Size:

a. Total height:
   i. R8B Zoning Portion: The proposed building height is 74'-11" measured from the zoning base plane to the top of paver at main roof slab.
   ii. R7A Zoning Portion: The proposed building height is 79'-11" measured from the zoning base plane to the top of paver at main roof slab.

b. Crawl Spaces: No crawl spaces will be provided.

c. Number of sub-cellars and cellars: No sub cellar will be provided. One (1) amenity/garden level will be provided.

d. Number of floors: There is one (1) amenity/garden level and six (6) floors above grade, as defined under the Zoning Resolution.

e. Equipment rooms:
   i. Amenity level: One (1) Detention Tank, one (1) Secondary Water Tank, one (1) Electric Room, one (1) Gas Meter Room, one (1) Water Meter Room, one (1) Telephone Room, two (2) Compactor Rooms, one (1) Laundry Room, one (1) Retail Elevator Pump Room.
   ii. Lobby level: one (1) Electrical Room.
   iii. Second to 6th floors: One (1) Electrical Room per floor and two (2) Telephone/ Data Closets per floor.
   iv. Roof: One (1) Boiler Room; two (2) Elevator Control Rooms.

f. Parapet Heights: Cast-in-place parapets and/or terrace fences will be at least 3'-6" above finished roof.

8. Construction & Structural System:

   a. Structural System:
      i. The building is six stories. Its structural system consists of a conventional reinforced concrete flat plate floor system supported by concrete columns and shear walls. The building is laterally supported against wind and seismic loads by concrete shear walls.
      ii. The columns and foundation walls are supported on a mat foundation which consists of a 24" thick structural slab with a 6" thick topping slab with wire mesh reinforcement on 6" of gravel, except at the public terraces, which are 16" thick with topping slab and gravel, and the courtyard, which is 12" thick with no topping slab. The shear walls are supported on 36" thick mat foundations. The garden level is enclosed by 14" thick foundation walls below grade. These walls are laterally braced by the 1st floor slabs.
      iii. The floor slab thickness varies from floor to floor. The 1st and 2nd floor slabs consist of 8" and 10" thick slabs with an 18" transfer slab in the northwest corner. The 3rd floor slab is 8" thick. The 4th floor slab is a 16" thick transfer slab. The 5th floor slab is 8" thick. The 6th floor slab is a 12" transfer slab. The roof slab is 10" thick.
      iv. The specified concrete strength for the slabs and mat foundation is 7,000 PSI, except for the 18" transfer slabs, which are 8,000 PSI. The concrete strength for the foundation walls is 5,000 PSI. The concrete strength for the columns is 8,000 PSI up to the 5th floor and 6,000 PSI between the 5th floor and roof.

   b. Exterior of Building(s):
      i. Walls:
         1. Amenity and Garden Level Floors: Foundation wall are 14" thick cast-in-place reinforced concrete. Interior utility room walls will be 6" and 8" CMU with painted finish or with gypsum wall board furring.
         2. Lobby Floor through PH Floor: Exterior walls will be Brick cavity wall with 6" stud back up. The exterior wall assembly consists of 4" nominal brick with 1 5/8" air space, 2 1/8" XPS foam insulation and 5/8" dens glass over 6" cold formed metal framing. The interior face of the assembly to the residential units will be 5/8" painted gypsum wall board. The R value of the wall assembly will be R-22.58 (U-value of .044).
         3. The building will be inspected and file Local Law 11 reports based on the NYC Department of Building guidelines. The Condominium will be responsible for meeting Local Law 11 requirements.
      ii. Windows:
         1. All windows will be fully thermally broken painted aluminum with double layer insulated glass with a Low E coating. The windows will be operable with in-swing casement action. Glass doors will also be incorporated in the windows opening out to the terraces in some units in the Garden, 2nd, and 6th floors.
         2. There will be (4) lot line windows along the east lot line in Units 3A, 4A, 5A and 6A.

3. In accordance with Section 704.8 of the New York City Building Code, all proposed lot line windows are window openings permitted in lot line walls without regard to the separation distance with building walls on adjoining tax lots because such window openings are protected by fire sprinklers and do not exceed 10% of the area of the façade of the story in which they are located.
4. Window units will have a 5 year limited manufacturer's warranty. Window manufacturer shall be Sky line Windows or equivalent.
5. Storefront to be Hope's Windows, Inc. "Landmark 175" Series or the equivalent. Materials to be structural steel shapes, plates and bars, ASTM A36/A36M, hot rolled steel, steel primer and custom steel powder coated finish.
6. Window lintels to be made of steel.

iii. Landmark Status: Not applicable

c. Parapets and Copings: All parapets shall be poured concrete with brick with a formed metal coping with a minimum of 3'-6" height above the finished roof.

d. Chimneys and caps:
   i. Two (2) 10" double wall flues with interior material made from AL-29-4C will vent the combustion products from two (2) Laars RHEOS 2400 boilers. The flues will terminate approximately three (3) feet above the highest construction. All such heights are to be determined in accordance with NYC Department of Buildings regulations and are subject to change.
   ii. Bathroom and kitchen vents will be provided with utility type fan systems located on the Roof level.
   iii. There will be two (2) refuse chute vents terminating at 6'-8" above top of bulkhead roof slab.
   iv. Vents will be provided with a sheet metal cap in conformance with the New York City Department of Building requirements.

e. Balconies and Terraces:
   i. Select Condominium Units are provided with private terraces:
      1. Four (4) private terraces are provided in the garden level, for the exclusive use of Units G-A, G-B, and G-C and 2D respectively. A communal landscaped garden will also be provided in the amenity level for use by all residents.
      2. Three (3) private terraces are provided in the third floor facing the rear yard garden, for the exclusive use of Units 3F, 3K, and 3J respectively.
      3. Nine (9) private terraces are provided at the penthouse level for the exclusive use of Units PH-A, PH-B, PH-C, PH-D, PH-E, PH-G, and PH-H respectively.
      4. Four (4) private roof terraces are provided at the Roof level for the exclusive use of Units PH-C, PH-D, PH-F, and PH-H respectively. A communal Roof Terrace will also be provided for use by all residents.
      5. Units G-A, G-B, G-C, 3F, 3K, 3J, PH-A, PH-B, PH-E AND PH-G will have outdoor kitchens including gas grills, countertop, and cabinet/drawers.

6. Units PH-C, PH-D, PH-F and PH-H will have outdoor kitchens including gas grills, countertops, cabinet/drawers, trash and recycle station, and sink.

ii. Deck finish: Garden level units A, B and C, Unit 2D, and Penthouse Units A, B, C, D, G and H will have walk-out terraces finished with concrete pavers laid over the typical roof assembly. Units 3F, 3J and 3K will have walk-out terraces finished with concrete pavers, wood decking, and/or synthetic turf. Penthouse Units C, D, F and H will have private rooftop terraces accessed via private staircase. These terraces will be finished with concrete pavers, wood decking, and/or synthetic turf. The common terraces and garden at garden level and main roof common terrace shall be finished in a combination of pavers, crushed stone, synthetic turf and wood decking, laid over typical roof assembly.

iii. All roof and terraces are drained by means of internal leaders.

iv. Balustrades: None to be provided.

v. Guardrails: Metal (located at terraces).

vi. Copings: See above (8)(c).

vii. Soffits: At 1st floor doors to exterior there are soffits consisting of painted formed aluminum plate over vapor permeable air barrier, densglass, and foil back batt insulation.

viii. Terrace doors: Terrace doors will be painted aluminum with double layer insulated glass with a Low E coating and fully thermally broken. The doors will be operable with an out-swing casement action. Terrace doors will have a 5 year manufacturer's warranty.

f. Exterior Entrances: Two (2) residential entrances will be provided on East 11th and East 12th Street. Approximately five (5) commercial condo unit entrances shall be provided on E 11th Street and Avenue A. One (1) community facility unit entrance and one (1) residential service entrance shall be provided on Avenue A. All exterior entrances will be ADA compliant and free of tripped hazards.

i. Exterior doors and frames (other than Residential Lobby Entrance): Painted Aluminum Metal and Glass.

ii. Residential lobby entrance and entrance vestibule: Painted steel frames with tempered glass with an electronically actuated lock.

iii. Exterior stairs: No exterior stairs are required or will be provided in conjunction with residential entrances.

iv. Railings: No railings are required or will be provided in conjunction with residential entrances.

v. Mailboxes: US Postal Service approved mailboxes will be provided within the interior of the residential lobby. Mailboxes will be front loading, with a standard finish. Mailbox manufacturer to be Auth-Florence, or approved equal.

vi. Lighting: There will be ambient lighting at entrance canopy.

g. Service entrances: There is one (1) residential service entrance provided on Avenue A.

i. Doors and frames: Painted Aluminum Metal with rim exit device.

ii. Gates: None to be provided.

iii. Exterior stairs: No stairs are required or will be provided in conjunction with service entrances.

iv. Railings: No railings are required or will be provided in conjunction with service entrances.

h. Roof and roof structures:

i. Roof type: Cold-applied liquid system, Soprema Alsan RS230 or equivalent by one of the following: Kemper Systems Kemperol AC or Siplast Parapro System.
   1. Material: Liquid Applied Resinous Waterproofing Membrane.
   2. Insulation: Two (2) layers of 2" polystyrene Rigid Insulation (R-20).
   3. Surface finish: 2" pre-cast concrete pavers, synthetic turf, wood decking and/or gravel.
   4. Bond or guarantee: The roofing contractor will provide a NDL roofing warranty covering every component in the system.
   5. Flashing materials including counter flashing: Painted metal.

ii. Drains:
   1. Location, Material and type: There will be approximately one hundred twenty-two (122) roof drains, overflow drains, area drains, and terrace drains throughout the various levels of roof (garden level, 3rd, penthouse, and roof). All storm drainage shall be conveyed by drains to interior leaders via an independent storm drainage system for connection to a combined sanitary and storm hose sewer just before the sanitary house leaves the building. All storm leaders will collect and will flow by gravity. Drains are cast iron.
   2. Gutters and leaders: The residential and commercial entrance canopies shall have an integral metal gutter sloped to a drain and leader. The roof bulkheads shall have metal scuppers with leaders.

iii. Skylights: None to be provided.

iv. Bulkheads:
   1. Stairs: Constructed of cast-in-place concrete and C.M.U. walls with pre-cast concrete roof slab.
   2. Elevators: Constructed of cast-in-place concrete and C.M.U. walls with pre-cast concrete roof slab.
   3. Penthouse terrace stair bulkheads: Constructed of framed cement board sheathing with metal furring and metal and glass.

v. Metalwork at roof levels:
   1. Stairs: Two (2) metal stairs for mechanical roof access shall be provide at the Roof.
   2. Vertical Ladders: Seven (7) metal ships ladder with cage shall be provided at main roof to access bulkhead roof.
   3. Railings: Metal and/or glass, where provided, shall have a minimum of 3'-6" height above the finished roof.
   4. Hatches to roof: None to be provided.
   5. Other: Steel dunnage to support condensing units.
   6. Rooftop facilities: Common roof terraces will be provided for the residential units at the main roof. Private roof terraces will be provided for certain residential units at the roof level.

i. Fire escapes: No fire escapes exist or will be maintained on the premises.

j. Yards and Courts:

   i. One (1) rear yard shall be provided in the garden level. The rear yard has two (2) accessible doors located in the elevator lobby and corridor.

ii. Paving consists of a patchwork of materials including bonded aggregate paving, decorative river stone, and wood deck tiles.
iii. Rear yard has five (5) 6" area drains provided for adequate drainage.

k. Interior Stairs:
   i. Number of stairs of each type:
      1. Stairs 1-4 are two (2) pairs of scissor stairs (separately enclosed) provided in the building that serve floors Amenity through Roof. These stairs within the main circulation core provide four (4) means of egress out of the building. Only two (2) of these egress stairs continue to the Amenity Level.
      2. Within residential units, interior stairs are provided at penthouse units to access terraces at roof level and for circulation for Duplex units.
   ii. Enclosure:
      1. Stairs 1-4 will be enclosed within 2 hour rated gypsum wall partitions.
      2. Apartment interior stairs do not require rated enclosures and none are provided.
   iii. Stair construction:
      1. Stairs 1-4- poured in place concrete.
      2. Apartment interior stairs – wood
   iv. Stringers:
      1. Stairs 1-4 – none required.
      2. Apartment interior stairs – wood
   v. Treads:
      1. Stairs 1-4- poured in place concrete.
      2. Apartment interior stairs - wood.
   vi. Risers:
      1. Stairs 1-4- poured in place concrete
      2. Apartment interior stairs – wood.
   vii. Guardrails:
      1. Stairs 1-4 No guardrails will be required. Handrails will be of welded steel pipe construction for egress stairs.
      2. Apartment interior stairs – metal bar stock.
   viii. Balustrades: No balustrades will be provided on the premises.

l. Interior doors and frames:
   i. The apartment entrances shall be solid core wood with fire rated wood or metal frame. (1.5 hr. fire rated) and will meet New York City Building Code requirements. The apartment interior doors shall be solid core wood doors with wood frames.
   ii. Corridor doors and frames: Mechanical corridor doors and frames shall be hollow metal and shall be fire rated as required by Code.
   iii. Stair doors and frames: Stair hall doors and frames will be of same construction as noted for corridor doors and frames.
   iv. Roof and first floor service doors: Service doors and frames shall be hollow metal and shall be fire rated as required by Code. Roof doors opening on the exterior of the building will be of galvanized and painted steel and shall be fire rated as required by Code.

m. Elevators:

i. Number: Four (4) passenger elevators, PE-1, PE-2, PE-3, and PE-4, will serve the residential units of the building. One (1) hydraulic elevator, PE-5, will serve the Commercial unit.
ii. Manufacturer: Hollister Whitney Elevator Corporation or approved equal.
iii. Capacity:
    1. PE-1 and PE3: Passenger Elevator, 2,500 lbs. (16 people).
    2. PE-2 and PE4: Passenger Elevator, 2,000 lbs. (12 people).
    3. PE-5: Passenger Elevator, 2,500 lbs. (16 people)
iv. Operation:
    1. PE-1 and PE-3: Duplex Selective Collective
    2. PE-2 and PE-4: Duplex Selective Collective
    3. PE-5: Simplex Selective Collective
v. Controls: Variable Voltage variable frequency.
vi. Floors served:
    1. PE-1: Amenity, Lobby through PH Floor, Roof.
    2. PE-2: Amenity, Lobby through PH Floor.
    3. PE-3: Amenity, Lobby through PH Floor, Roof.
    4. PE-4: Amenity, Lobby through PH Floor.
    5. PE-5: Amenity and Lobby Floor.
vii. Type:
    1. PE-1, PE-2, PE-3, and PE-4 -Passenger machine-room-less (MRL) traction.
    2. PE-5: Holeless Hydraulic passenger
viii. Doors:
    1. PE-1, PE-2, PE-3, and PE-4: All doors will be single speed side opening type.
    2. PE-5: Single-speed center opening type.
ix. Machine room location:
    1. PE-1, PE-2, PE-3, PE-4: Machine-room-less elevators will be used. Traction machines will be located at the top of the shaft within the hoistway. Control rooms will be provided adjacent to elevator shaft at the roof level in both North and South buildings.
    2. PE-5: Elevator pump room in amenity level.
x. Motor: Gearless permanent magnet A C motors with integral drive.
xi. Motor generator set: No motor-generator sets will be used.
xii. Maintenance: One (1) year maintenance program included with complete protection and emergency callback service and repair.

n. Elevator cabs:
i. Type and Capacity:
    1. PE-1, 3: MRL Traction Passenger Elevators, 2500 lbs.
    2. PE-2 & PE-4: MRL Traction Passenger Elevators, 2000 lbs.
    3. PE-5: Hydraulic Elevator, 2500 lbs.
ii. Floor: Stone.
iii. Walls: Glass Panel and Wood Veneer.
iv. Ceiling: Wood Veneer.
v. Lighting: MR16 Halogen Lighting within ceiling.
vi. Alarm, Safety System: A self-powered emergency lighting system in the elevator car, consisting of light fixture(s), alarm bell and a power pack unit. The power pack will consist of nickel cadmium batteries and a charger mounted on top of car. The system shall have completely automatic operation when normal power is interrupted. A test button and indicator light will be provided in the car station service cabinet.

The unit will provide continuous illumination and mechanical ventilation for at least four (4) hours and one (1) hour alarm bell operation. The unit shall be automatically recharged when normal power is restored. Two (2) of the cab light fixtures will operate as the emergency light system. A 6" diameter alarm bell with a sound output of between 80-90 dBa shall be mounted on top of the elevator car. Activation of this bell shall be controlled by the ALARM button in the car operating station which shall illuminate when pressed. The above system shall comply with ASME A 17.1 2003 and local modifications in NYC Appendix K.

9. Auxiliary Facilities:

   a. Laundry Rooms:
      i. Location and number of rooms:
         1. A common laundry room with two (2) washers and two (2) dryers shall be provided at the Amenity Level in the building.
         2. Every residential unit shall be provided with one (1) washer and dryer within laundry closet.
      ii. Washers:
         1. Two (2) Maytag MHP30PR (or equivalent) commercial grade electric washers will be provided in the Amenity Level Laundry Room.
         2. Residential Washer (Garden – 6th Floors): Bosch Axxis (electric) with stacking kit (or equivalent).
         3. Residential Washer (PH units): Whirlpool WFW95HEDU (or equivalent)
      iii. Dryers:
         1. Two (2) Maytag MDG25PR (or equivalent) commercial grade electric coin operated gas dryers will be provided in the common Amenity Level Laundry Room.
         2. Residential Dryer (Garden – 6th Floors): Bosch Axxis ventless/electric (or equivalent).
         3. Residential Dryer (PH units): Whirlpool WGD95HEDU (or equivalent)
      iv. Dryer ventilation:
         1. The dryers in the common Garden Laundry Room on the will be vented via duct to the exterior.
         2. Residential dryers (Garden – 6th floors): non-vented.
         3. Residential dryers (PH units): vented via duct to roof level.
      v. Room ventilation:
         1. The Garden Laundry Room will be provided with mechanical ventilation through a utility fan located on the exterior wall in the first floor.
         2. None provided for laundry closets.

   b. Residential Refuse Disposal:
      i. Incinerators: No incinerators will be provided.
      ii. Compactors: Extruding type compactor provided. Base product is International Dynamics Crop Model XM-40 or approved equal. Volume capacity to be 28 cu. ft. per day. Garbage removal and placement on the street for pickup by the City of New York to be performed by building staff hired by the Board.
      iii. Approvals: The compaction system conforms to requirements of the New York City Building Code, and is subject to review by the New York

City Department of Buildings in conjunction with an application for a New Building Permit and Certificate of Occupancy.

iv. Storage location: Refuse will be stored in the compactor room and moved to curbside for removal on the day of pick-up by means of maintenance personnel.

v. Pick-up: Refuse will be removed at curbside per week as designated by New York City Department of Sanitation.

10. Plumbing and Drainage:

a. Approval of sanitary/storm water house connections to the city sewers in for connection to domestic water and fire service to the city water mains on East 12th and 11th Streets have been obtained from the New York City Department of Environmental Protection (DEP Approval No. 15056566).

b. Plumbing services are provided with mill wrap black steel pipe for gas service by Con Ed. One (1) 8" extra heavy cast iron pipe for house sewer and one (1) 6" ductile iron pressure pipe for domestic service and 6" ductile iron pressure pipe for fire protection are provided. All service is via East 11th Street.

c. Water Supply:

i. Potable water will be supplied via New York City public water system. A new 6" service from the existing 12" water main in the street is extended into the garden level water meter room with a main control valve. The water service is provided with a 6" approved water meter arrangement and a 6" backflow preventer. The domestic water supply then continues to a triplex house pump with one (1) pump standby. Two (2) pumps can operate simultaneously if required.

ii. The water piping system shall consist of type L copper tubing with 95-5 tin-antimony soldered joints.

iii. Water supply is an up-feed system originating at triplex, constant speed booster pumps in the garden level Water Meter Room. Pumps take suction from a 6-inch metered supply from East 11thnd Street municipal water main. A reduced pressure backflow valve (RPZ) is positioned downstream from the meter.

iv. Hot water from the base building will be sub-metered to the commercial space.

v. There will be a total of three (3) domestic hot water indirect storage tanks located in the mechanical room in the Rooftop Boiler Room (Turbomax T-109 or equivalent, 119 gallon capacity) and will be supplied from the HVAC boilers.

vi. Dedicated hot water and hot water return risers will be provided. Distribution of the risers will be via a pipe chase from the garden level to the rooftop boiler room. Hot water, hot water return and cold water ripping will be fully insulated.

vii. Every hot water recirculation pipe to the duplex water heaters shall be provided with a hot water circulation pump with at least ½ h.p. motor that will run continuously and be provided with a pump by-pass line.

viii. There will be a single water meter for all of the residential Condominium Units. Water Charges will be borne by the Condominium Association as a common expense to the individual Condominium Unit Owners. Water will be sub-metered to the commercial spaces.

ix. Interior hose bibs will be provided for all mechanical rooms and refuse rooms. Non-freeze wall hydrants will be located around the perimeter of the building at sidewalk level and on all terraces.

d. Water Pressure: Domestic water pressure will be approximately 30 psi at the 6th floor and will be maintained by the triplex booster pumps in the amenity level.

e. Sanitary Sewage System: The sanitary sewage system will be a gravity type that is connected to East 12th and 11th Street municipal sewers.
   i. Sanitary drainage and venting is provided via cast-iron bell and spigot and no-hubs anitary risers to every floor.
   ii. Sanitary waste from every fixture located above the amenity level is gravity fed to a combined sanitary and storm sewer in the garden level. The fixtures and floor drains in the garden level will discharge via two (2) duplex sewer ejector pumps (ITT Flyght model FP-3068-29 or equivalent), one (1) located in the East 12th Street garden level and one (1) located in the East 11th Street amenity level.
   iii. All plumbing fixtures shall be trapped and vented. All fixture traps shall be provided with a clean out.

f. Storm Drainage System:
   i. Storm water from the roof and terraces will be directed to a storm water detention tank located in the garden level. The discharge from the tank will be restricted by a control flow device to the existing 36" combined public sewer in East 11th Street via an 8" line.
   ii. Storm water from the courtyard will be drained by area drains to a 6' x 6' c 9' deep sump pump located in the amenity level. Duplex sump pumps will be provided will be manufactured by Flygt model DP3068 or equivalent. In the event of power outage an emergency power outlet is located in the courtyard for a portable generator to run the pumps.
   iii. Storm piping will be bell and spigot and no-hub cast iron throughout and sized to adequately drain all storm water falling on the property.
   iv. Storm drains will be located at all terrace and roof levels. The system will be sized per New York City Building Code.
   v. Overflow drains will be located alongside storm drains as listed above. The system will be sized per New York City Building Code.
   vi. All elevator pits shall be provided with submersible sump pumps that discharge to the storm drainage system. Sump pumps will be Stancor SE-50 or equivalent.
   vii. All storm water leaders and drains shall have a minimum slope of 1/8" pitch.
   viii. The storm water detection tank will be poured in place concrete with tank volume of 3.749 cubic feet. Storm flow of 3.8559 cubic feet per second will be restricted to 0.25 cubic feet per second by means of detention facilities and controlled flow devices.

g. Fire Protection System:
   i. The entire building will be protected throughout with a combination automatic wet fire sprinkler and standpipe system in accordance with NFPA 13 & 14, the 2008 City of New York Building and Fire Codes.
   ii. The sprinkler and standpipe system will be supplied with water from the new 6-inch fire protection water service connected to the New York City water main in East 11th Street. A double detector check backflow preventer with by-pass meter will be installed. Pressure for this system will be augmented by a 500 GPM automatic fire and jockey pumps installed in a pump room in the amenity level. A fire pump (Aurora Model # 5-483-11 or equivalent) will be installed to provide adequate pressure and flow for the entire building. A secondary on-site fire water suction tank will be provided and as required by the NYC

Building Code. The primary water supply will be from the city water main with a secondary supply from the suction tank. Charges for water used in the sprinkler and standpipe system will be borne by the Condominium Association as a common expense to the individual condominium unit Owners.

iii. One 6" fire standpipe will be a combined fire standpipe and sprinkler system. The sprinkler/standpipe riser will be centrally located in the residential scissor type egress stairs (Stair A / B).

iv. The compactor chute will have a dedicated sprinkler riser.

v. A sprinkler system will be installed throughout the building and will be controlled by a control assembly located in the amenity level compactor room. The standpipe riser will have a 2-1/2" fire hose valve on every staircase landing. A three-way manifold will be installed at the roof level staircase landing.

vi. The combined fire protection system will be provided with Siamese connections on East 11th Street, East 12th Street, and Avenue A.

vii. Sprinkler piping will be steel with threaded joints. Piping and fittings 2" and larger will be provided with Victaulic type grooved fittings.

viii. The residential tenant and heated areas will be provided with a wet system. Sprinklers will be quick response pendant or side-wall type and upright type in exposed ceilings. The dwelling units and residential corridors will be provided with residential type sprinkler heads. The parking area on the first floor is subject to freezing and will be provided with a dry pipe sprinkler system.

ix. The sprinkler and standpipe installation will be inspected and signed off prior to obtaining a Certificate of Occupancy.

x. A lobby fire department hose cabinet and locked key box will be located at the lobby level.

11. Heating:

a. Space Heating in select common locations and building-wide domestic hot water will be provided with hot water from two (2) natural gas fired LAARS RHEOS non-condensing boilers in the rooftop boiler room. The input for every boiler will be approximately 2400 MBH. The boilers will be controlled by a Tekmar 275 or equivalent boiler control panel, which will receive inputs from hot water storage tanks and outside air sensor and will provide a signal to modulate the boilers and associated pumps. Boilers will be installed on concrete pads with vibration isolators.

b. The pool area is served by a split pool AC/dehumidification unit with hot water coil and remote dry cooler located on the roof (Seresco model NE-007 or equivalent).

c. Two (2) 35 gpm pumps provide hot water for building space heating. Two (2) 170 GPM pumps provide hot water to two (2) Instantaneous indirect hot water heaters (Turbomax Model T-109 or equivalent) for the generation of domestic hot water.

d. Condominium Units will be heated and cooled by variable refrigerant flow (VRF) systems with heat recovery (LG or equivalent). The indoor units serving the apartments will be horizontal, ducted, ceiling-hung heat pumps. The indoor heat pumps will be ducted to linear bar grilles and rectangular registers and diffusers to provide proper airflow in all living spaces. Amenity spaces are also served by VRFs. Corridors are served by chilled water/hot

water fan coil units coupled with VRF condensing units. Condensing units will be mounted on the roof with vibration isolators.

e. Master bathrooms are provided with electric radiant floor heating.

f. Capacities of the heating systems for the common areas and dwelling units are sized to meet the New York City Building Code and New York State Energy Code, providing a minimum interior temperature of 70 degrees Fahrenheit at an outside air temperature of 13 degrees Fahrenheit.

12. Gas:

a. Type: Con Ed will supply low pressure gas service from the existing street gas main in East 11th Street.

b. Meters: There will be four (4) meters. One (1) meter will be for the building heating and domestic hot water boilers, one (1) will be for residential unit gas cooking ranges, one (1) will be for gas dryers, and one (1) will be for Penthouse E. With the exception of Penthouse E, all gas usage, both for common areas and for the individual residential Condominium Units, will be borne by the individual residential Condominium Unit Owners as a common expense. Penthouse E will have its own meter and will be billed individually by Con Ed.

c. Piping: Piping is steel with threaded malleable iron fittings.

13. Air Conditioning:

a. Air conditioning (and heating) for the Condominium Units is provided variable refrigerant flow (VRF) systems with heat recovery (LG or equivalent). The heat pump units shall be complete with all required blowers, controls, valves, coils, dampers, filters and 7-day programmable room thermostats.

b. Bedrooms and living rooms of every will unit be served by one of six (6) different vertical heat-pumps units depending on the individual load requirement of the respective rooms as indicated below.

HEAT PUMP UNIT NO.	SERVICE	COOLING CAPACITY (BTU/Hr.)	FAN MOTOR SPEED	NOMINAL AIR FLOW CFM (approximately)
1	RESIDENTIAL APARTMENTS	28,000	MED	750
2	RESIDENTIAL APARTMENTS	36,200	MED	950
3	RESIDENTIAL APARTMENTS	42,000	MED	1150
4	RESIDENTIAL APARTMENTS	48,000	MED	1400
5	RESIDENTIAL APARTMENTS	19,100	MED	500
6	RESIDENTIAL APARTMENTS	24,200	MED	600

16	RESIDENTIAL APARTMENT	12,300	LOW	300
17	RESIDENTIAL APARTMENT	28,000	LOW	600
18	RESIDENTIAL APARTMENT	76,400	MED	1800
19	RESIDENTIAL APARTMENT	76,400	MED	1800
20	RESIDENTIAL APARTMENT	19,100	MED	500

c. Individual Condominium Units are designed to meet all requirements of NY City Energy Code. Cooling capacities are based on ASHRAE and ARI conditions of approximately 89 deg F DB/ approximately 73 deg WB outside, approximately 78 deg F DB/ approximately 63 deg F WB inside air.

d. Amenity spaces are also served by VRFs. Corridors are served by chilled water/hot water fan coil units coupled with VRF condensing units.

e. A separate packaged or split air-cooled HVAC unit (or equivalent) will be provided for the elevator control room

f. All energy consumed for air-conditioning common areas will be billed by the utility and borne by the Condominium Association as a common expense to the individual Condominium Unit Owners.

g. All energy consumed for air-conditioning and heating residential units will be sub-metered and billed to tenants based on actual consumption via LG Tenant Billing System (or equivalent).

h. Air cooled condensing units will be installed on steel dunnage and vibration isolators. Utility fans will be installed on concrete curbs and vibration isolators.

14. Ventilation:

a. Every residential Condominium Unit bathroom will be provided with mechanical exhaust by fans connected to exhaust shaft-ways in accordance with New York City code requirements.

b. Every bathroom within every apartment will be provided with a Constant Air Regulator (CAR). The CAR will maintain a continuous exhaust of 30 CFM. The toilet exhaust fans, located on the roof level, will run continuously.

c. Every kitchen within every apartment will be provided with a Constant Air Regulator (CAR). The CAR will maintain a continuous exhaust of 50 CFM. The kitchen exhaust fans, located on the roof level, will run continuously. In addition, penthouse kitchens will be intermittently exhausted to the outside via range hood.

d. All bathroom and kitchen exhaust branches connecting to risers will be provided with an internal boot or a fire damper.

e. There will be approximately twelve (12) toilet exhaust risers exhausting to approximately seven (7) fans, approximately fourteen (14) kitchen exhaust

risers exhausting to approximately six (6) fans and two (2) trash chute exhausts.

f. The interior public corridors will be provided with ventilation air via fan coil units with ducted outside air connections and outside air fans.

g. The gas meter room will be ventilated via a passive vent system in accordance with the local utility company.

h. The outside air ventilation requirements for the Condominium Units on the amenity through 6th floors are met by means of trickle vents installed in windows. Penthouse level units are provided with ducted fresh air.

i. The elevator control rooms on the roof serving PE-1, PE-2, PE-3 and PE-4 will be provided with a dedicated split heat pump system. Ventilation is provided for the hydraulic elevator control room located in the amenity level via 18x8 duct terminating at a side wall louver

j. The top of the elevator shafts is provided with a 12 square foot louver with a 9 square foot motorized damper. The motorized damper is held in a closed position and will open when given signal from the local area smoke detector.

k. The top of every stair bulkhead is provided with a gooseneck with motorized damper. The motorized damper is electronically held in a closed position and will open when given signal from the local area smoke detector.

l. Ductwork on the roof will be provided by duct wrap. Refrigerant piping will be enclosed in insulation.

m. Ventilation rates for the building areas are approximately as follows:
   i. Public Corridor: 50 CFM per corridor continuous.
   ii. Bathrooms: 30 CFM continuous.
   iii. Kitchens: 50 CFM continuous.
   iv. Penthouse Kitchens: 50 CFM continuous exhaust and 500 CFM of intermittent exhaust.
   v. Refuse Rooms: 50 CFM continuous.
   vi. Amenity Spaces: Outside air in compliance with NYC 2008 Mechanical Code.

15. Electrical System:

a. The Con Ed electric service will enter the building underground on East 11th Street. New transformer and bus vaults will be provided by Con Ed and will be tied to an existing transformer vault through a bank of conduits encased in concrete running inside the building's amenity level.

b. There will be one (1) electrical room located on the amenity level and one (1) Point of Entry room (P.O.E). The electrical service room will contain the main electrical switchgear and main Consolidated Edison electric meters. There will be one (1) building/common areas meter, six (6) future commercial/community facility tenant meters in the amenity level main electrical room and eighty-two (82) individual residential Condominium Unit meters located in electrical closets on every other floor.

c. The building is served by the following switches:
   i. One (1) 800A/800A switch/fuse for fire pump.
   ii. Two (2) 1600A/1600A switches/fuses to feed the following:
      1. Seven (7) 200/200A switch/fuse for the commercial space tenants.
      2. One (1) 200/200A switch/fuse for community facility tenant.

3. One (1) 1600/1600A switch/fuse for house panel.

iii. One (1) 2500A/2500A switch/fuse that feeds four (4) 600A/600A switches/fuses for four (4) tenant meter banks.

iv. Four (4) 600A tenant meter banks. There are two (2) meter banks in located in the 12th Street building electrical room on the first floor adjacent to the service corridor, and two (2) in the main electrical room in the garden level.

d. The Service End Box (SEC), main switchboard, and the fire pump service switch are located in the main electrical room in the amenity level.

e. Electrical service to the Condominium Units is as follows:

i. 100A 120/208 volt, 1 phase, 3 wire service for one (1) bedroom condominiums.

ii. 125A 120/208 volt, 1 phase, 3 wire service for two (2) bedroom condominiums.

iii. 150A 120/208 volt, 1 phase, 3 wire service for three (3) bedroom condominiums.

iv. 150A 120/208 volt, 1 phase, 3 wire service for four (4) bedroom condominiums.

f. All services provided to condominiums are adequate to serve the demand loads as calculated per 2008 NEC and supplemented by NYC.

g. Electric service will be provided by Con Edison for each residential unit for billing by Con Edison for their own energy consumption except for heating and cooling. Electricity service for the building common area load, as well as residential units heating and cooling load, will be provided by a Con Edison meter.

Electricity consumption for heating and cooling for each residential Unit will be individually electronically sub-metered and billed to the Unit resident based actual consumption for each unit. The total energy consumption cost less the cost of the electrical consumption for the residential heating and cooling thereof will be paid by the Board and will be borne by the Unit Owner as part of the Common Charges.

Billing of the electrical consumption for each unit Cooling and Heating system will be provided by a third party billing company contracted by the Board. Each Unit Owner or other resident shall be required to pay bills for electricity consumed or used in Unit Owner's Unit either to the Board, or the company engaged by the Board to perform such services as directed by the Board.

The third party billing company will read the cooling/heating system electric meters monthly and will process a bill based on the actual consumption of each building unit. Resident electric bill from a third party billing company will contain information including opening and closing meter reads, a breakdown of dollar amounts billed, the total charge for the period and total amount due. Other feature of this meter will include a non-volatile memory.

In no event will the total annual rates (including a monthly administrative charge) exceed the utility's tariffed residential rate for direct metered service to such residents as specified in Part 96.2b3 Residential Sub metering (Public Service Law, §§65,66).

h. All residential units have a minimum of one (1) circuit for every living room, bedroom and bathroom, one (1) circuit for every washer, dryer,

dishwasher, garbage disposal, one (1) circuit for combination smoke/carbon monoxide detector, and one (1) circuit for air handling units.

i. GFI type receptacles are provided in all bathrooms, above kitchen counters, and on terraces and balconies. Branch circuiting is provided in accordance with NEC/NYC supplement.

j. Arc fault type circuit breakers are provided for every 15A & 20A, 120V circuits in all units per NEC/NYC supplement.

k. Tamper resistant type receptacles are provided in all dwelling units per NEC/NYC supplement.

l. Every unit is provided with light fixtures in hallways, kitchens, and bathrooms.

m. Receptacles are provided in bedrooms, living areas, bathrooms and kitchens in accordance per NEC/NYC supplement.

n. All residential units are provided with a combination carbon monoxide / smoke detector located in every bedroom and outside the bedrooms within 15'. The detector is wired to 120-volt local power and will be self-contained with its own sounding device.

o. LED type lighting fixtures are provided in the residential units as follows:

   i. Recessed fixtures in kitchens, bathrooms and hallways;

   ii. Surface mounted fixtures in kitchens, master bathrooms, secondary bathrooms, walk-in closets and closets;

   iii. Pendant fixture in powder rooms;

   iv. Linear task light fixtures in kitchens.

p. Switches are provided for overhead lighting in bathrooms, bedrooms, and kitchens. Switched outlets are provided in bedrooms and living rooms.

16. Low Voltage Systems:

a. Every unit is provided with an audio intercom station to provide two-way communication between units and the concierge desk at the 12th Street lobby.

b. Every unit is provided with television outlets in all bedrooms and living area wired to local structured wiring cabinet.

c. Every unit is provided with voice/data outlets in all bedrooms and living areas wired to local structured wiring cabinet.

d. Security cameras are provided in elevators, at all entrances, in the garage, and in select corridors.

17. Fire and Smoke Detection Systems:

a. Fire Alarm System: A code compliant R-2 Smoke/Sprinkler alarm system is provided and includes the following:

   i. Smoke detectors are placed in all mechanical/ electrical/ utility rooms, elevator lobbies, and elevator machine rooms, on top of elevator shafts and on top of stairs. In addition the boiler room and the laundry room have heat detectors and carbon monoxide detectors.

ii. Tamper switches are provided for the incoming sprinkler service, on every stairwell landing, and integral tamper switches provided on the fire pump.
iii. Waterflow switches are provided on every stairwell landing.
iv. Motorized dampers are provided at the top of elevators shafts and stairs.
v. Sprinkler/smoke alarm panel, communicator and remote annunciator are provided as part of the system.
vi. A lockable disconnect/fused cutout is provided to power the sprinkler/smoke alarm system and is connected ahead of the main service switch.
vii. Monitoring modules are provided for the fire pump and for low and high alarms for the suction tank.
viii. One (1) pull station and remote annunciator have been provided in the lobby of every the North and South Buildings.
ix. A communicator is provided for Central Station monitoring.
x. Control relays are provided for elevators recall, release of locked doors and for activation of motorized dampers in top of elevator shaft

18. Television System and Television Reception Facilities:

a. Cable television will be provided by NYC Time Warner Cable or Verizon FIOS. Apartments will be provided with a Structure Wire Cabinet (SWC) for termination of low voltage wiring and powered via the local 120V electrical panel with a single 20 Amp circuit for controls. Every Living room and Bedroom will be provided with a TV outlet and wired with a shielded cable, as per approved provider recommendations.

19. Public Area Lighting:

a. Public sidewalks street lighting will remain as currently provided.

b. The residential lobbies and entrances will be provided with recessed downlights, cove lights, lighting and suspended fixtures.

c. Corridors will be lit with recessed downlights.

d. Stairwells will be lit at every landing with surface ceiling mounted fluorescent fixtures with emergency battery pack.

e. Amenity level mechanical areas will be lit with pendant or surface mounted fluorescent lighting with emergency battery pack which will be controlled by a light switch.

f. Lighting circuits in the common areas are connected to the house meter.

g. Emergency lighting in utility rooms is provided by battery packs. Inverters are provided for emergency lighting for fixtures in residential corridors.

h. Lighting circuits in some back of house spaces and stairwells are controlled via occupancy sensors and wired to the house meter. For safety purposes, some back of house lighting is controlled by single and/or three way switches.

i. Lighting in common hallways used as emergency lighting is wired for 24-hour operation.

j. Perimeter and site lighting is controlled via time clocks and photocells and connected to the house meter.

20. Garages and Parking Areas:

a. There is an at-grade parking facility with capacity for five (5) vehicles and one (1) ADA vehicle.

b. The parking garage will be lit with pendant or surface mounted fluorescent lighting with emergency battery pack which will be controlled by a light switch.

c. The parking garage will be unattended.

d. Ventilation: The parking garage will be provided with an exhaust fan which will energize when CO monitors detect CO concentration in excess of safe limits. A dropped ceiling with bare element water baseboard will be provided to prevent parks from freezing and prevent cold floors above.

e. Fire Protection: The parking garage will be provided by a dry pipe sprinkler system. The dry pipe valve will be located in the amenity level.

21. Swimming Pools:

a. There is one (1) swimming pool located inside the building in the amenity level. The pool will have poured concrete and Gunite walls and floor and plaster and tile finish on all interior pool surfaces. The swimming pool room's walls will be aluminum framed glass, painted sheetrock, and tile.

Approximate Pool Dimensions: 50'-0" x 15'-0"
Recessed Stair/Bench: 21'-11-3/4" x 3'-6"
Depth: Varies 3'-6" to 4'-0"
Maximum Bathers: 33

b. Doors to be locked at all times when pool is not supervised.

c. Filtration System:
   i. High Rate Sand filter - 36" diameter fiberglass reinforced vinyl ester resin tank.
   ii. Pentair Whisperflow Model XFK-8 or equivalent filter pump and strainer (plastic). TMI Salt-Pure Model 2XMCG or equivalent salt chlorine generator.
   iii. Ultraviolet disinfection: TMI Salt-Pure Model SS-UV-158 or equivalent.
   iv. Supplemental sodium hypochlorite disinfection: Accutab Powerbase Model 1030 or equivalent.
   v. All piping to be PVC unless stated otherwise.

d. Pool Heater: Stainless steel brazed plate heat exchanger, 425,000 BTUH. Alfa Laval or equivalent, furnished complete with Honeywell L4006E or equivalent manual reset Aquastat including 1/2" NPT brass well.

e. The swimming pool will be lit with low voltage underwater lighting fixtures mounted on the side walls of the pool. The pool and pool deck room will be lit with recessed downlights. LED floor mounted lighting fixtures will provide some ambient up lighting around the perimeter of the pool deck.

22. Tennis courts, playgrounds, and recreation facilities:

a. Tennis courts: No tennis courts will be provided.

b. Playgrounds: No playground will be provided at the premises.

c. Other recreation facilities: A Fitness Center, Steam Room, Sauna, Lounge, and Children's Playroom are located at the amenity level.

23. Permits and Certifications:

a. PLUMBING - DOB # 121823688
Underground
Roughing
Gas test
Fixtures
Backflow Preventers
Tap Letters
Water Meter Permits
Boiler Approval

b. SPRINKLER INSPECTION AND SIGN-OFF - DOB# 122046678
Roughing and Hydrostatic
Finish inspection & Final sign-off

c. STANDPIPE INSPECTION AND SIGN-OFF - DOB # 122046678
Roughing and Hydrostatic
Finish inspection & Final sign-off
Fire Pump Inspection - FDNY

d. FIRE ALARM INSPECTION AND SIGN-OFF WITH FD - DOB # 122009398
Inspection
Central Office Connection
Battalion Chief Walk-thru
Certify Letter of Defect

e. BOILER APPLICATION FD - DOB # 122010484
Inspection and sign-off with Boiler Division

f. BUILDER'S PAVEMENT PLAN SIGNOFF - DOB # 121897803
Highway Department Sign-off
Core Reports
Engineer Affidavit BP-11
Catch Basin Letter
Inspection by Highway Department
Department of Parks Tree Planting Permits

Updated Paving Plan (if rqd.)

g. BUILDER'S PAVEMENT PLAN SIGNOFF - DOB # 121897803
Highway Department Sign-off
Core Reports
Engineer Affidavit BP-11
Catch Basin Letter
Inspection by Highway Department
Department of Parks Tree Planting Permits
Updated Paving Plan (if rqd.)

h. FOUNDATION WORK – FULL BUILDING - DOB # 121823688
Controlled Inspections
Piling
Subgrade
Underpinning
Shoring
Structural Stability
Concrete Cast-in-place
Concrete Design Mix
Concrete Test Cylinders
Final Inspection
Final Cost Affidavit

i. TEMPORARY CONSTRUCTION FENCE - DOB # 121823688
Progress Inspections
Final Inspection

j. UNDERPINNING, SHEETING AND SHORING - DOB # 121823688
Special Inspections
Underpinning
Shoring
Structural Stability
Final Inspection
Final Cost Affidavit

k. The following reoccurring inspections will be the responsibility of the Condominium:

Required Inspections and Permits	Timeframe	City Agency
Local Law #11 Inspection	Every 5 Years	DOB
Local Law #87 Inspection	Every 10 Years	DOB
Boiler Inspection	Annual	DOB
HVAC Annual Permits	Annual	FDNY
Backflow Prevention Inspection	Annual	DOB
Elevator Category 1	Annual	DOB
Elevator Category 5	Every 5 Years	DOB
Boiler Triennial Inspection	Every 3 Year	DEP
Standpipe Sprinkler Every 5 Years	Every 5 Years	DOB
Monthly and Quarterly Testing of Fire Alarm	Monthly	DOB

Monthly Sprinkler Inspection	Monthly	DOB
Pool Permit	Annual	DOH

24. Additional Items, Violations:

    a. As of the date of this report there are no outstanding violations. Any violations shall be removed prior to obtaining the Permanent Certificate of Occupancy.

25. Unit Information:

    a. Number of residential units: 82 residential units.

    b. Total number of residential rooms: Total number, as defined by the General Provisions of the New York City Zoning Resolution, Sections 12-10, "Rooms", paragraph "a", will be as follows:

Unit Type	Quantity of Type	Rooms per Unit	Total Rooms
Studios	0	0	0
1 Bedroom	21	3.5	73.5
2 Bedroom	44	4.5	198
3 Bedroom	13	5.5	71.5
4 Bedroom	4	6.5	26
Total	82		369

    c. Type and grade of finish materials (all residential units): as listed or approved equal.

oom	**Floor**	**Ceiling**	**Walls**	**Base**
iving	Engineered Wood Plank	Painted Drywall	Painted Drywall	Painted Wood
itchen	Engineered Wood Plank	Painted Drywall	Painted Drywall	Painted Wood
edrooms	Engineered Wood Plank	Painted Drywall; Painted Concrete	Painted Drywall	Painted Wood
laster Baths	Stone Tile	Painted Drywall	Stone Tile, Painted Drywall	Stone Tile
econd Baths	Stone Tile	Painted Drywall	Stone Tile, Ceramic Tile, Painted Drywall	Stone Tile
owder Rooms	Ceramic Tile	Painted Drywall	Ceramic Tile	Stone Tile
losets	Engineered Wood Plank	Painted Drywall	Painted Drywall	Painted Wood
Valk-In Closets	Engineered Wood Plank	Painted Drywall	Painted Drywall	Painted Wood
alls	Engineered Wood Plank	Painted Drywall	Painted Drywall	Painted Wood
aundry Closet	Porcelain Tile	Painted Drywall	Painted Drywall	Porcelain Tile

d. Bathroom fixtures: (Typical and Master Baths): as listed or approved equal.

Master Bathrooms
Water Closet: One-piece toilet; Toto Carlyle Cotton #01
Lavatory: Duravit 030549 Stark 3 White
Lavatory Faucet: Waterworks Studio Highgate HGLS10
Lavatory Countertop: Stone slab
Bathtub: Signature Undermount
Bathtub Spout: Waterworks Studio Highgate
Shower Head & Arm (at bathtubs): Waterworks Studio Highgate HGSH01
Shower System (combined shower + tub): Waterworks Studio Highgate HGXS70
Shower Controls (master bath tubs): Waterworks Studio Highgate HGXT40
Control Valve: Waterworks Studio Highgate HGPB10

Secondary Bathrooms
Water Closet: One-piece toilet; Toto Carlyle Cotton #01
Lavatory: Duravit 030549 Stark 3 White
Lavatory Faucet: Waterworks Studio Highgate HGLS10
Lavatory Countertop: Stone slab
Bathtub: Signature Undermount
Bathtub Spout: Waterworks Studio Highgate
Shower Controls (shower + tub): Waterworks Studio Highgate HGXT40
Control Valve: Waterworks Studio Highgate HGPB10
Showerhead & Arm: Waterworks Studio Highgate HGS01
Handshower: Waterworks Studio Highgate HGHS30

Powder Rooms
Water Closet: One-piece toilet; Toto Carlyle Cotton #01
Lavatory: Duravit 030549 Stark 3 White
Lavatory Faucet: Waterworks Studio Highgate HGLS40
Lavatory Countertop: Stone Slab

e. Kitchen and Laundry fixtures: as listed or approved equal

Item	Description	Kitchen Types
Refrigerator	30" Sub-Zero IT-30CI	K1A, K1, K1-1, K2A, K2, K2C, K2C-2
Refrigerator	36" Sub-Zero IT-36CI	K1-2, K1-C, K1-D, K2D, K2D1, K2D2, K4C5, K4C7
Refrigerator	24" Sub-Zero IC-24RI	K4C1, K4C2, K4C3, K4C4
Refrigerator	30" Sub-Zero IC-24R	K4C6
Freezer	18" Sub-Zero IC-18FI	K4C1, K4C2, K4C3, K4C4, K4C6
Wine Refrigerator	15" Marvel ML15WSF2	K1A, K1, K1-1, K1-2, K2A, K2, K2C, K2C-2
Wine Refrigerator	24" Sub-Zero 424G/O	K1-C, K1-D, K2D, K2D1, K2D2, K4C3, K4C5, K4C6, K4C7

Wine Refrigerator	27" Sub-Zero 427G	K4C1, K4C2, K4C4
Gas Cooktop	30" Wolf CG304P/S	K1A, K1, K1-1, K1-2, K1-C, K2A, K2, K2C, K2C-2
Gas Cooktop	36" Wolf CG365P/S	K1-D, K2D, K2D1, K2D2, K4C1, K4C2, K4C3, K4C4, K4C5
Drawer Microwave	24" Wolf MD24TE/S	All
Oven	30" Wolf SO30F/S	K1A, K1, K1-1, K1-2, K1-C, K2A, K2, K2C, K2C-2
Double Oven	30" Wolf DO30PE/S/PH	K4C1, K4C2, K4C3, K4C4, K4C6
Dishwasher	Bosch SHV7PT53UC	All
Disposal	WasteKing SS800TC	All
Range Hood	Best U102 30"	K1A, K1, K1-1, K1-2, K1-C, K2A, K2, K2C, K2C-2
Range Hood	Best U102 36"	K1-D, K2D, K2D1, K2D2, K4C1, K4C2, K4C3, K4C4, K4C5
Exterior Gas Grill	Weber Summit S-460	G-A, G-B, G-C, 3F, 3J, 3K, PH-A, PH-B, PH-C, PH-D, PH-E, PH-F, PH-G, PH-H
Commercial Washer	Maytag MHP30PR	Common Laundry Room
Commercial Dryer	Maytag MDG25PR	Common Laundry Room
Washer	Bosch WAT28402UC	Garden - 6th Fl
Dryer	Bosch WTG86402UC	Garden - 6th Fl
Washer	Whirlpool WFW95HEDU	PH
Dryer	Whirlpool WGD95HEDW	PH
Kitchen Cabinets	18cm Chipboard w/ Lacquer or Wood Veneer	All
Kitchen Countertops	Stone Slab	All

26. Finish Schedule of Spaces Other Than Within Residential Units:

Room	Floor	Ceiling	Walls
Lobby	Concrete	Painted Drywall	Painted Drywall, Wood Veneer, Mirror
Fitness Room	Resilient Flooring	Painted Drywall	Painted Drywall, Wood Veneer, Mirror
Fitness Room Toilet	Ceramic Tile	Painted Drywall	Painted Drywall, Stone Tile
Children's Playroom	Carpet	Painted Drywall	Painted Drywall, Wall Covering
Bike Room	Painted/Sealed Concrete	Exposed Concrete	Painted Concrete, CMU
Mechanical Rooms	Sealed Concrete	Exposed Concrete	Exposed Concrete, CMU
Compactor Room	Painted Concrete	Exposed Concrete	Painted Concrete, CMU

Laundry Room	Ceramic Tile	Painted Drywall	Painted Concrete, CMU
Service Corridor	Painted Concrete	Exposed Concrete	Painted Concrete/CMU
Residential Corridors	Carpet	Painted Drywall, Wall Covering	Painted Drywall, Wall Covering, Wood Veneer
Refuse Rooms	Ceramic Tile	Painted Drywall	Painted Drywall
Stairs A/B	Painted Concrete	Painted Concrete	Painted Concrete/Drywall

27. Additional Information Required:

    a. Site plan: See attached herein.

    b. Area map: Not Applicable

    c. Residential Unit Floor plans: See attached herein.

    d. Floor-to-ceiling heights within apartment units:

        i. In the garden units, the ceiling heights are 10'6". On the 2nd through 6th floors, the ceiling heights in living rooms, dining rooms and bedrooms range from 9'11' to 10'7". The ceiling heights in public corridors, foyers, kitchens, powder rooms and bathrooms will be typically 8'7" to 9'0".
        ii. At the Penthouse units, the ceiling heights in living rooms, dining rooms and bedrooms will typically be either 13'5" or 15'9". The ceiling heights in public corridors, foyers, kitchens, powder rooms and bathrooms will be approximately be either 10'8" or 13'5".
        iii. On all floors, at beam drops and/or where there are concealed mechanical pipes or ducts or dropped ceilings or smoke baffles, height may be lower than the above stated heights and may also vary from room to room.

Unit	Unit Area (SF)	Outdoor Terrace Area (SF)
Garden		
1	1027	433
2	1195	393
3	1072	398
Second Flr		
D (Duplex)	1976	355
E	1037	
P	906	
Q	873	
R	976	

Unit	Unit Area (SF)	Outdoor Area (SF)
P	662	
Q	1439	
R	1190	
S	934	
T	765	
U	795	
Fifth Flr		
A	744	
B	1092	
C	1221	

S	1164	
U	1158	
Third Flr		
A	744	
B	1092	
C	1221	
D	1265	
E	1194	
F	1686	1502
H	666	
J	1149	642
K	1112	680
L	608	
M	1345	
N	669	
P	662	
Q	1439	
R	1190	
S	934	
T	765	
U	795	
Fourth Flr		
A	744	
B	1092	
C	1221	
D	1265	
E	1194	
F	1686	
H	666	
J	1149	
K	1112	
L	608	
M	1345	
N	669	

D	1635	
E	824	
F	1188	
G	1358	
K	1257	
M	1628	
P	1267	
Q	1150	
R	1604	
S	1244	
U	1185	
Sixth Flr		
A	744	
B	1092	
C	1221	
D	1635	
F	1188	
G	1358	
K	1257	
M	1628	
P	1267	
Q	1150	
R	1604	
S	1244	
Penthouse		
A	1621	241
B	1744	518
C	1658	942
D	1744	1297
E	3482	1364
F	1782	931
G	2258	840
H	1987	958

e. Approximate total area of every unit:

The gross square foot area of the Units set forth in the floor plans and in Schedule A to the Offering Plan are within reasonable tolerances and were obtained by using the method customarily used in New York City to measure rental, cooperative and condominium apartments. The units were measured from the exterior side of the exterior walls (perimeter columns and mechanical pipes/ducts/shafts/ are not deducted) to the corridor/common elements side of interior walls separating one Unit from another Unit, or separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements, and to the midpoint of the demising interior walls and partitions separating one Unit from another Unit. Any common elements located within a unit shall not be considered a part of such unit. As is customary in New York City, these square foot areas exceed the useable floor area of Every Unit.

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aa. No further units will be added to the building.

bb. The subject building is a new construction project, as such no asbestos containing material is present in insulating or fireproofing material anywhere in the building.

cc. The subject building is a new construction project, as such no lead based paint has been used anywhere in the building.

dd. All references herein to dimensions, areas, heights and thicknesses of construction materials are approximate within reasonable tolerances. All make and model numbers of appliances, fixtures and equipment are subject to change, in the sponsor's discretion and/or based upon availability at the time that the building is substantially complete. Sponsor reserves the right to substitute appliances, fixtures and equipment with substantially similar appliances, fixtures and equipment of comparable or better quality.

ee. The following documents shall be transmitted to the Condominium management upon transfer of control: final as-built drawings; operation & maintenance manuals for mechanical equipment; equipment warranties; NDL roof warranty; major equipment start-up sheets; original testing and balancing reports for HVAC system.

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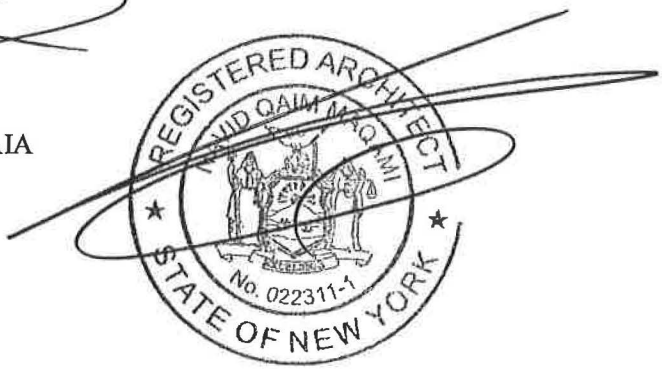
Sincerely,

Navid Maqami, AIA
Principal



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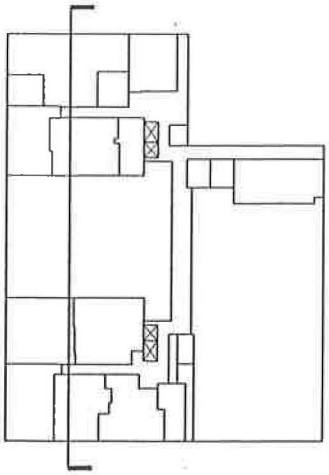
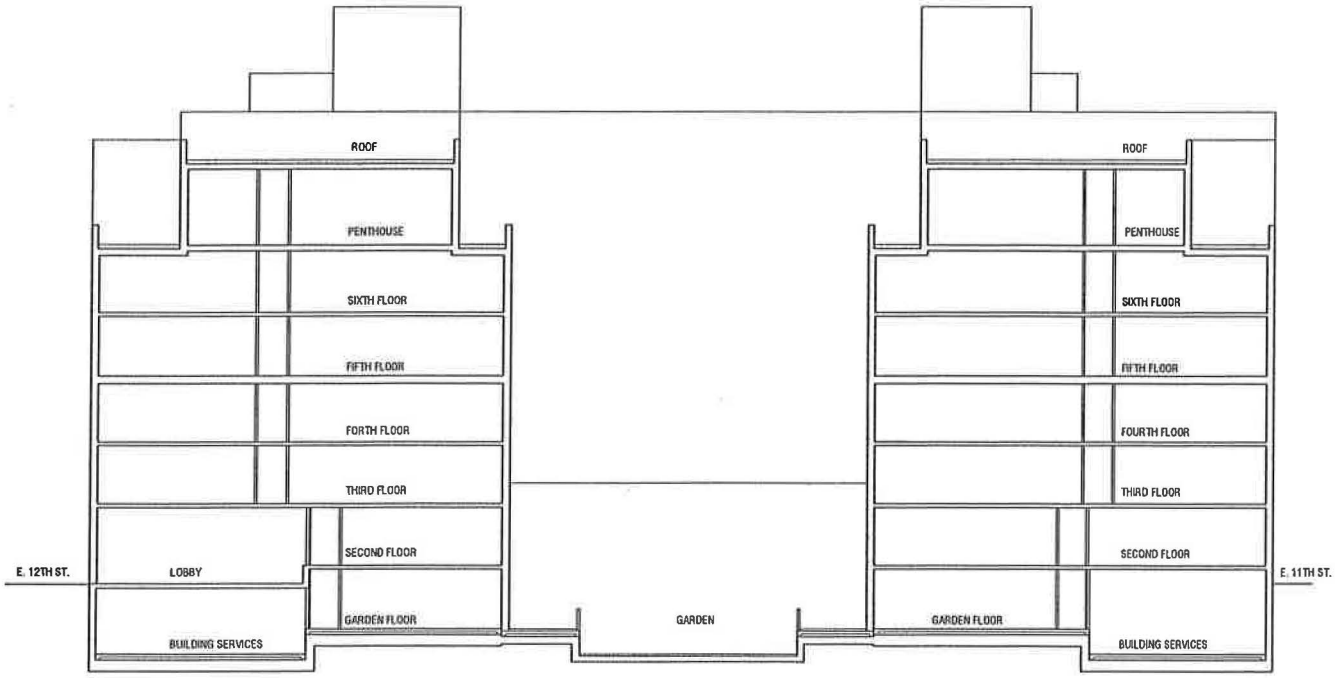
NEW YORK, NEW YORK 10009

NORTH TO SOUTH SECTION





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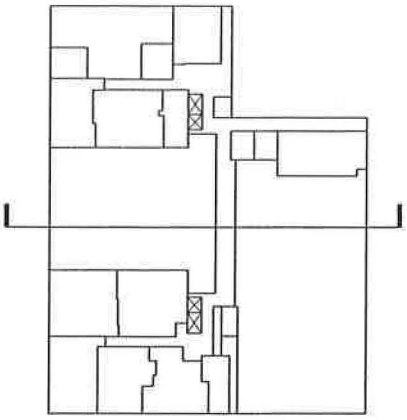
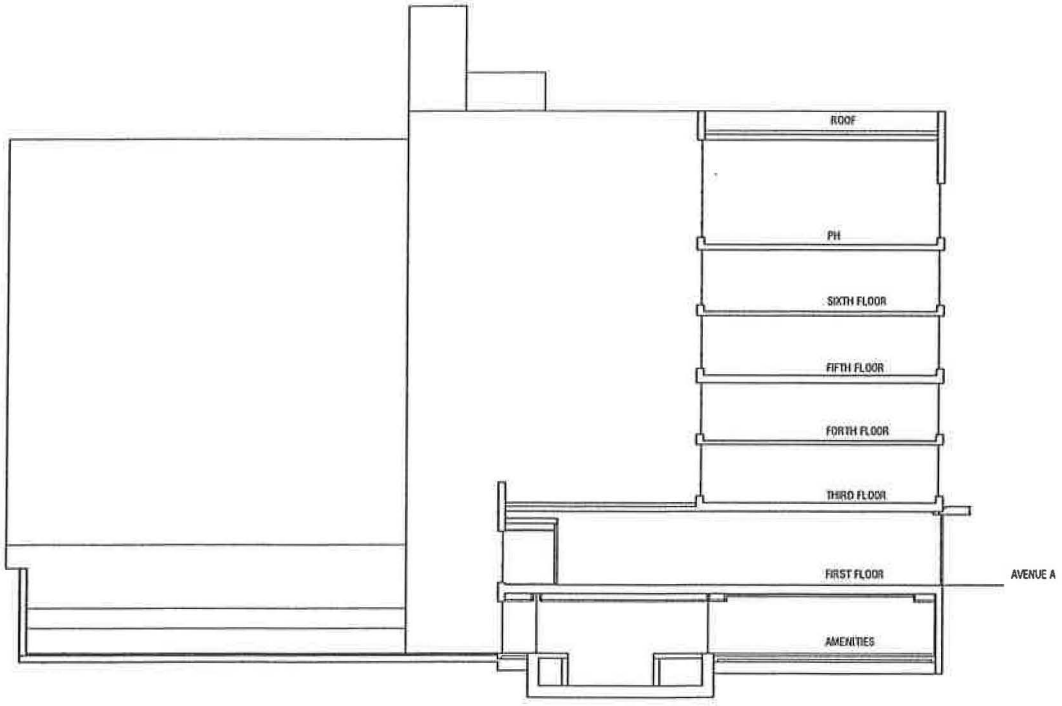
WEST TO EAST SECTION





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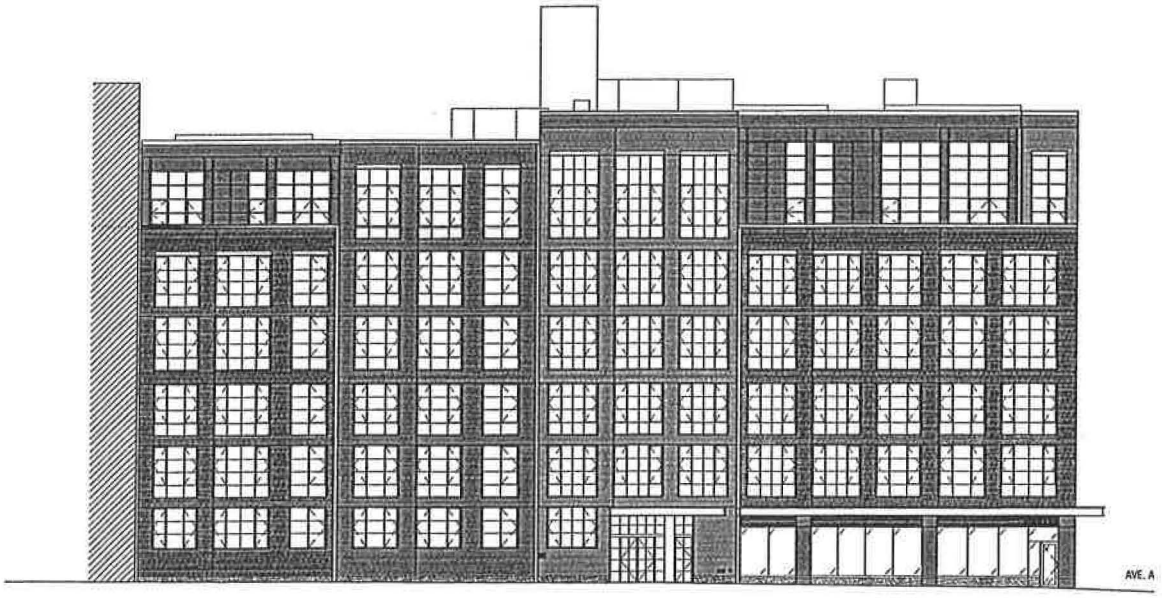
11TH STREET SOUTH ELEVATION



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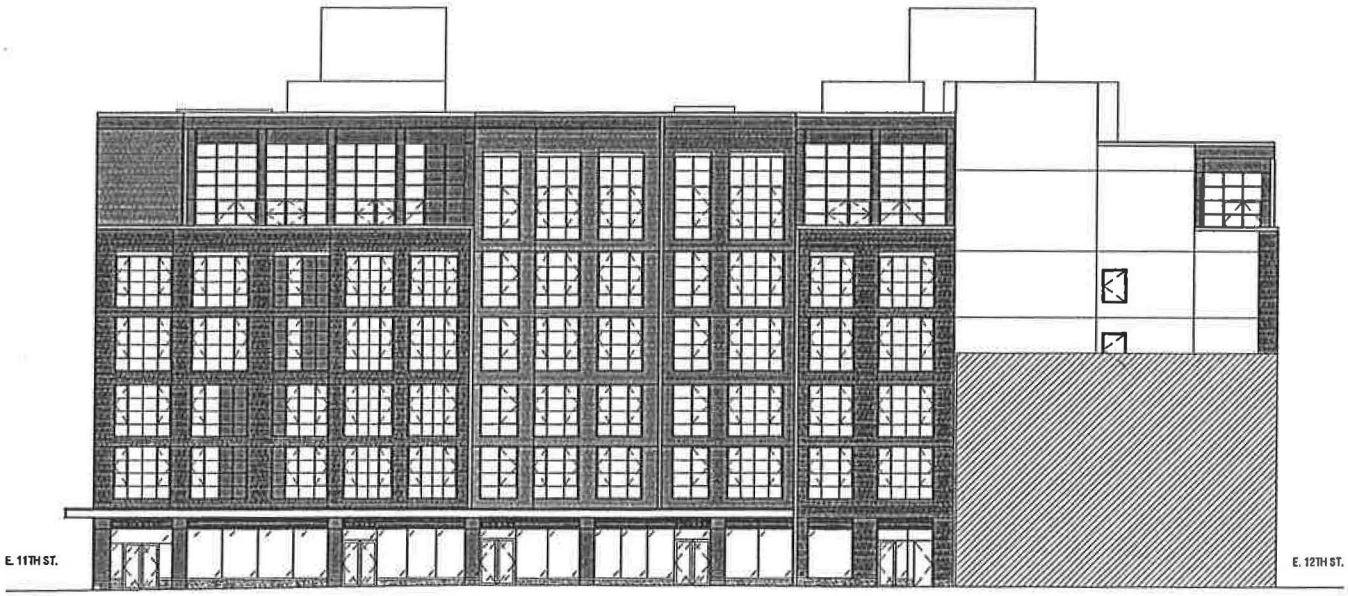
AVENUE A EAST ELEVATION



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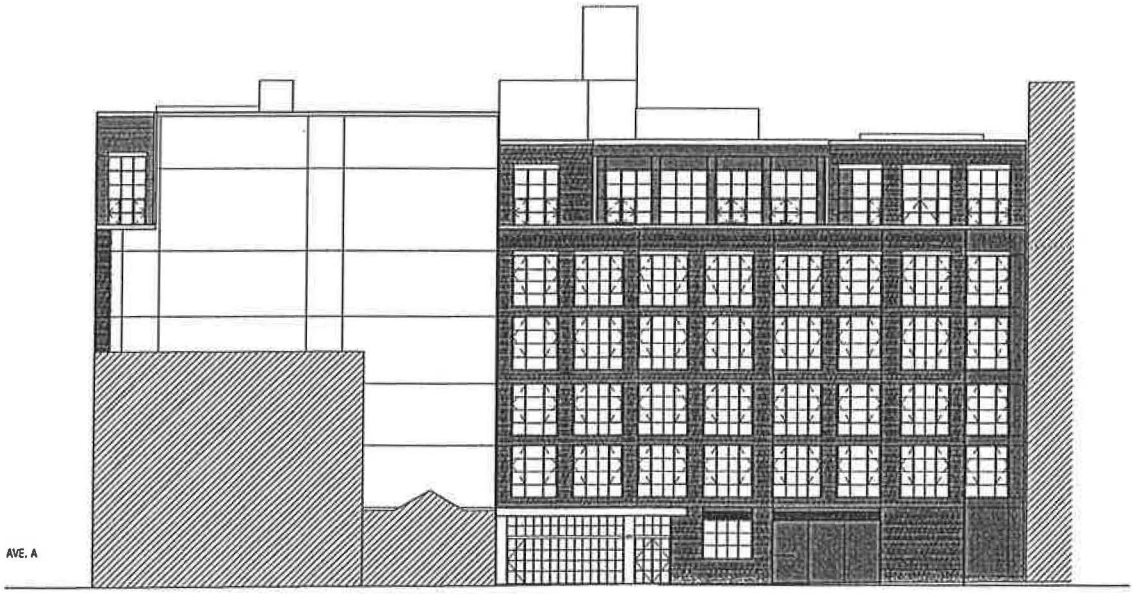
12TH STREET NORTH ELEVATION



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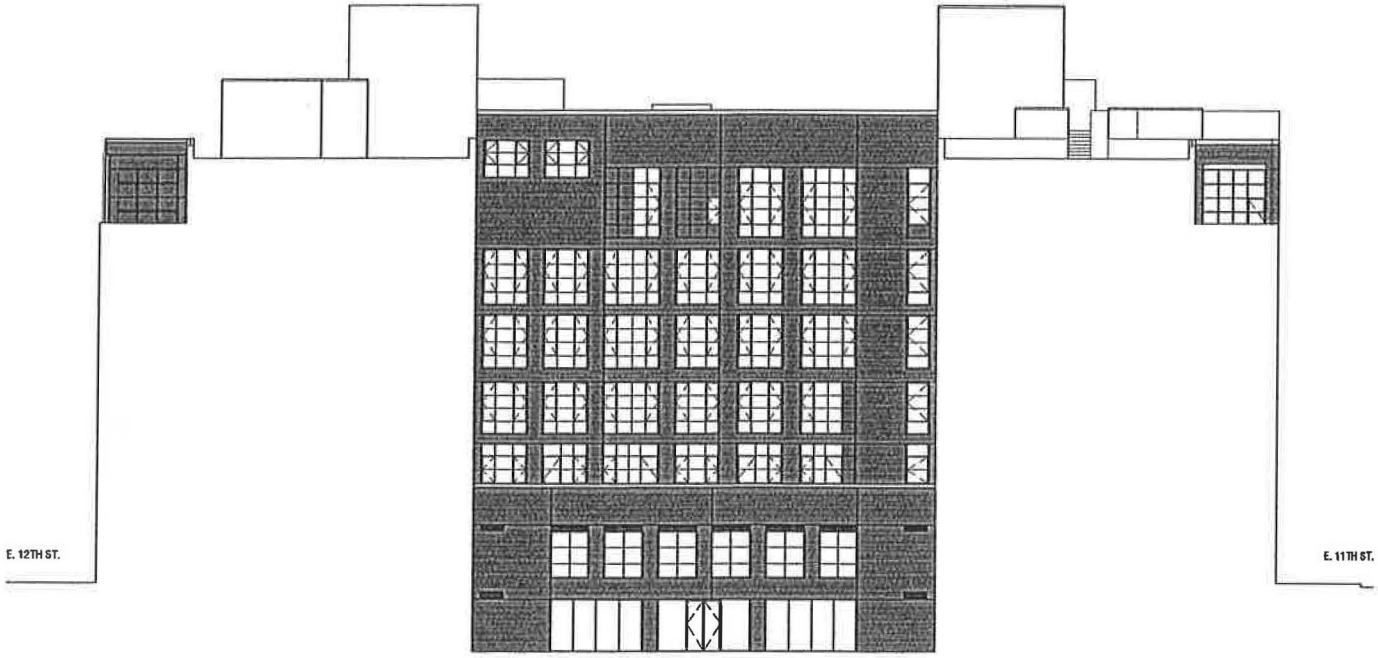
GARDEN WEST ELEVATION



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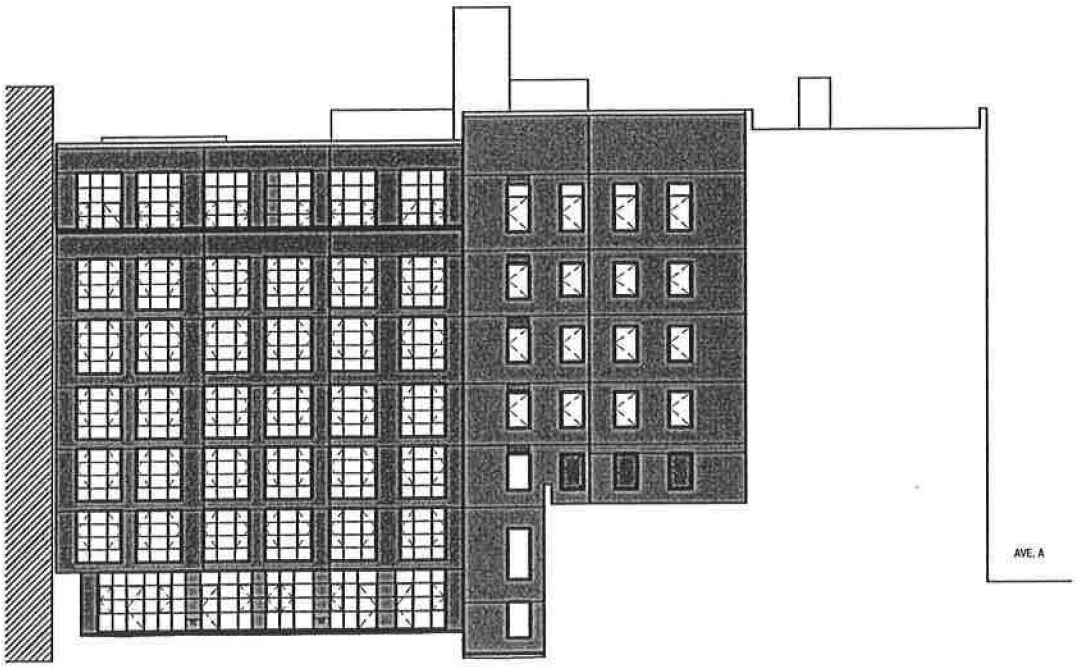
GARDEN SOUTH ELEVATION



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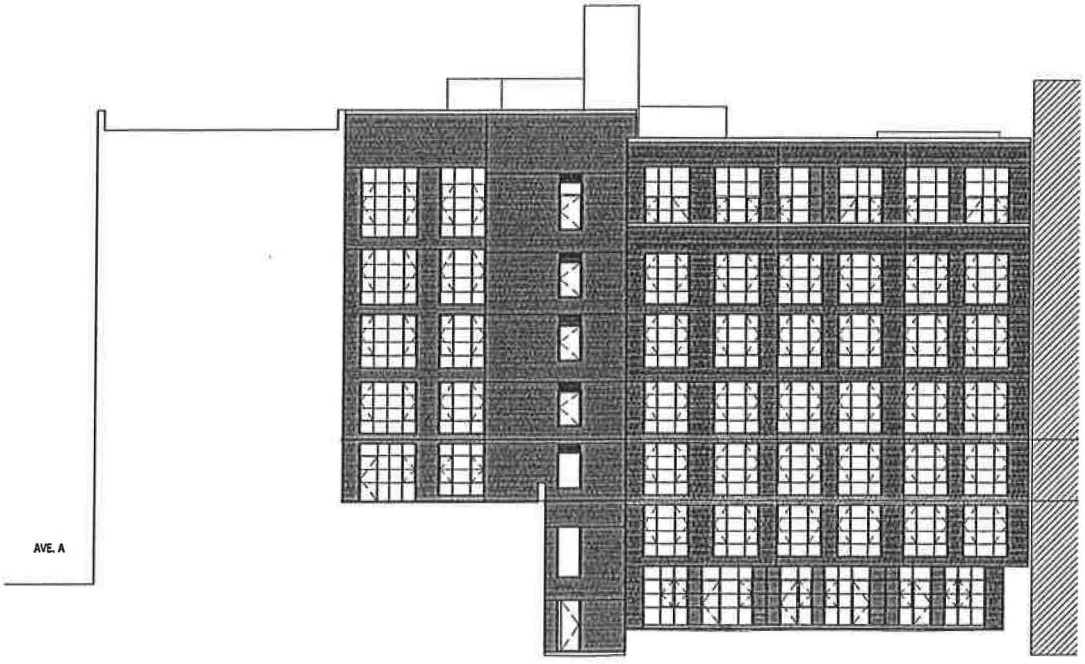
GARDEN NORTH ELEVATION



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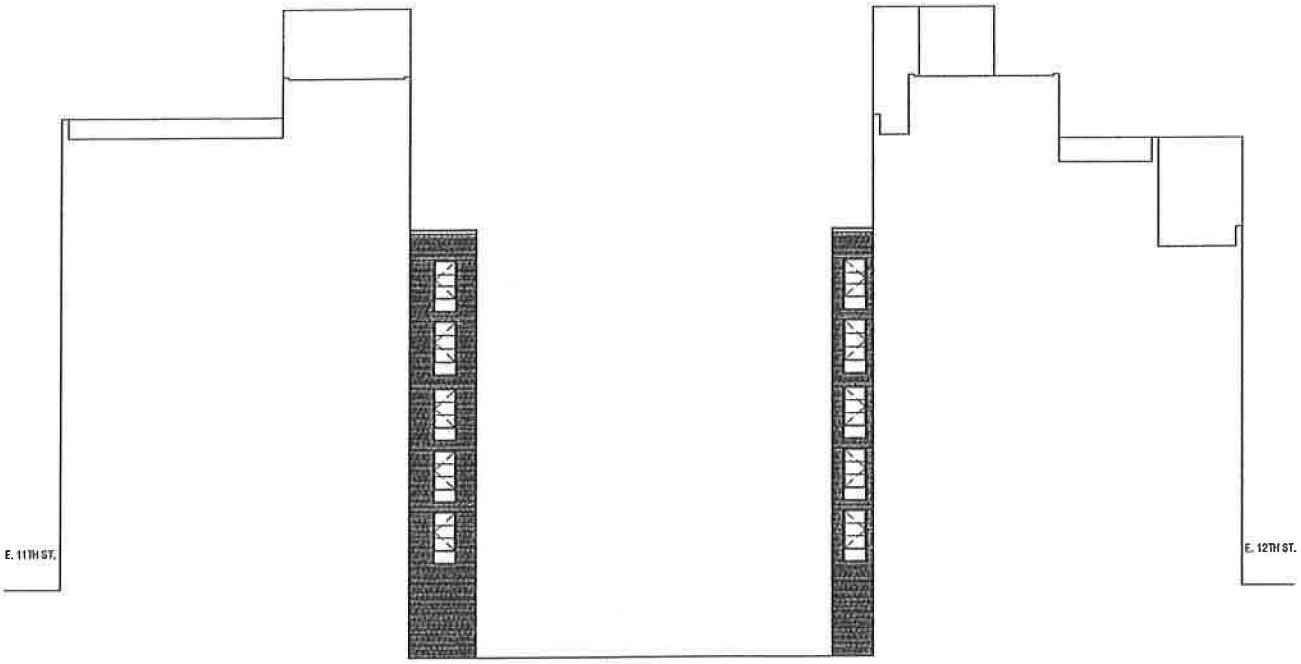
GARDEN EAST ELEVATION



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BLOCK 439
TAX LOT 26
BUILDING ADDRESS:
438 EAT 12TH STREET
NEW YORK, NY
COMMUNITY DISTRICT: MANHATTAN 3 COMMUNITY DISTRICT
ZONING DISTRICT: R8B & R7A/C2-5 (MAP 12C)
BUILDING OCCUPANCY CLASSIFICATION: R-2 RESIDENTIAL
BUILDING CONSTRUCTION CLASSIFICATION: TYPE 1-B, FULLY SPRINKLERED

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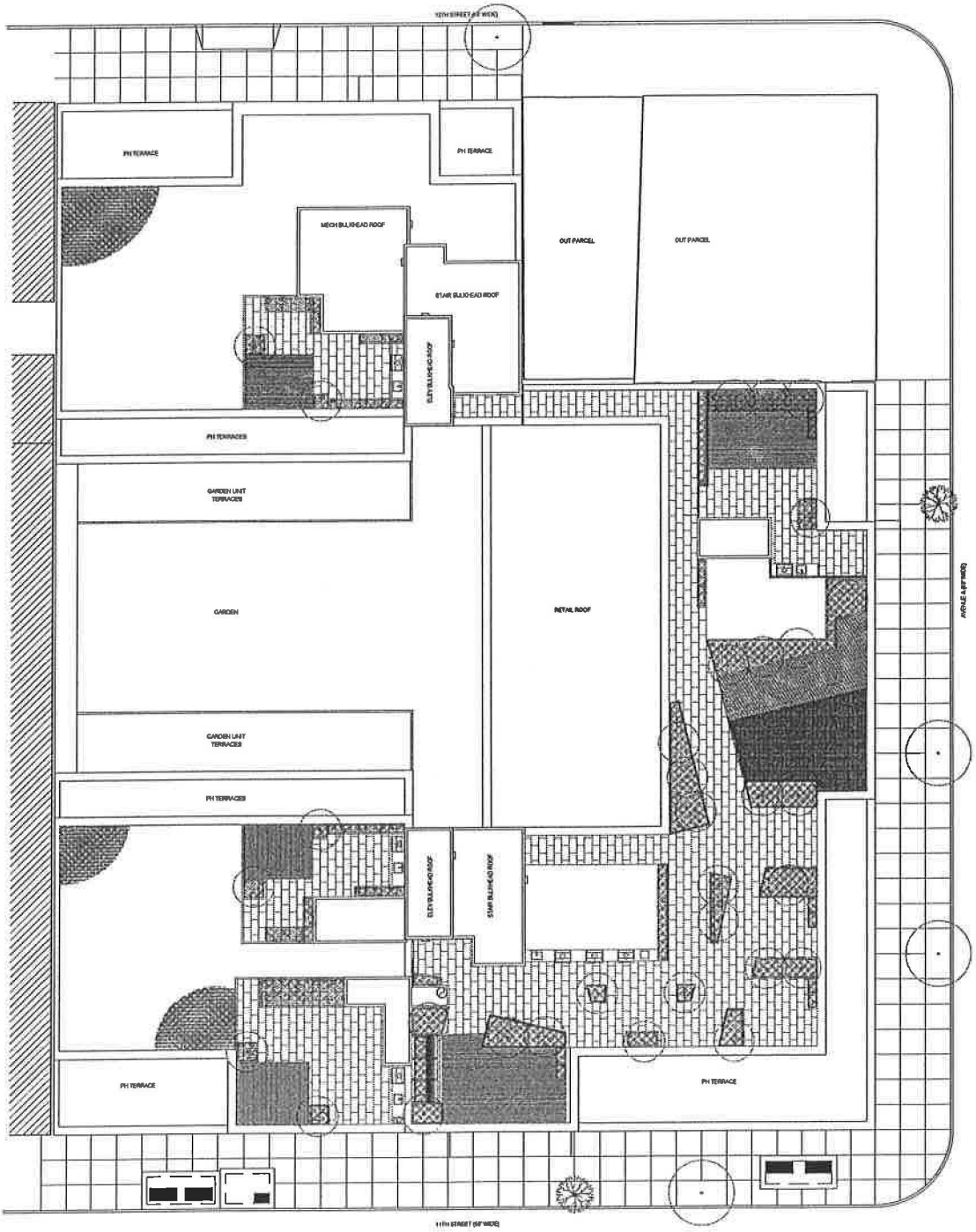
SITE PLAN



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12.03.2015

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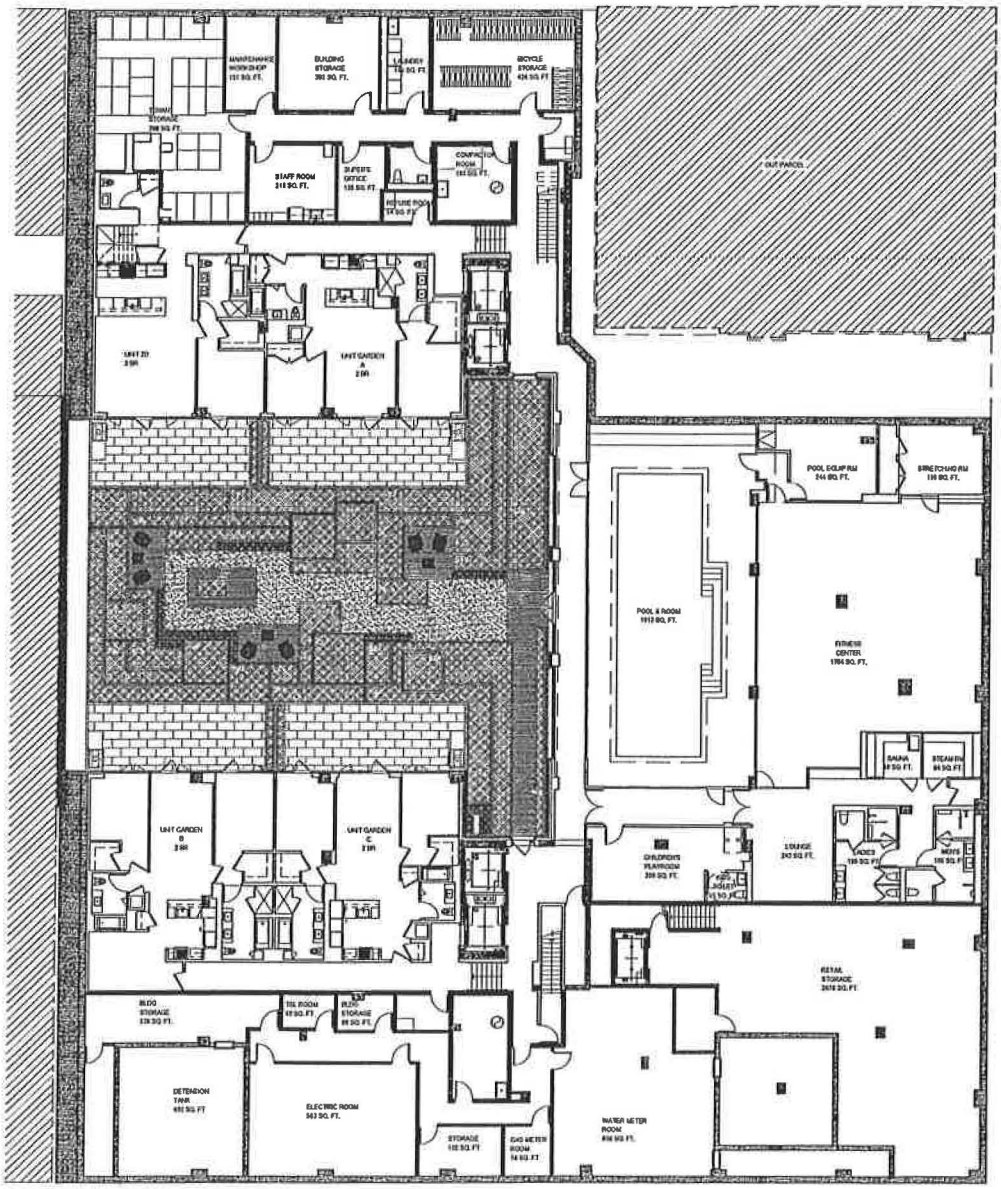
GARDEN & AMENITIES FLOOR PLAN



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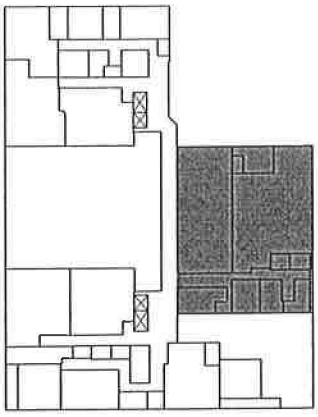
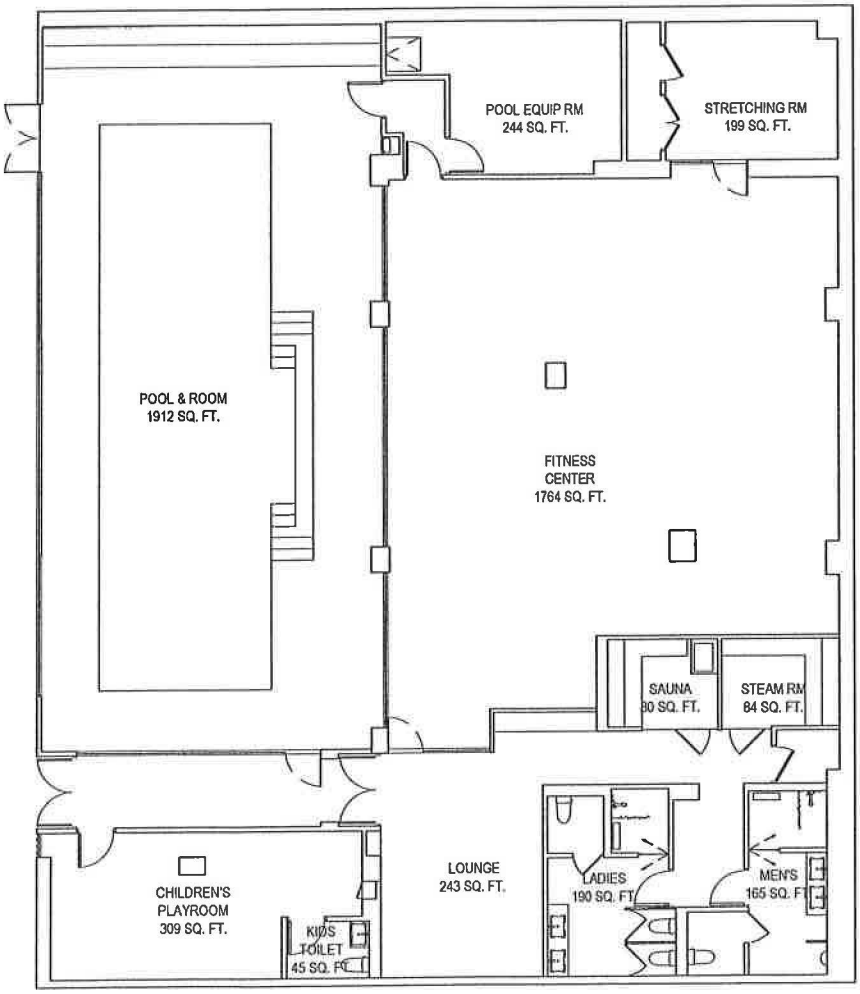
AMENITIES
AMENITY LEVEL



KEY PLAN



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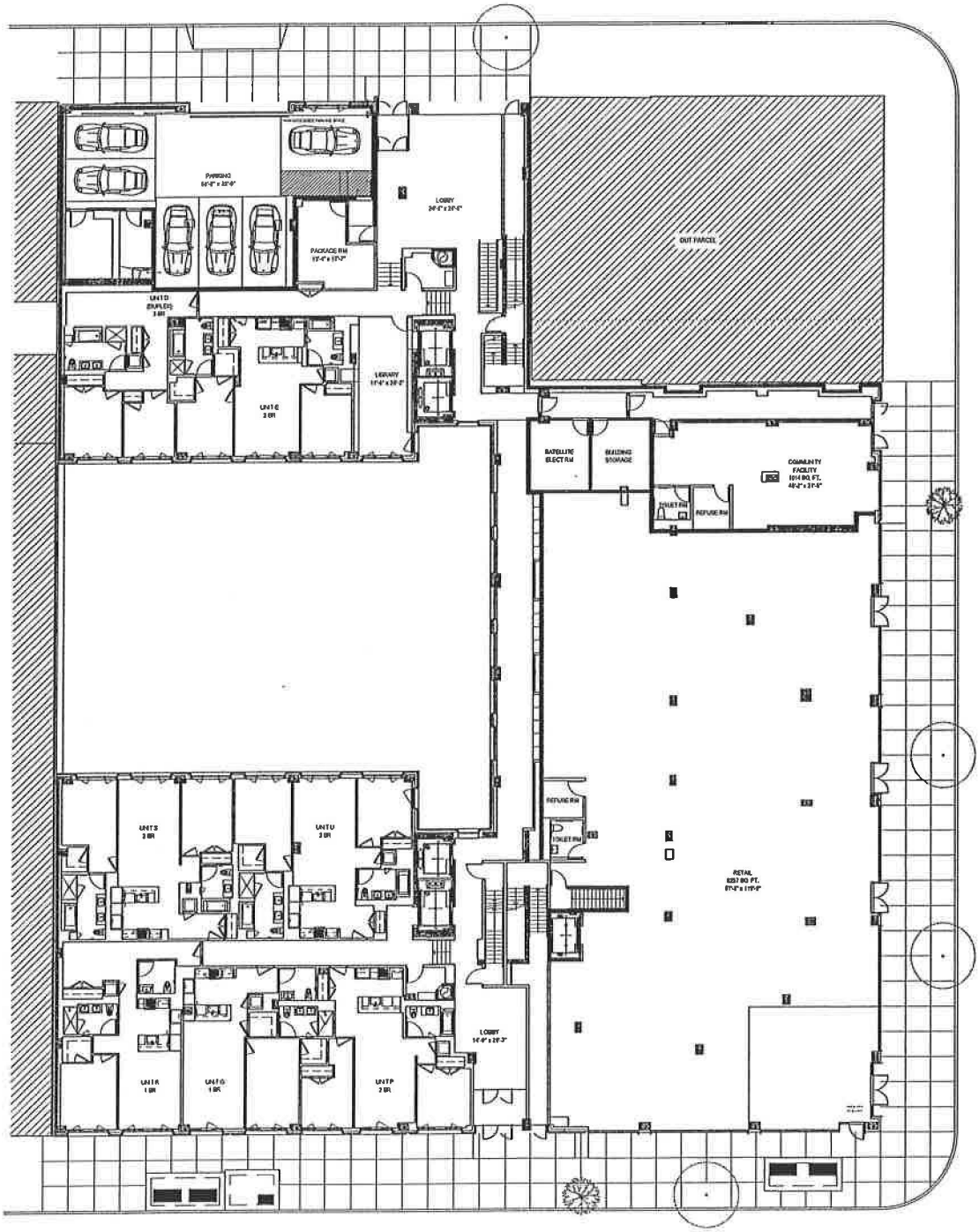
LOBBY & SECOND FLOOR PLAN



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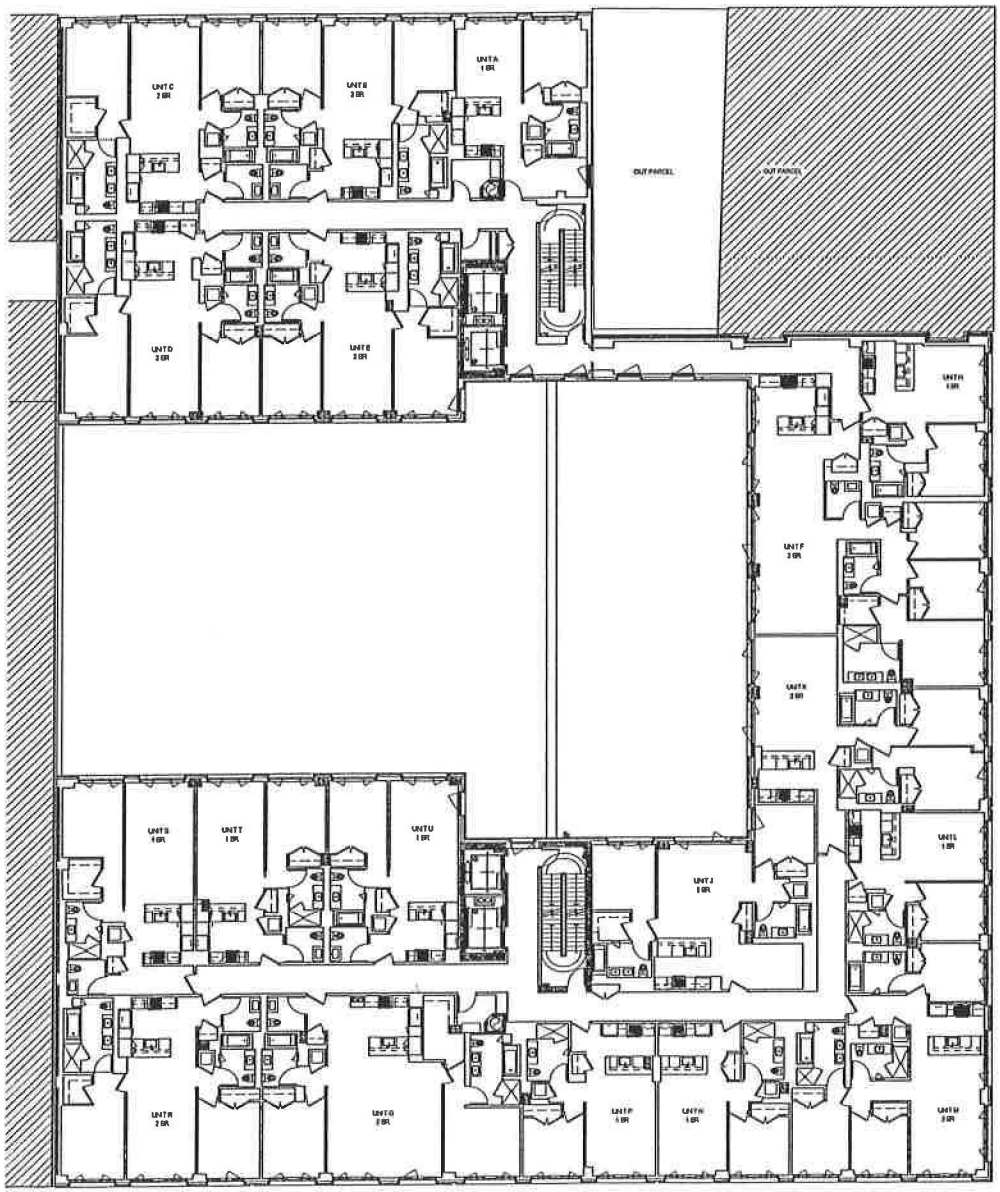
THIRD FLOOR PLAN



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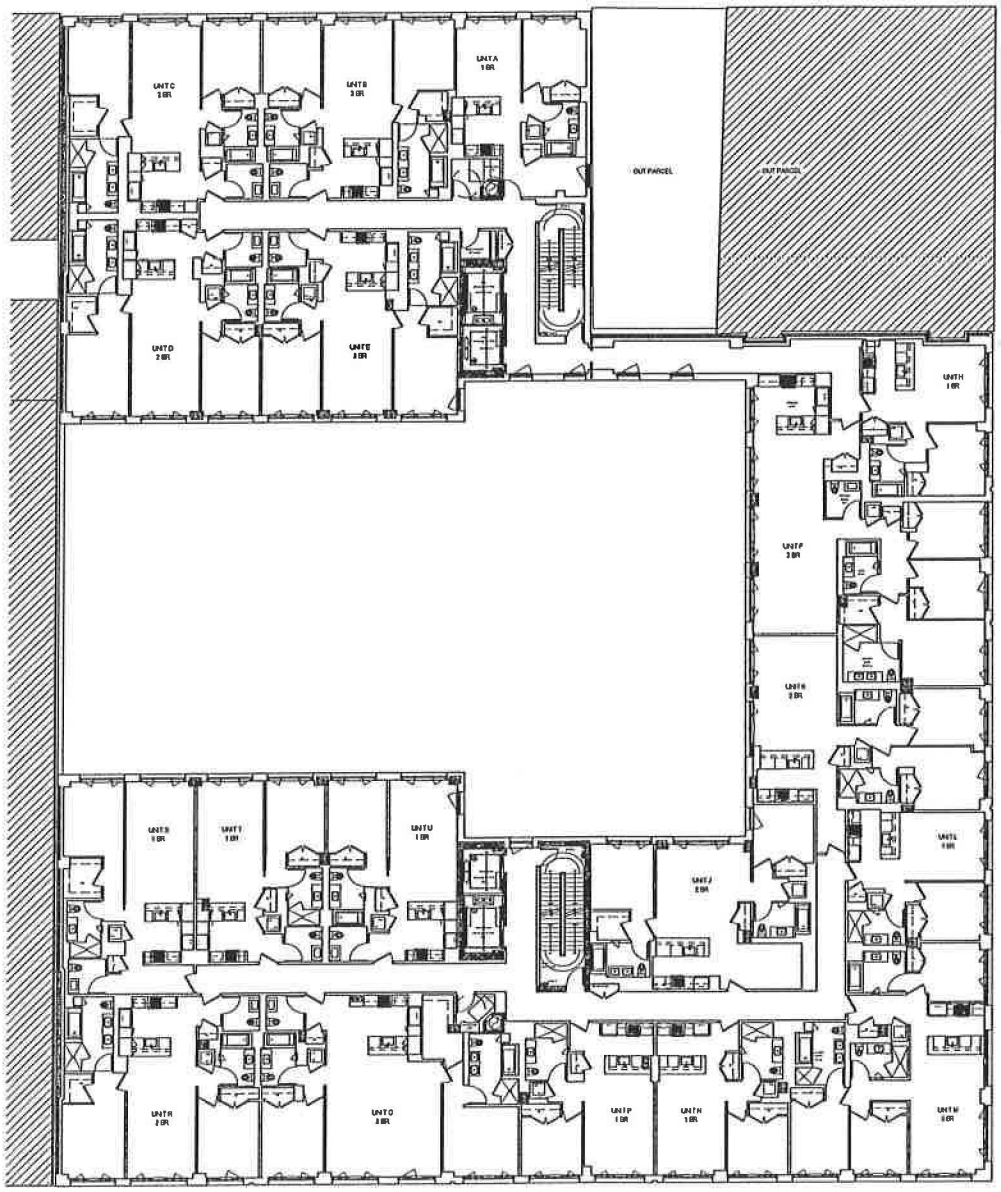
FOURTH FLOOR PLAN



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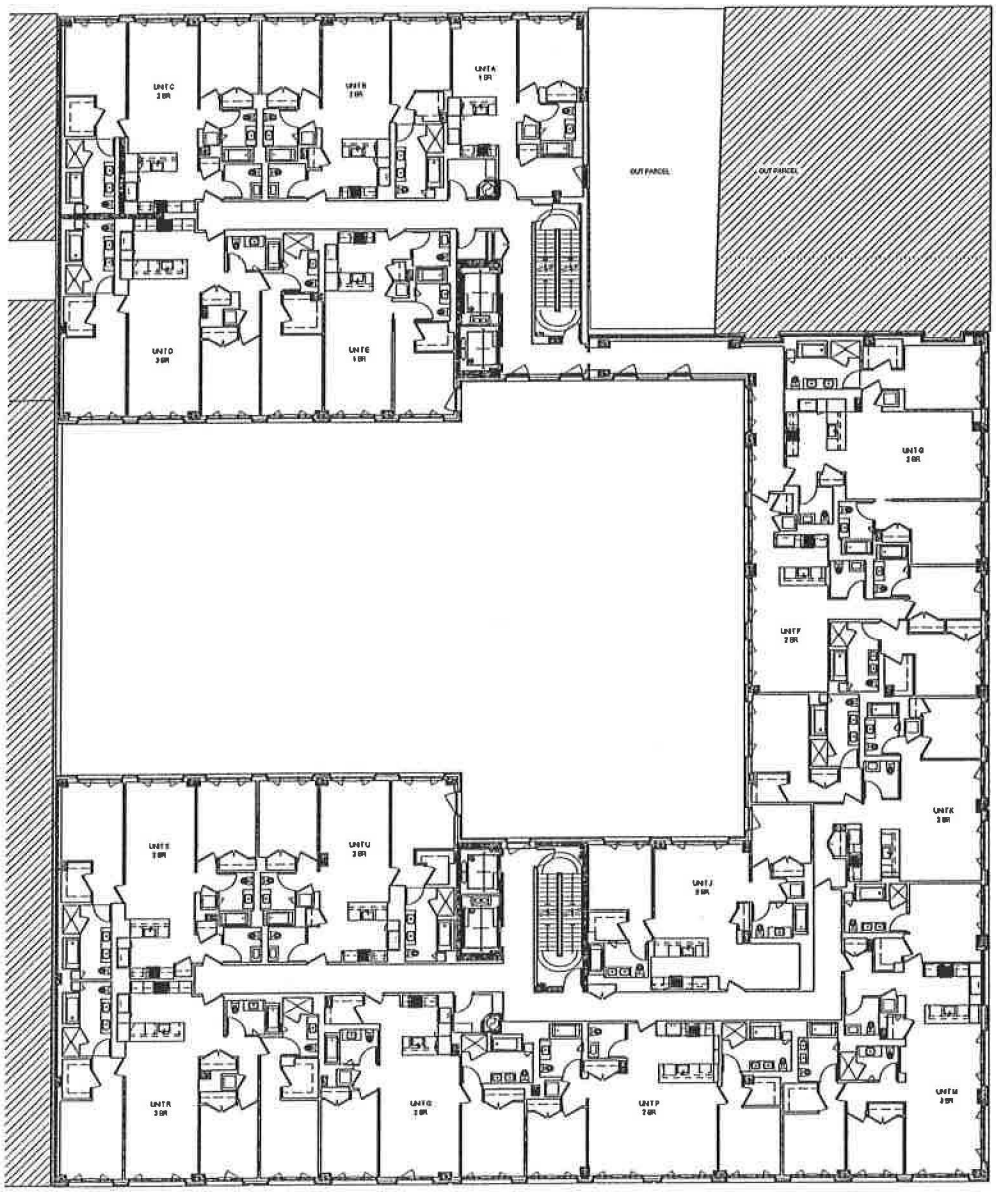
FIFTH FLOOR PLAN



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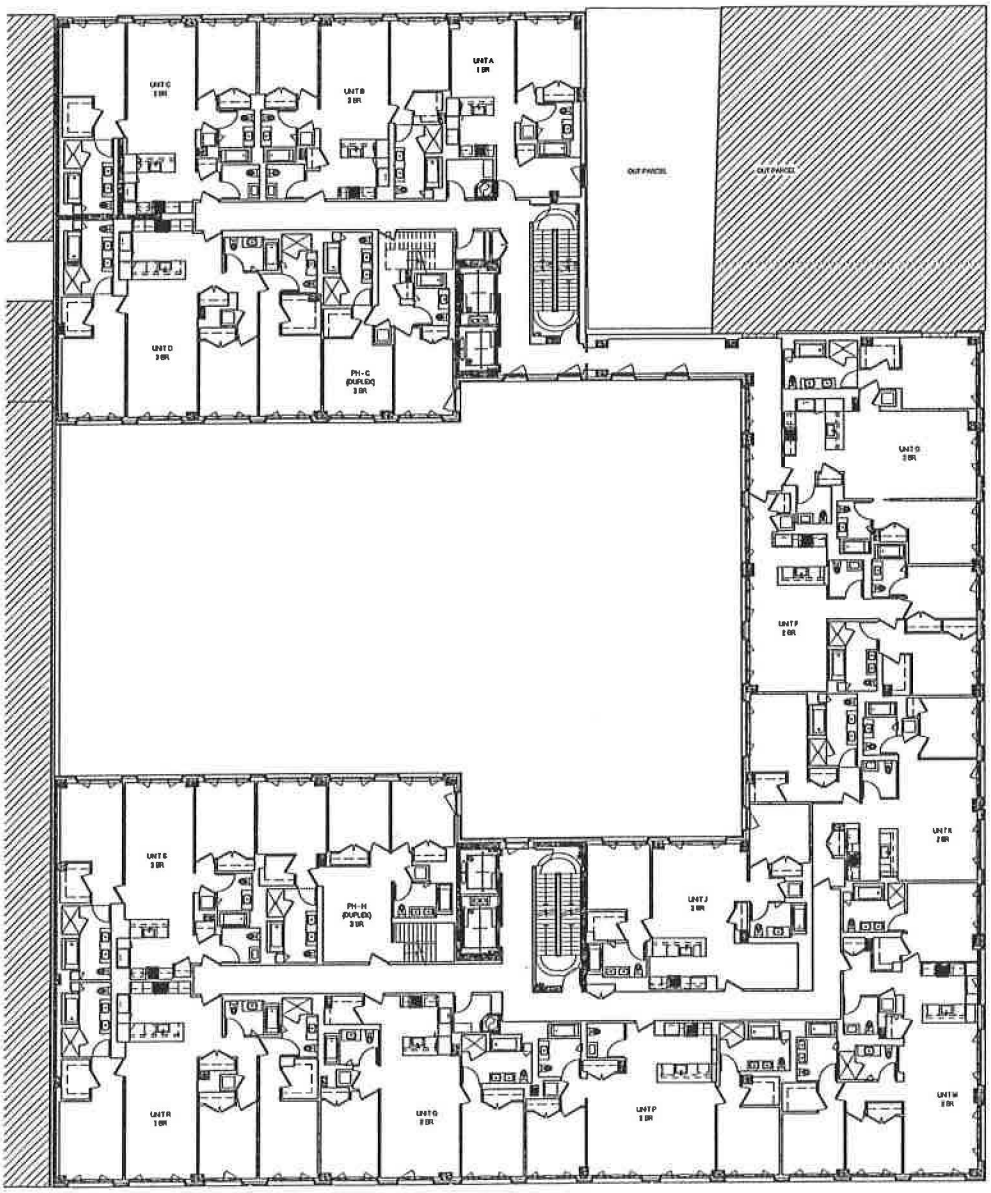
SIXTH FLOOR PLAN



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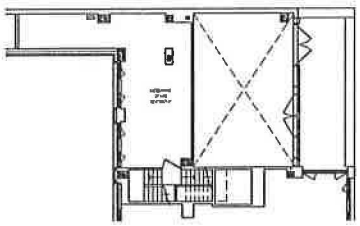
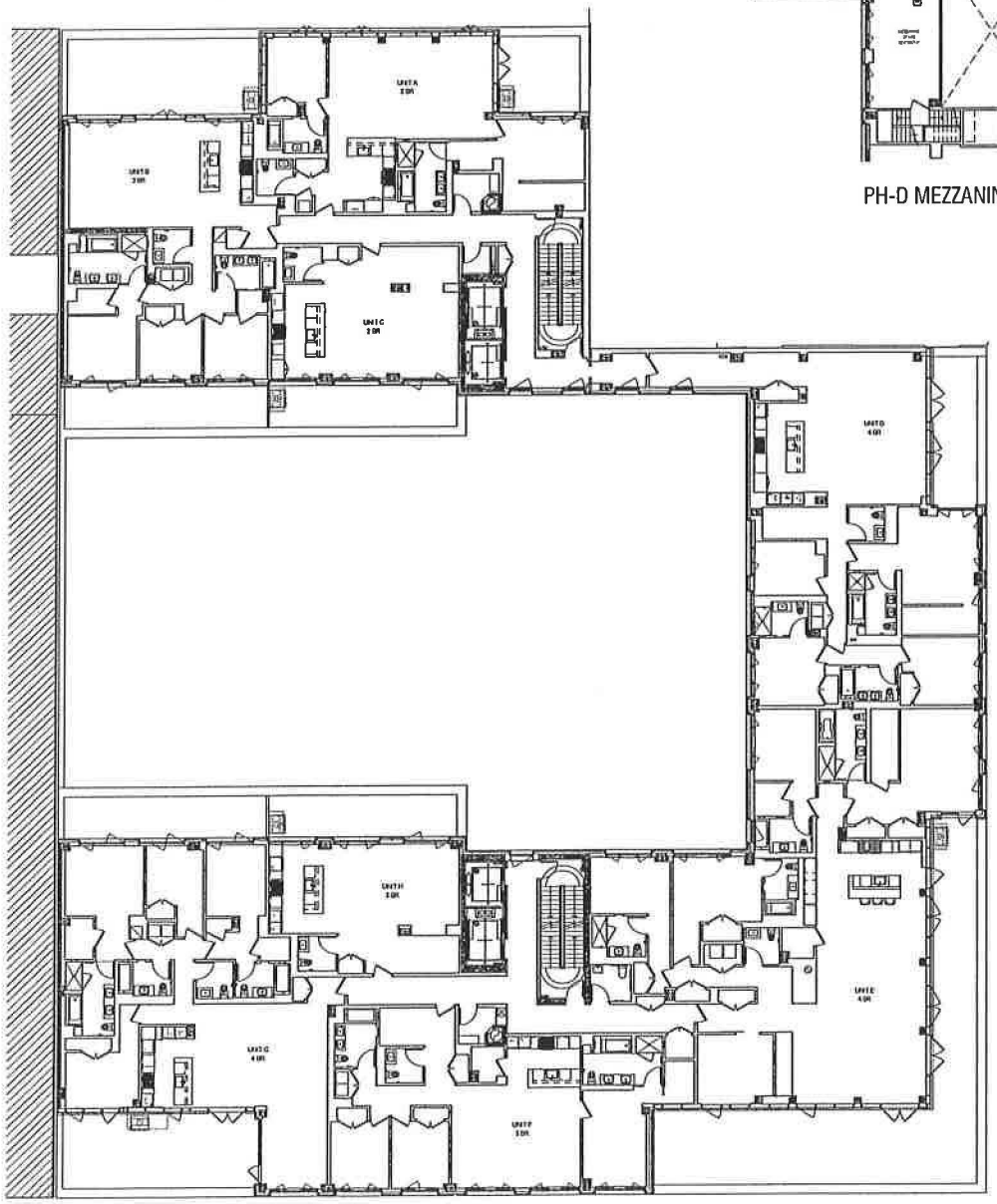
PENTHOUSE PLAN



PH-D MEZZANINE PLAN



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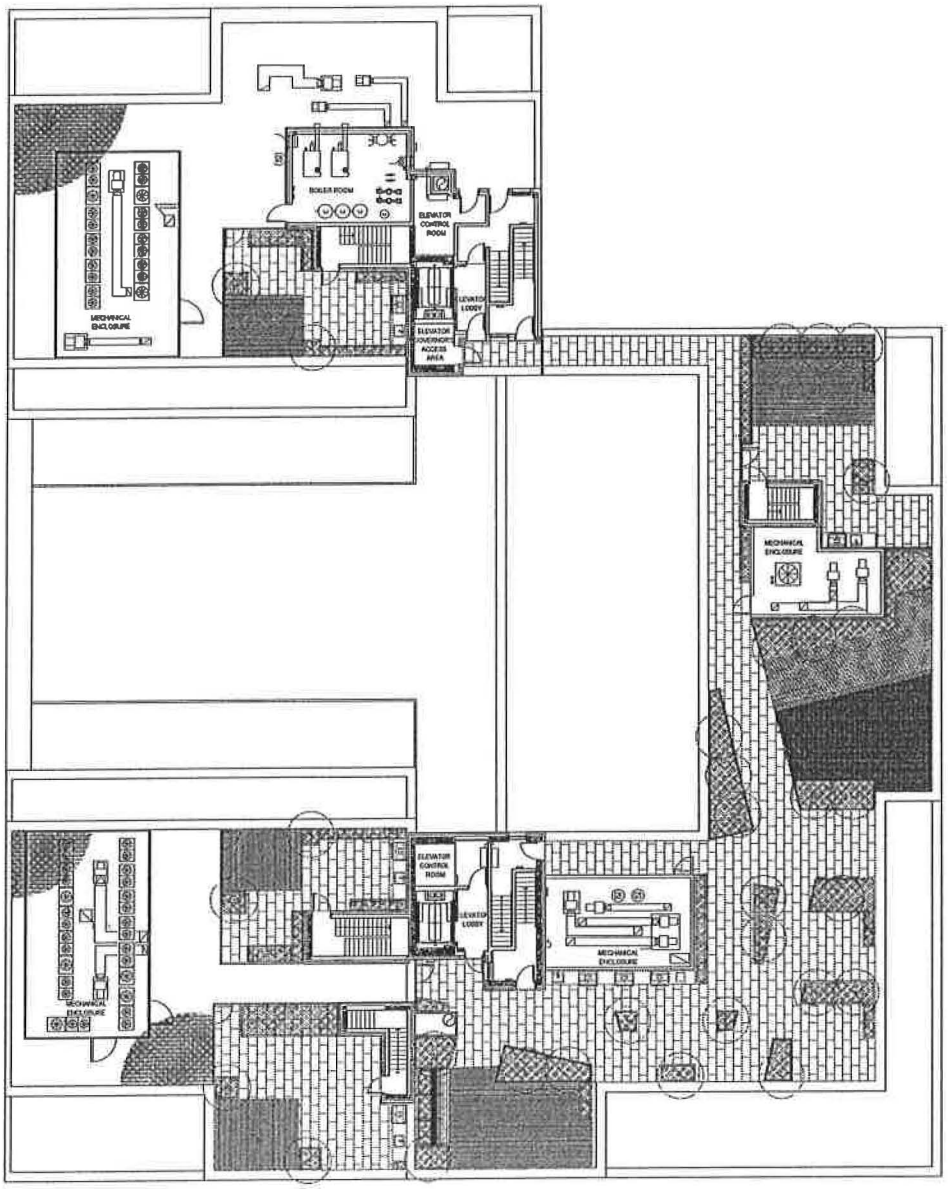
ROOF PLAN



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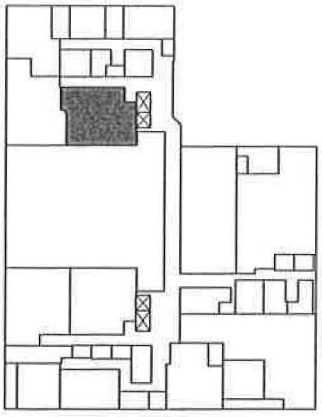
UNIT GARDEN A
2 BED /2 BATH
GARDEN LEVEL

APPROX. UNIT AREA: 1027 SF
APPROX. TERRACE AREA: 433 SF



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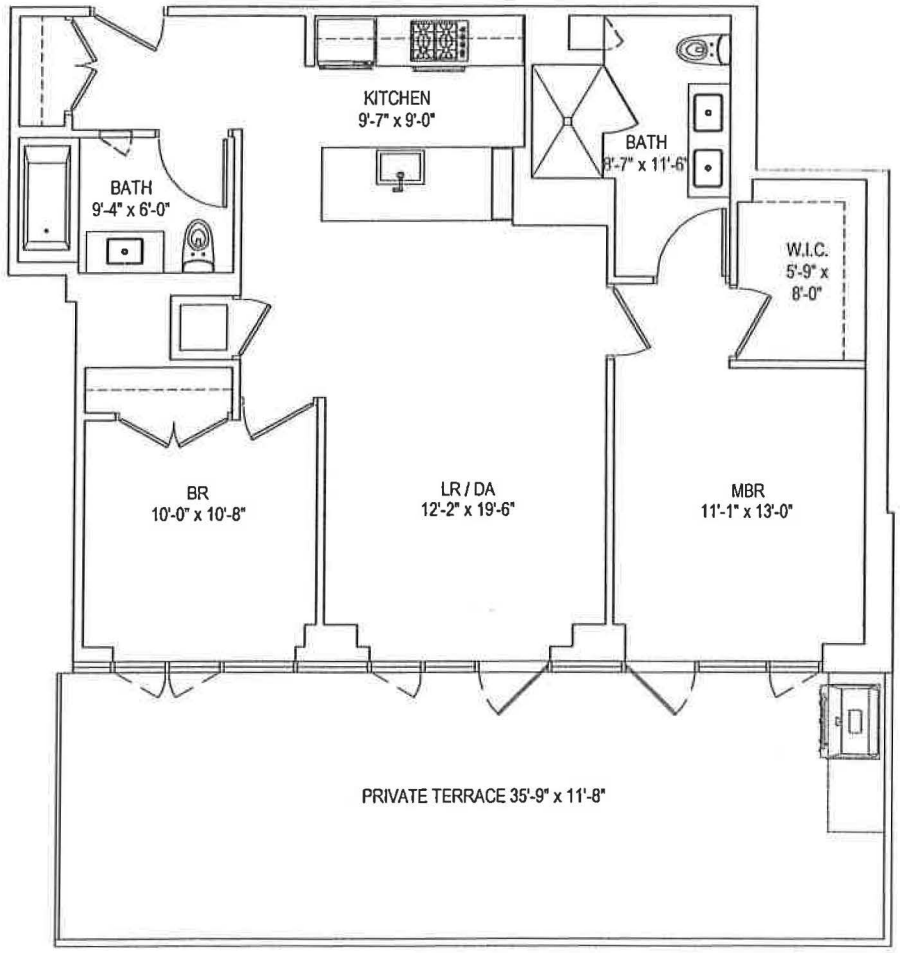

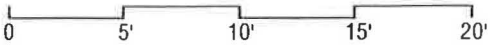

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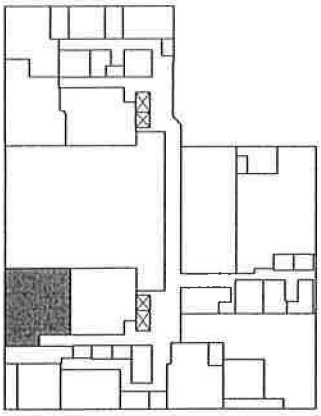
UNIT GARDEN B
2 BED /2 BATH
GARDEN LEVEL

APPROX. UNIT AREA: 1195 SF
APPROX. TERRACE AREA: 393 SF



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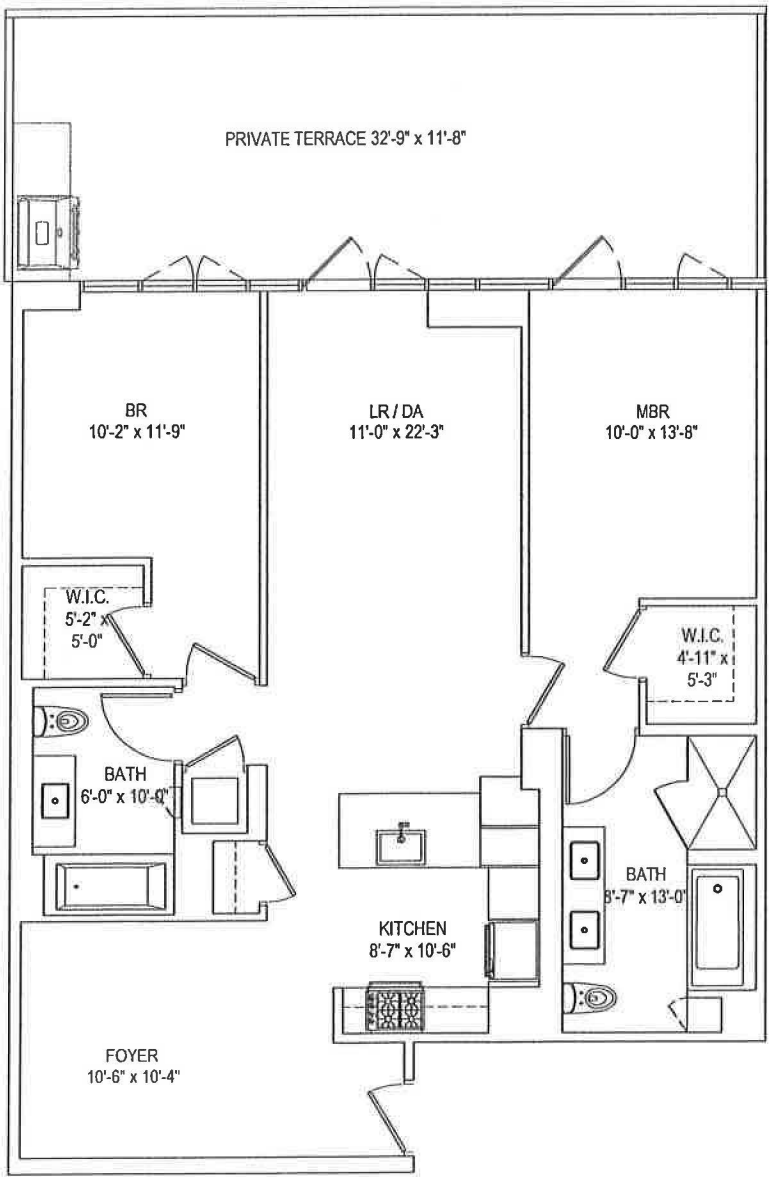

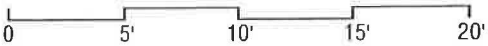

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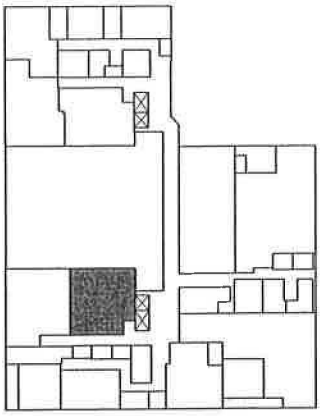
UNIT GARDEN C
2 BED /2 BATH
GARDEN LEVEL

APPROX. UNIT AREA: 1072 SF
APPROX. TERRACE AREA: 398 SF



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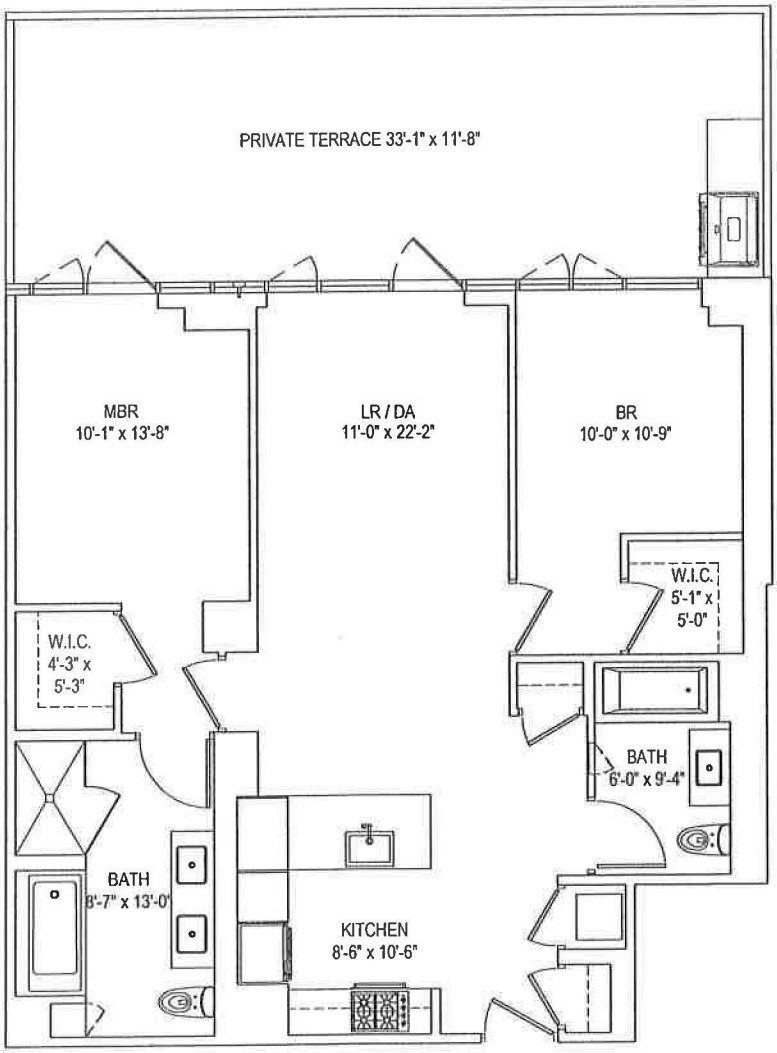

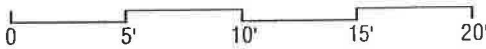

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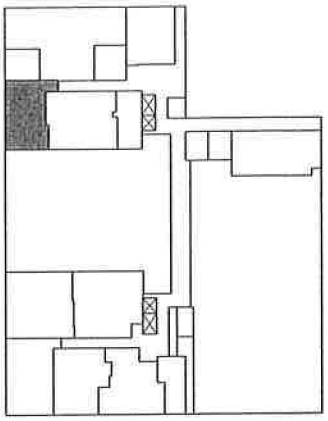
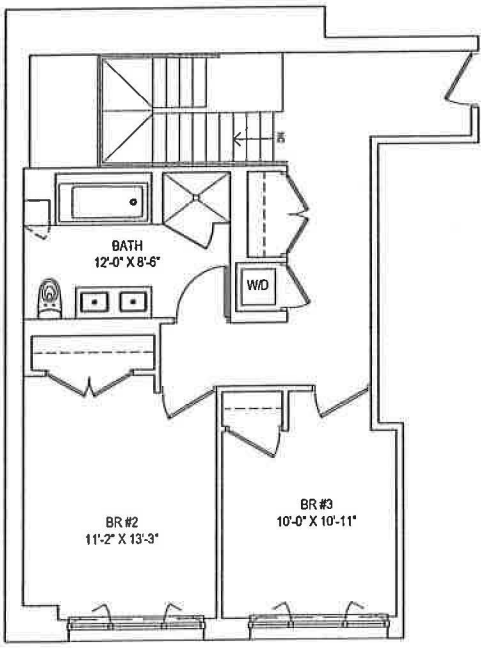
UNIT 2D
DUPLEX 3 BED /2.5 BATH
SECOND FLOOR & GARDEN LEVEL

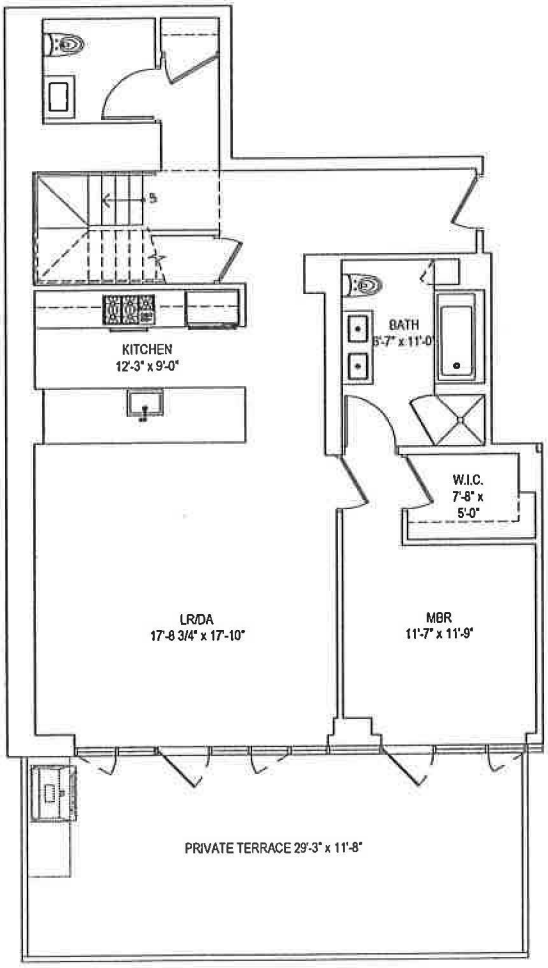
APPROX. UNIT AREA: 1976 SF
APPROX. TERRACE AREA: 355 SF



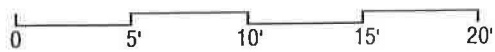
KEY PLAN



SECOND FLOOR



GARDEN LEVEL



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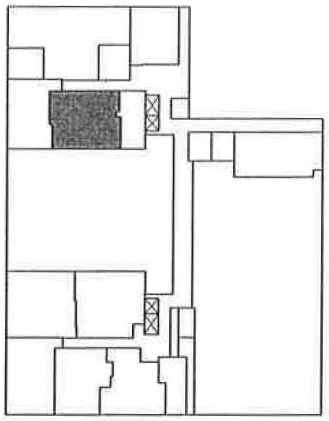
UNIT 2E
2 BED /2 BATH
SECOND FLOOR

APPROX. UNIT AREA: 1037 SF



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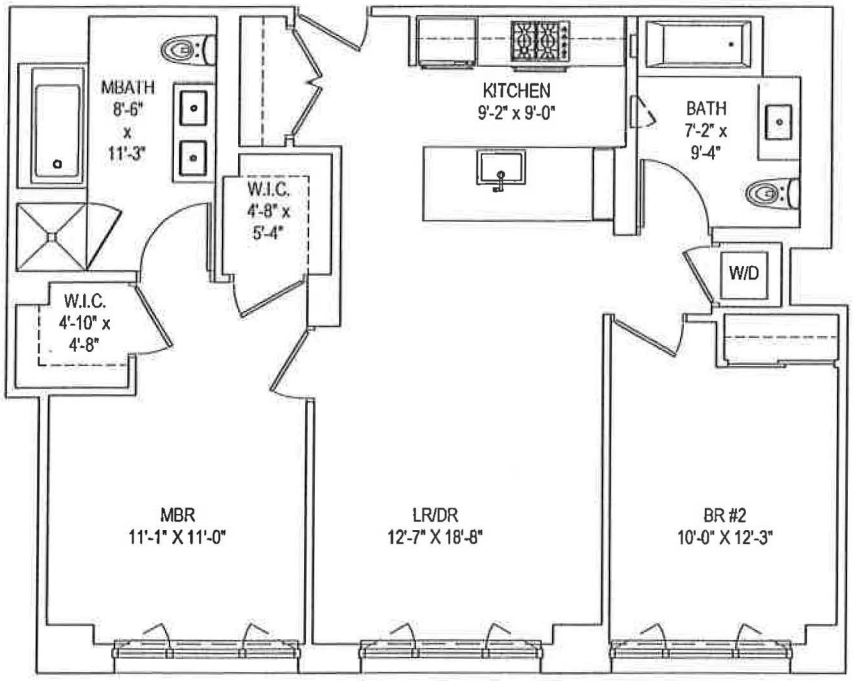

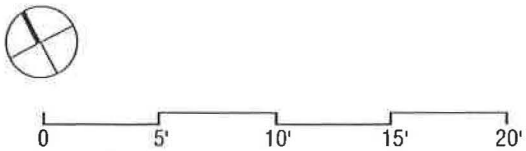

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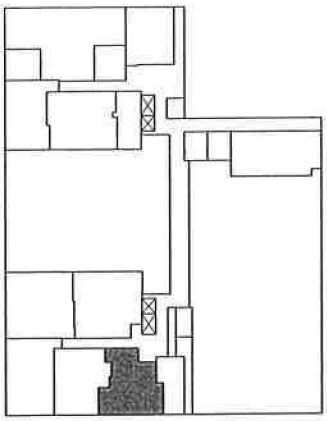
UNIT 2P
2 BED /1 BATH
SECOND FLOOR

APPROX. UNIT AREA: 906 SF



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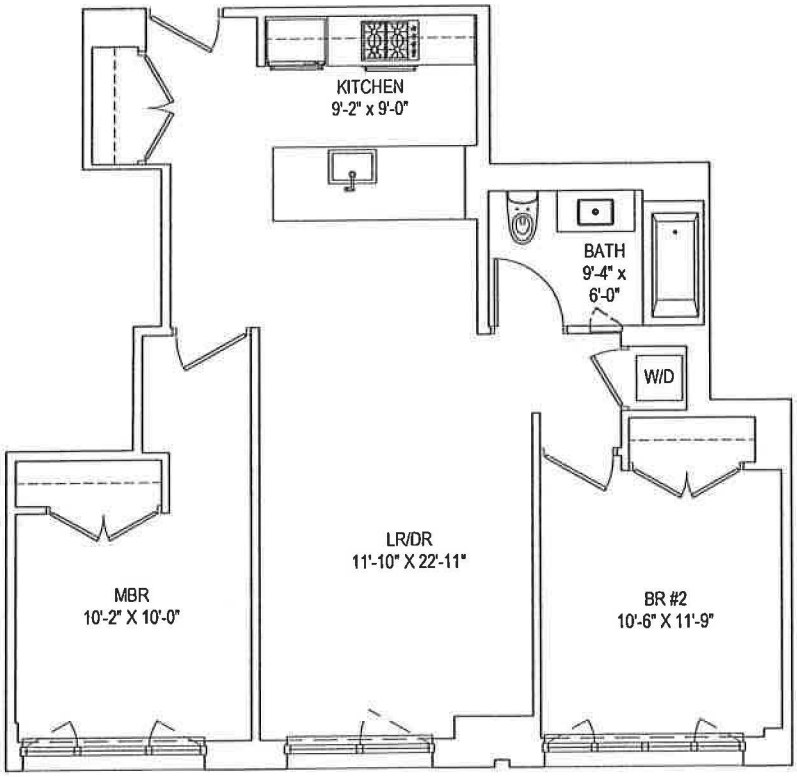

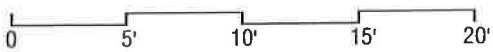

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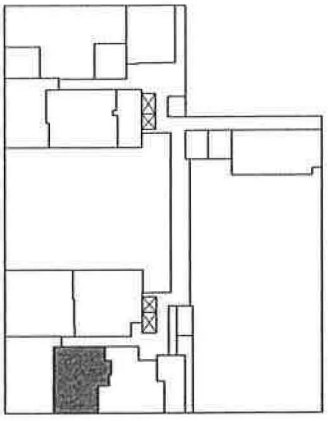
UNIT 2Q
1 BED /1.5 BATH
SECOND FLOOR

APPROX. UNIT AREA: 873 SF



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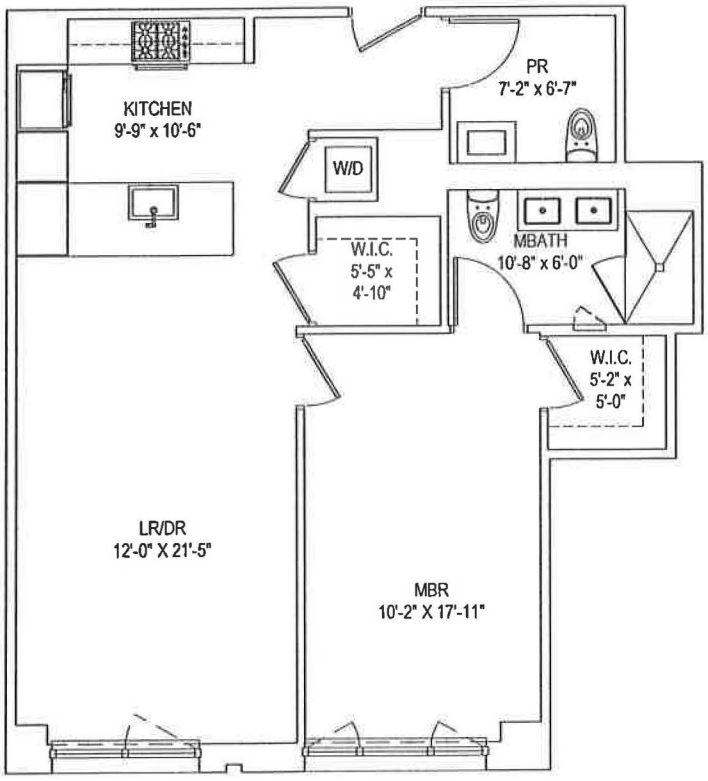

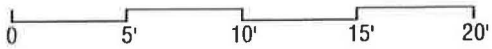

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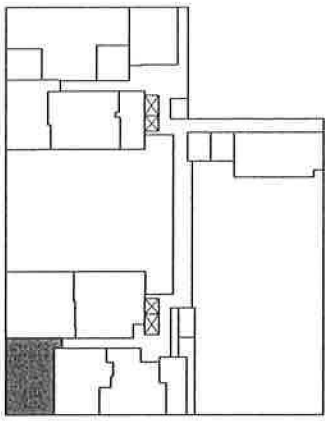
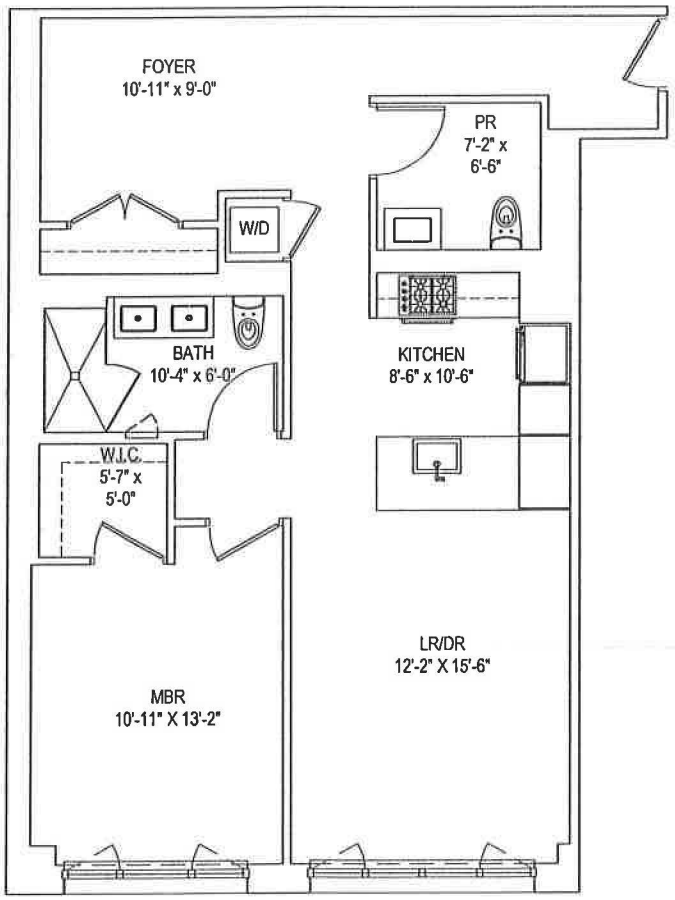
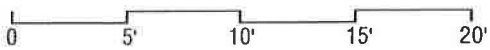
UNIT 2R
1 BED /1.5 BATH
SECOND FLOOR

APPROX. UNIT AREA: 975 SF



KEY PLAN





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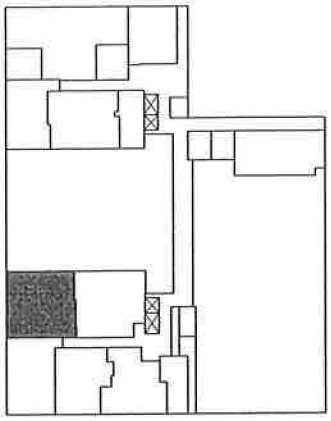
UNIT 2S
2 BED / 2 BATH
SECOND FLOOR

APPROX. UNIT AREA: 1164 SF



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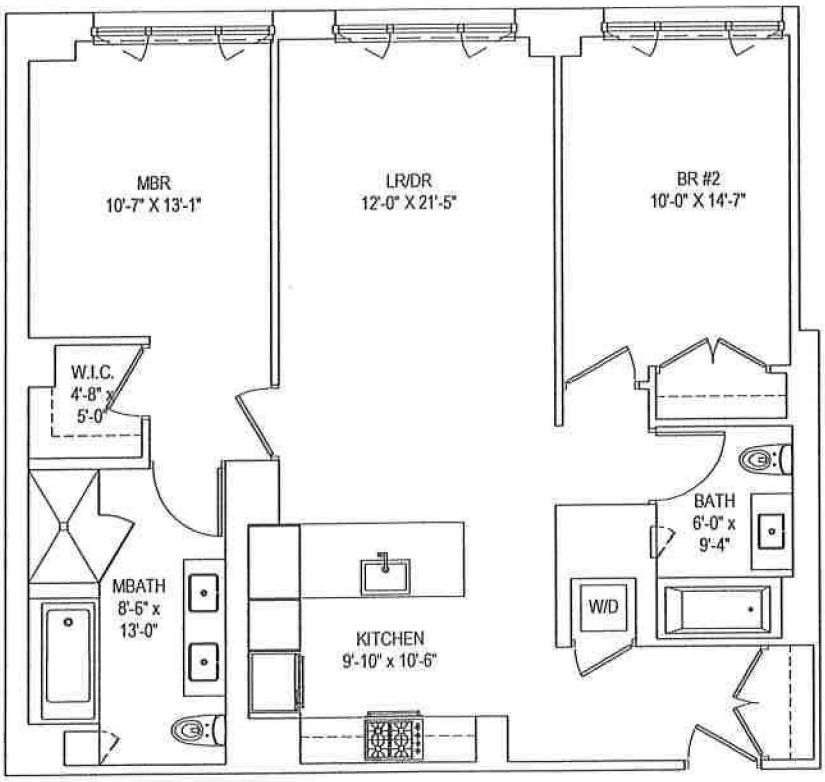

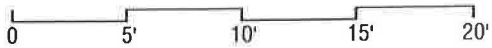

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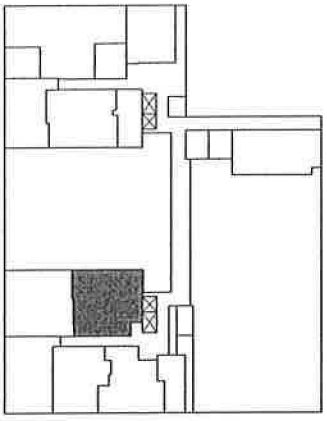
UNIT 2U
2 BED /2 BATH
SECOND FLOOR

APPROX. UNIT AREA: 1158 SF



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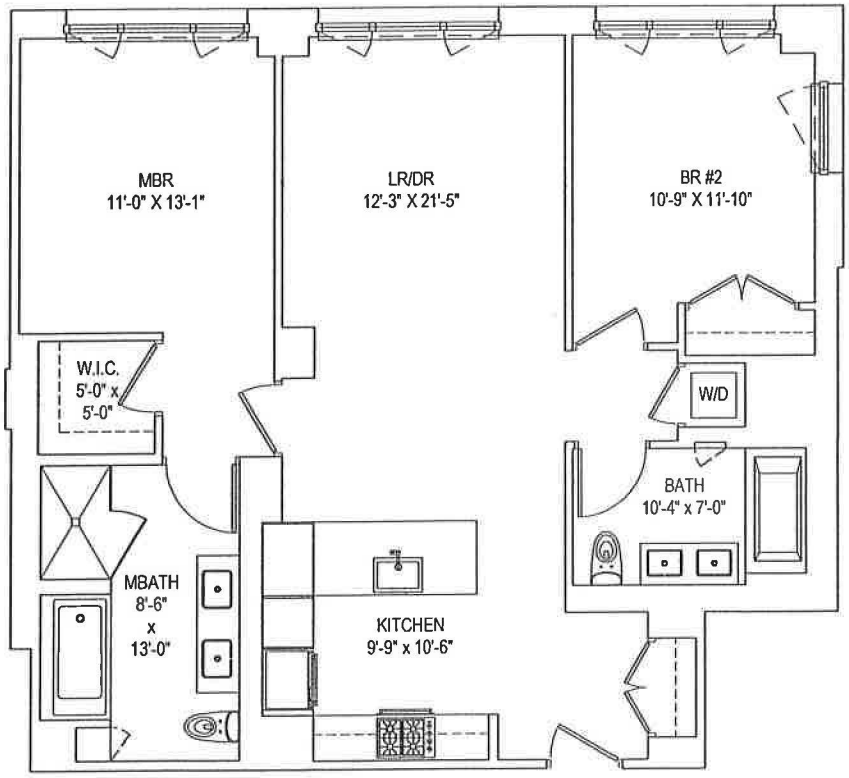

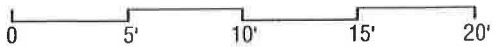

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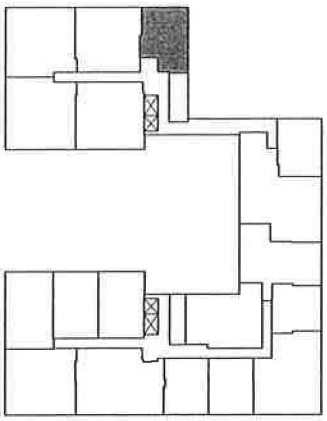
UNIT 3A, 4A, 5A & 6A
1 BED /1 BATH
THIRD, FOURTH, FIFTH & SIXTH FLOOR

APPROX. UNIT AREA: 744 SF



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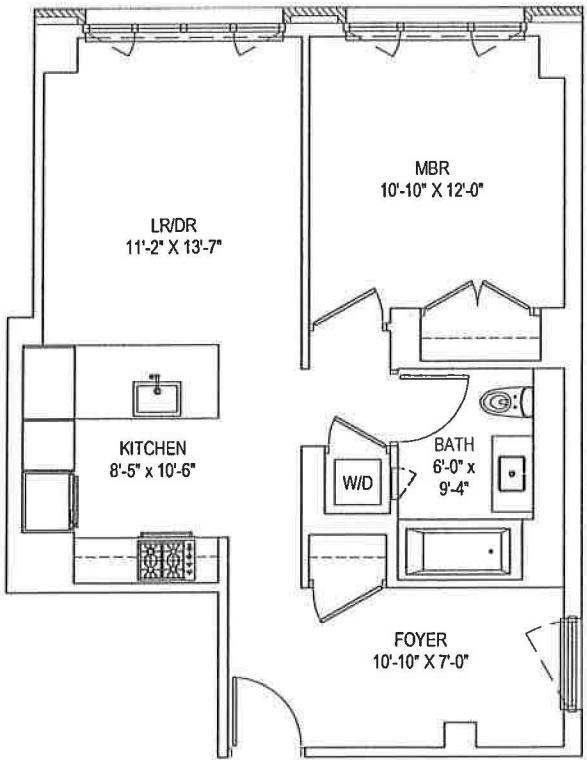

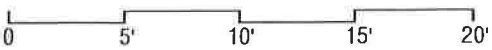

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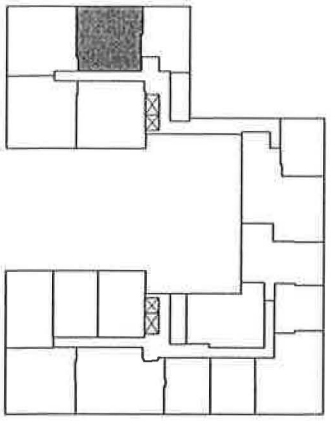
UNIT 3B, 4B, 5B & 6B
2 BED /2.5 BATH
THIRD, FOURTH, FIFTH & SIXTH FLOOR

APPROX. UNIT AREA: 1092 SF



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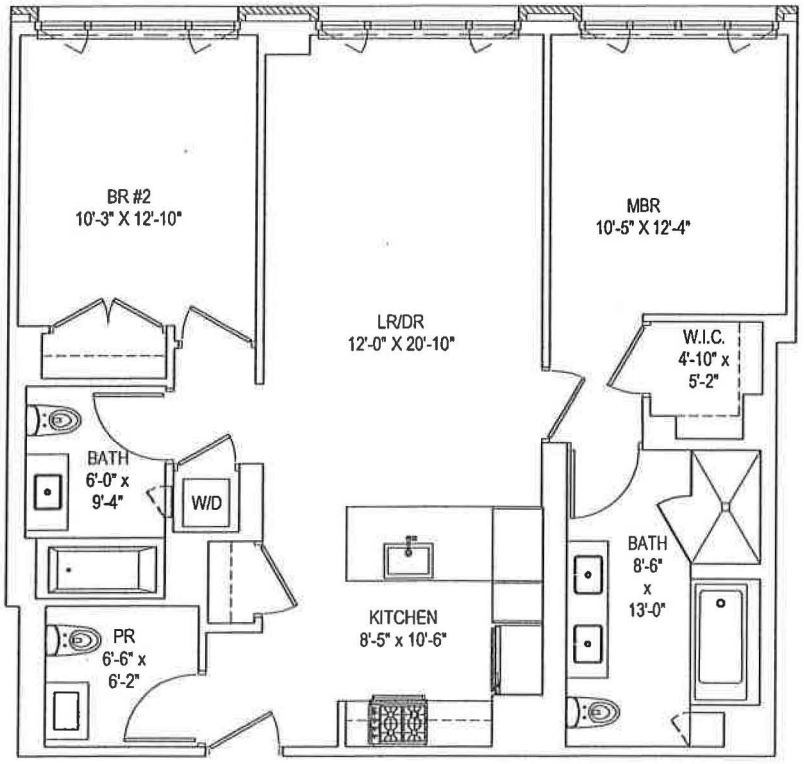

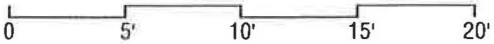

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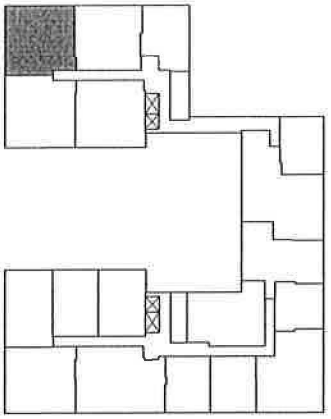
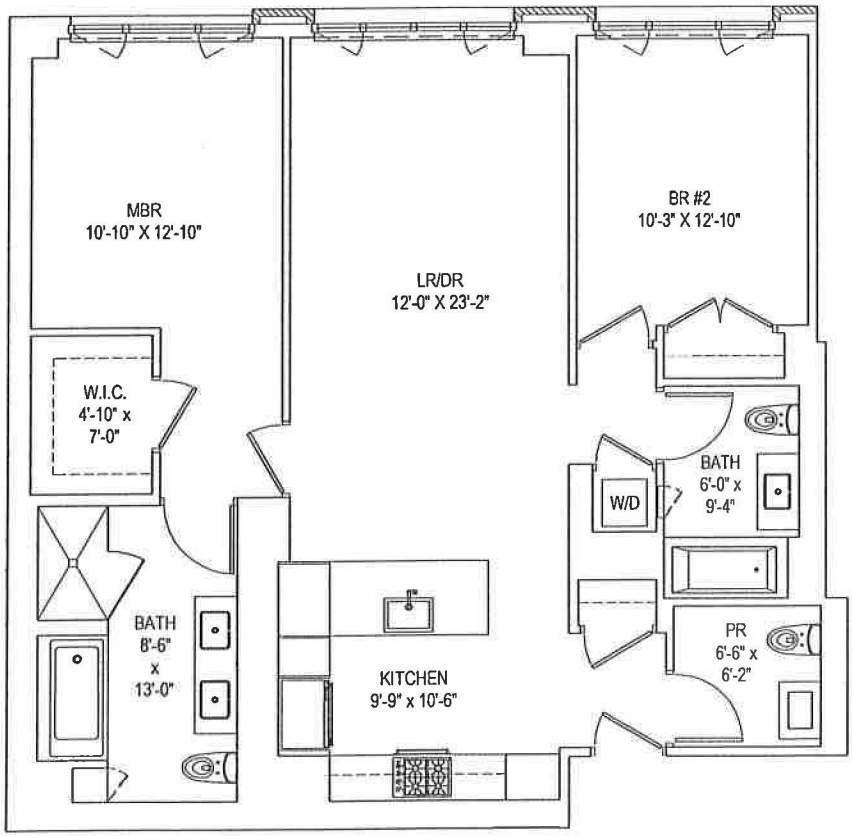
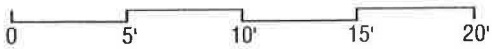
UNIT 3C, 4C, 5C & 6C
2 BED /2.5 BATH
THIRD, FOURTH, FIFTH & SIXTH FLOOR

APPROX. UNIT AREA: 1221 SF



KEY PLAN





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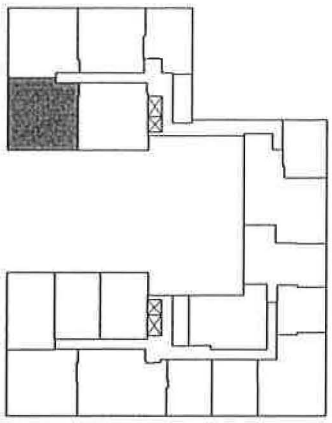
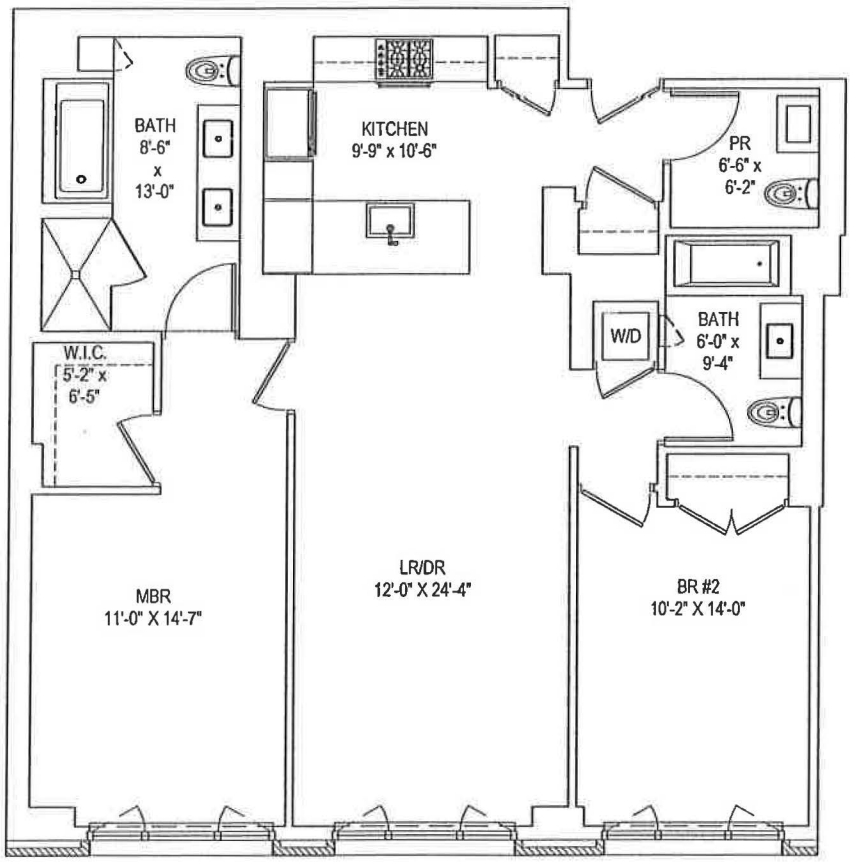
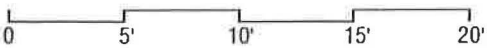

KEY PLAN

UNIT 3D & 4D
2 BED /2.5 BATH
THIRD & FOURTH FLOOR

APPROX. UNIT AREA: 1265 SF





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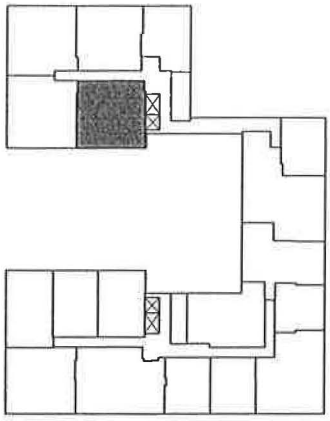
UNIT 3E & 4E
2 BED /2.5 BATH
THIRD & FOURTH FLOOR

APPROX. UNIT AREA: 1194 SF



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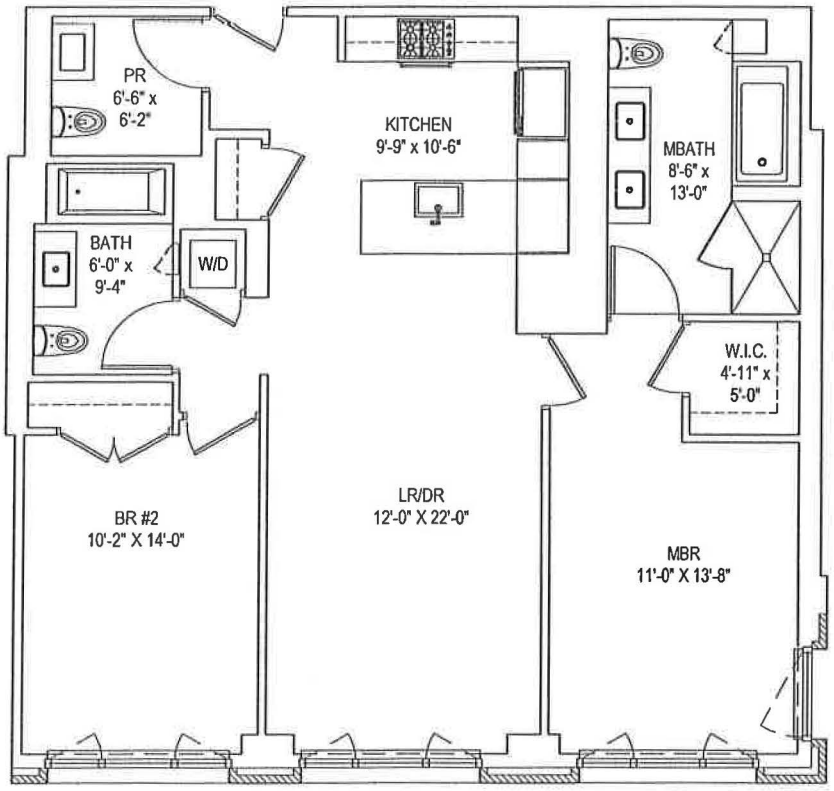

0 5' 10' 15' 20'

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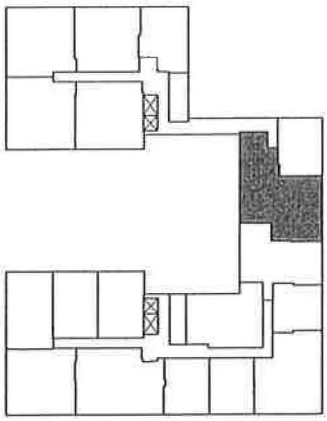
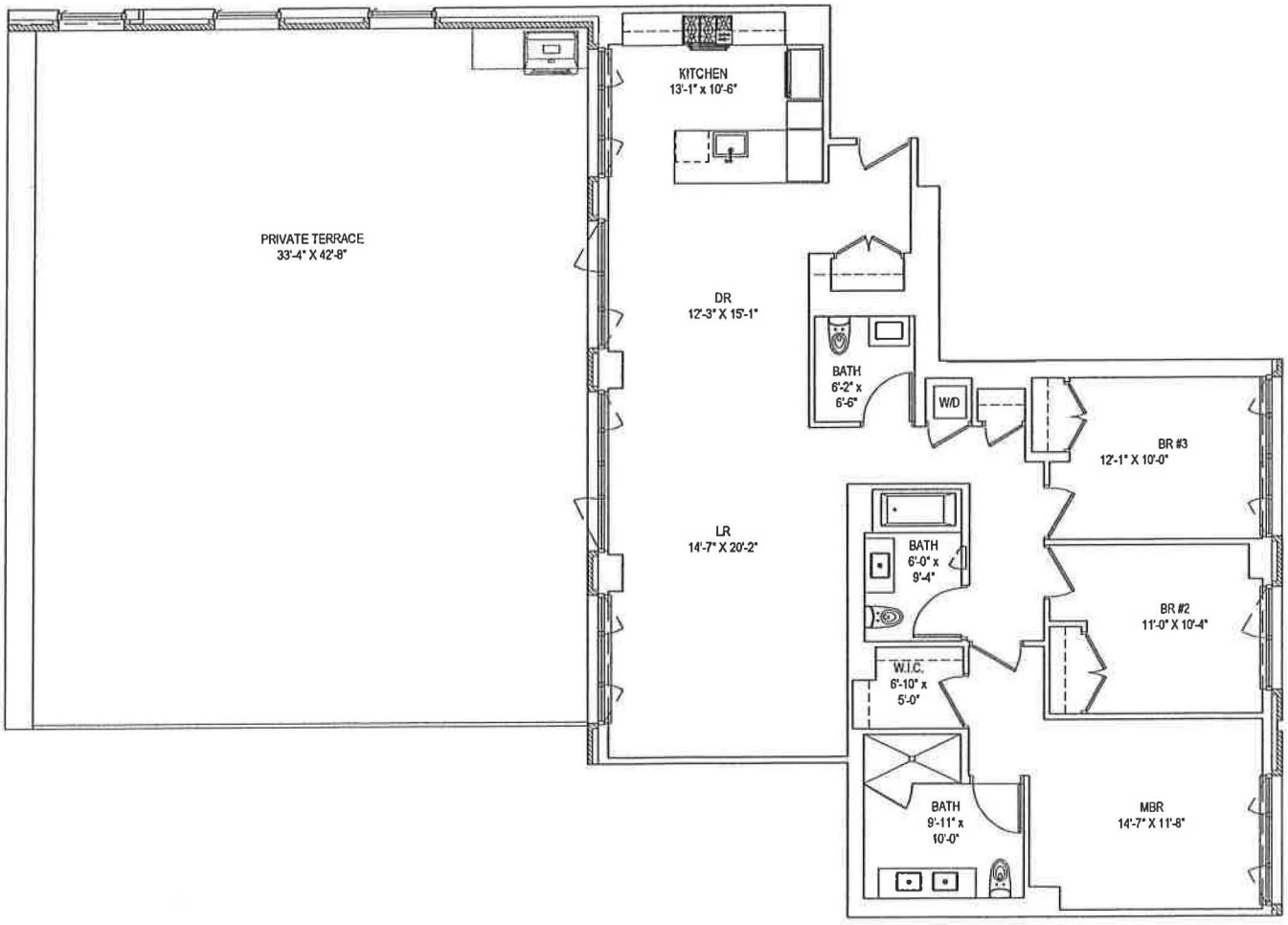
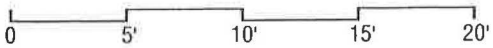

KEY PLAN

UNIT 3F
3 BED /2.5 BATH
THIRD FLOOR

APPROX. UNIT AREA: 1686 SF
APPROX. TERRACE AREA: 1502 SF





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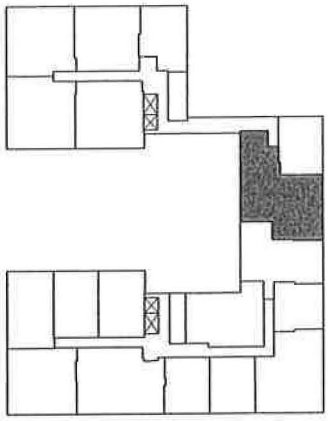
UNIT 4F
3 BED /2.5 BATH
FOURTH FLOOR

APPROX. UNIT AREA: 1686 SF



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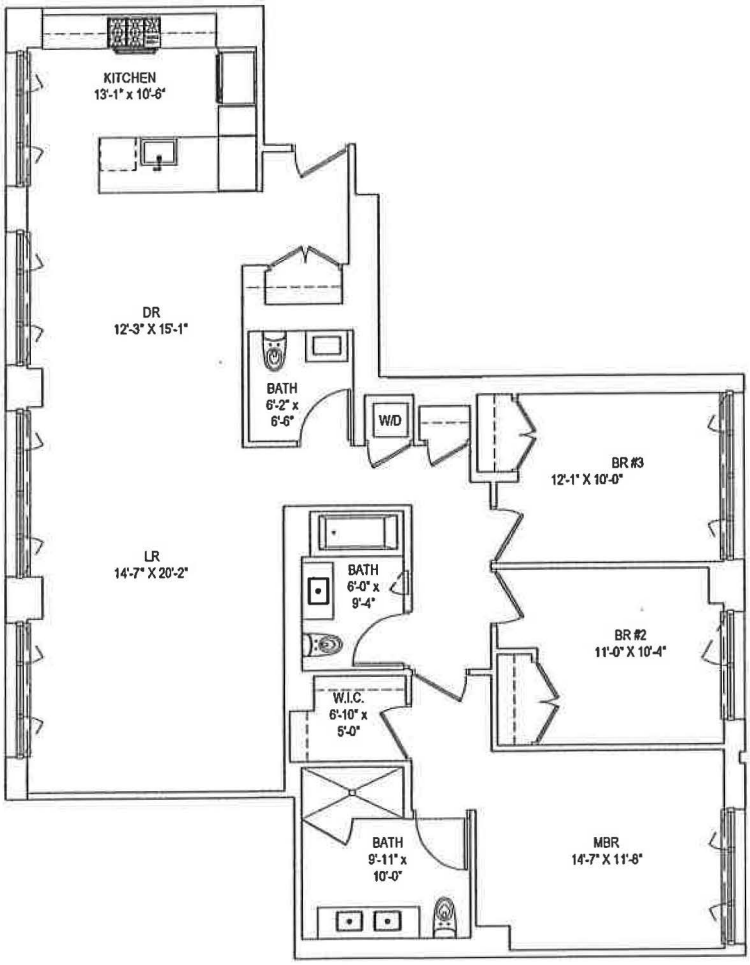

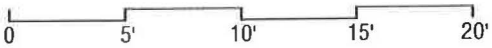

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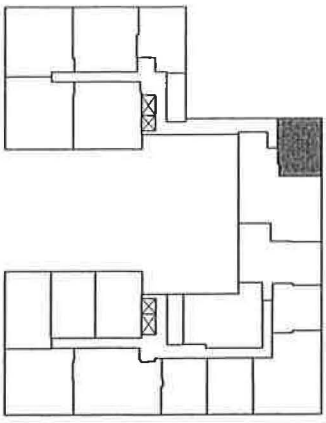
UNIT 3H
1 BED /1 BATH
THIRD FLOOR

APPROX. UNIT AREA: 665 SF



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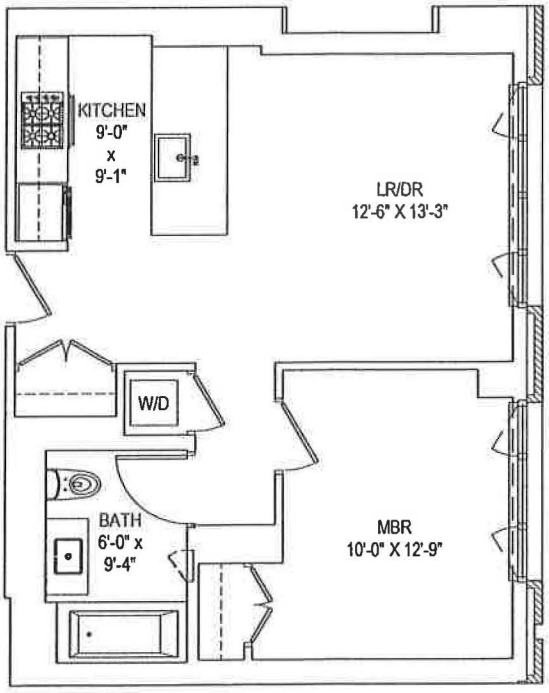

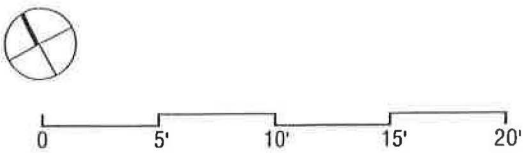

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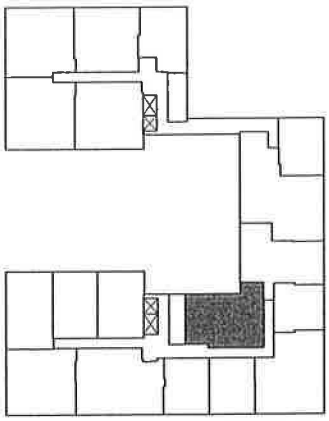
UNIT 3J
2 BED /2 BATH
THIRD FLOOR

APPROX. UNIT AREA: 1149 SF
APPROX. TERRACE AREA: 642 SF



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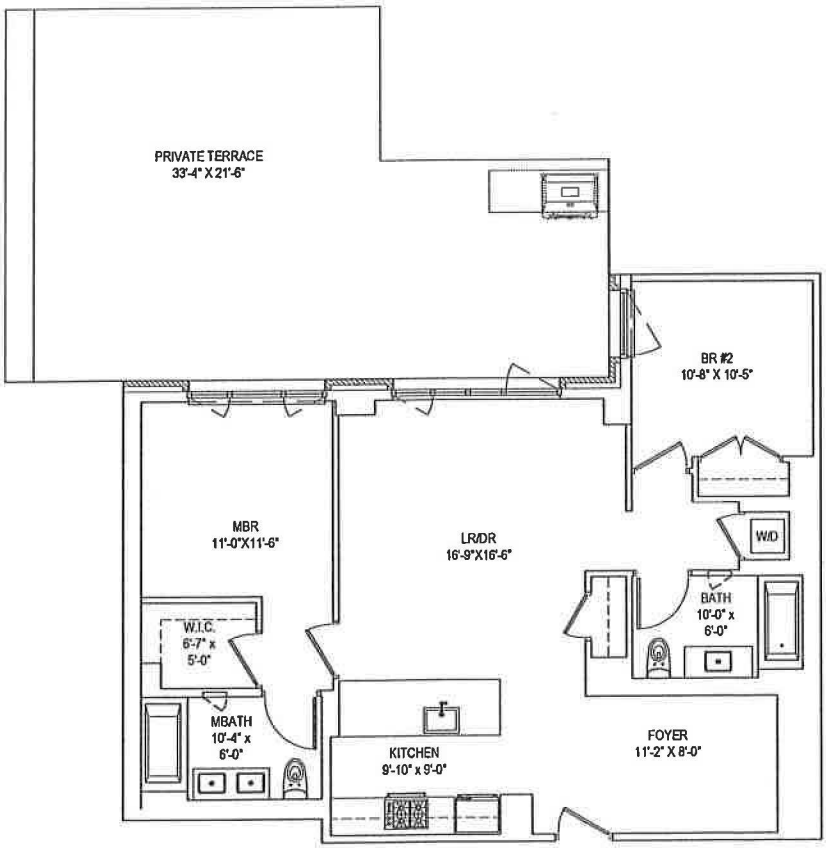

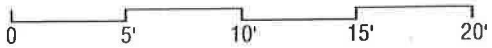

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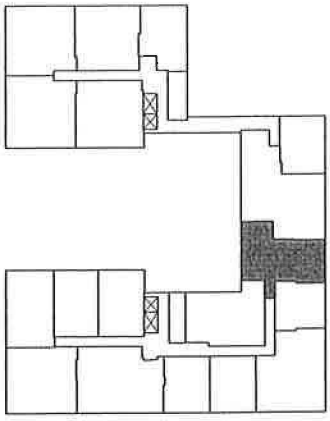
UNIT 3K
2 BED /2 BATH
THIRD FLOOR

APPROX. UNIT AREA: 1112 SF
APPROX. TERRACE AREA: 680 SF



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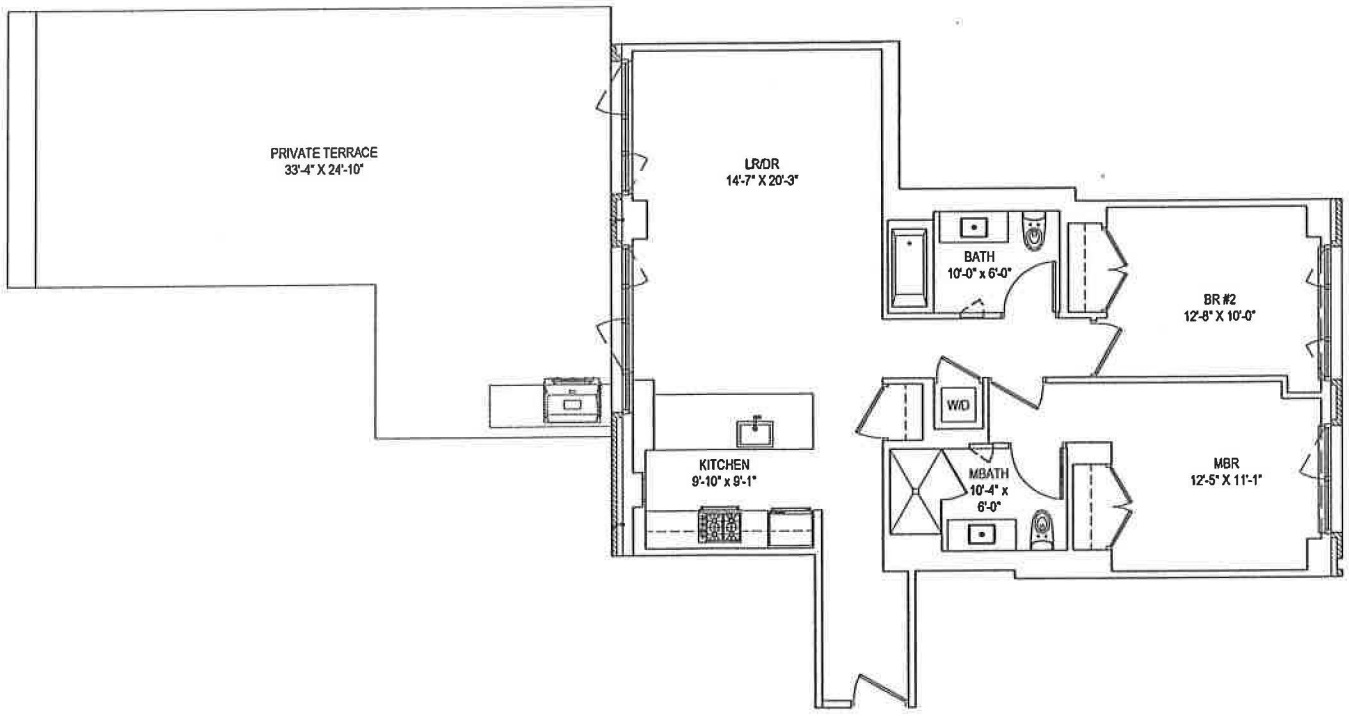

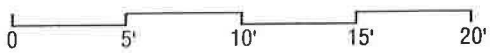

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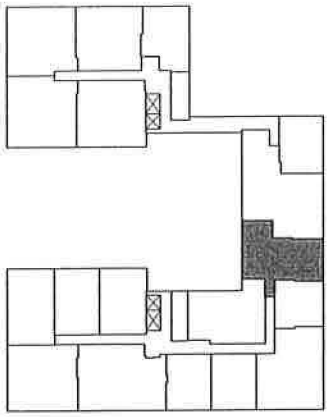
UNIT 4K
2 BED /2 BATH
FOURTH FLOOR

APPROX. UNIT AREA: 1112 SF



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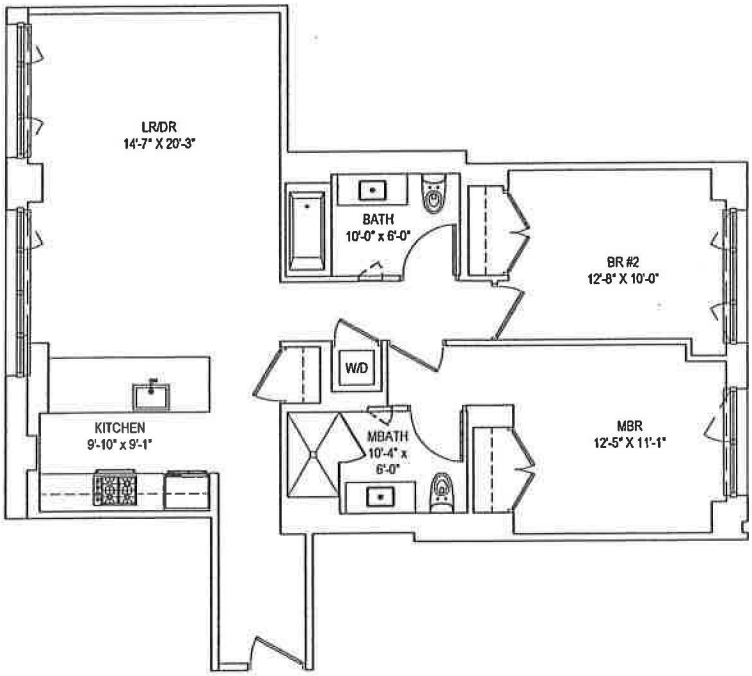

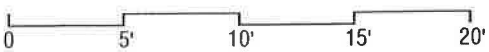

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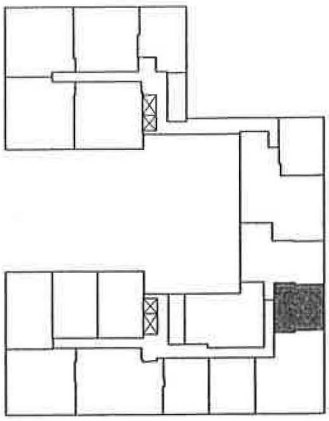
UNIT 3L & 4L
1 BED /1 BATH
THIRD & FOURTH FLOOR

APPROX. UNIT AREA: 608 SF



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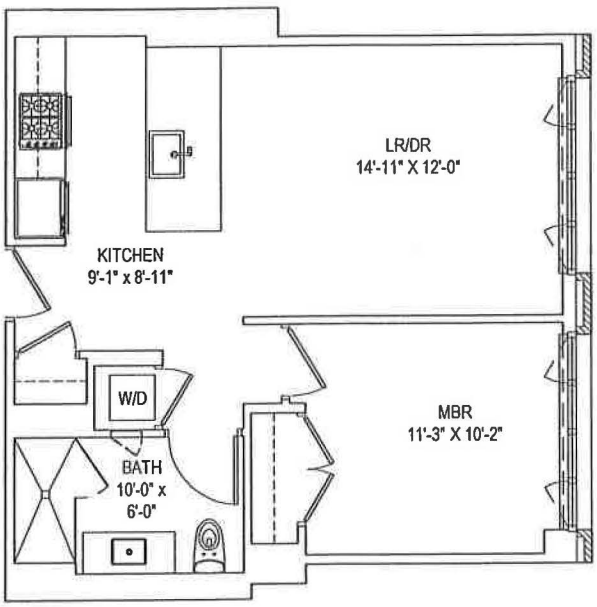

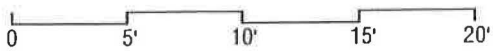

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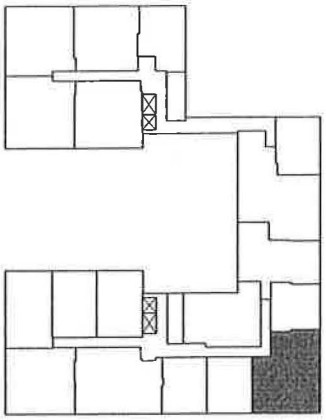
UNIT 3M & 4M
3 BED /3 BATH
THIRD & FOURTH FLOOR

APPROX. UNIT AREA: 1345 SF



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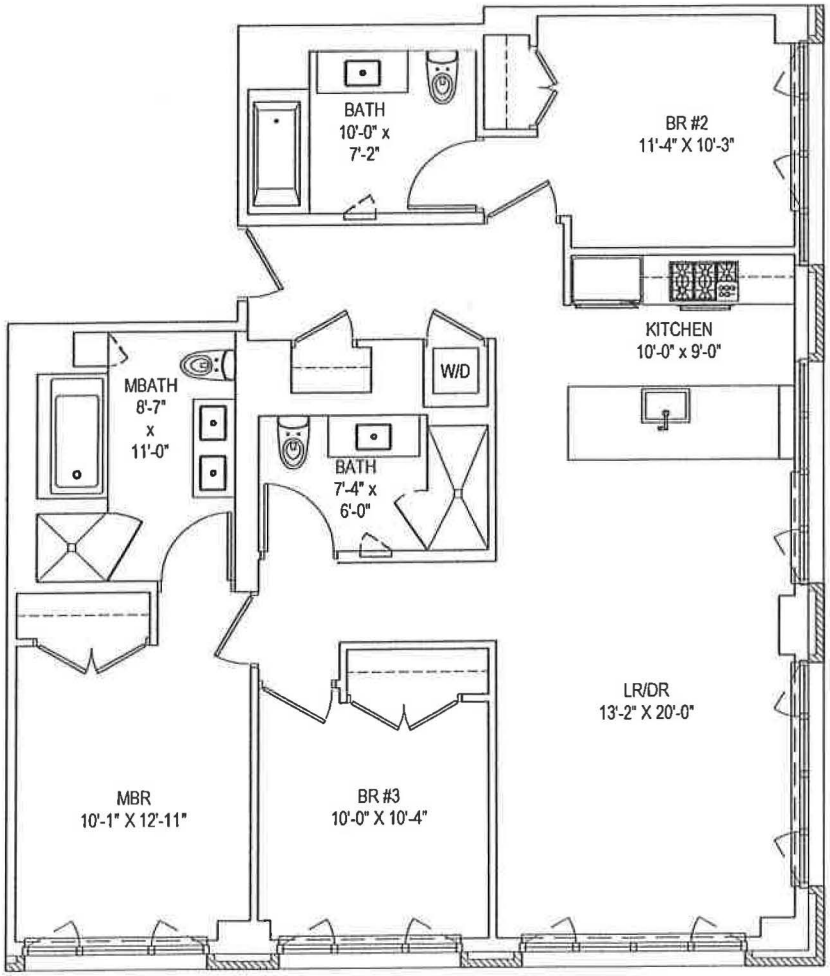

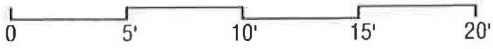

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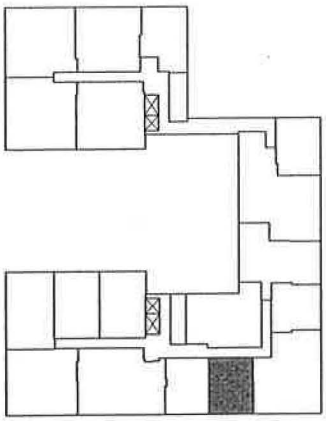
UNIT 3N & 4N
1 BED /1 BATH
THIRD & FOURTH FLOOR

APPROX. UNIT AREA: 669 SF



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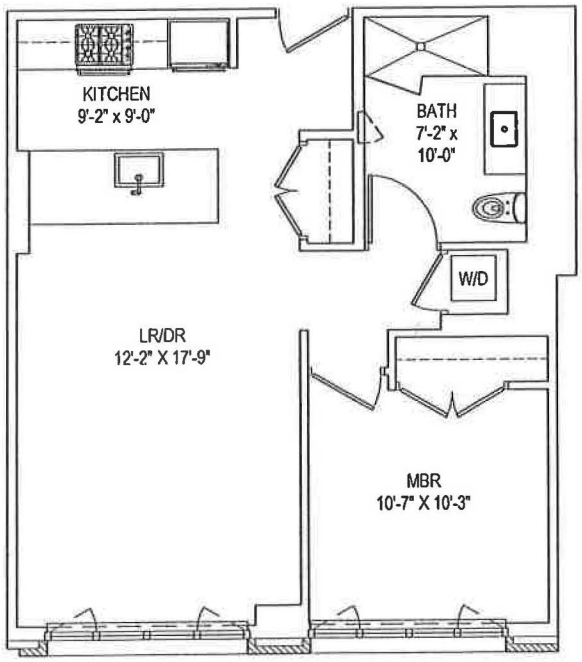

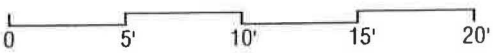

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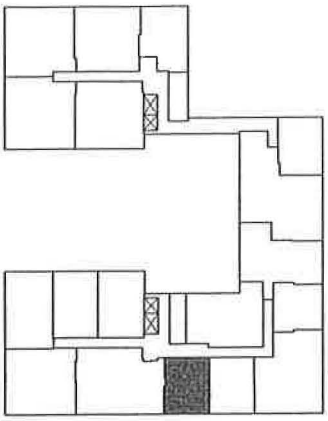
NEW YORK, NEW YORK 10009

UNIT 3P & 4P
1 BED /1 BATH
THIRD & FOURTH FLOOR

APPROX. UNIT AREA: 662 SF



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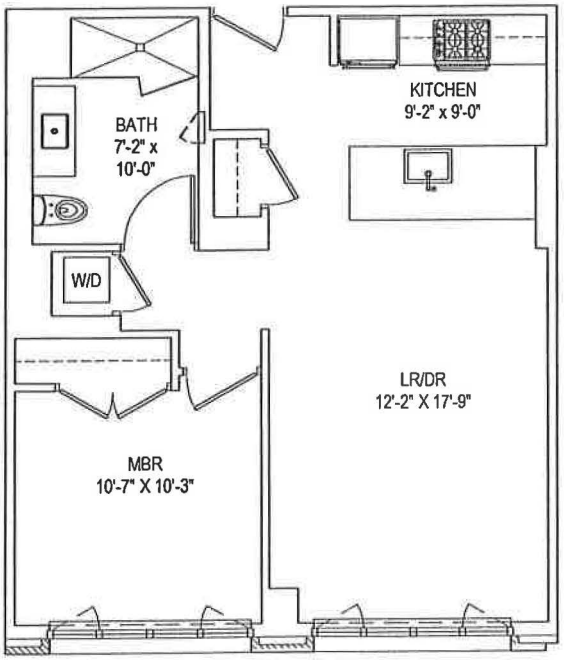

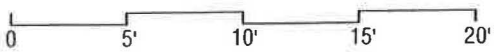

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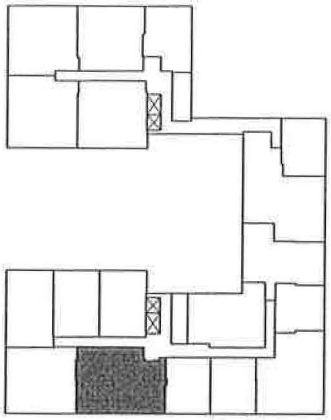
NEW YORK, NEW YORK 10009

UNIT 3Q & 4Q
2 BED /2.5 BATH
THIRD & FOURTH FLOOR

APPROX. UNIT AREA: 1439 SF



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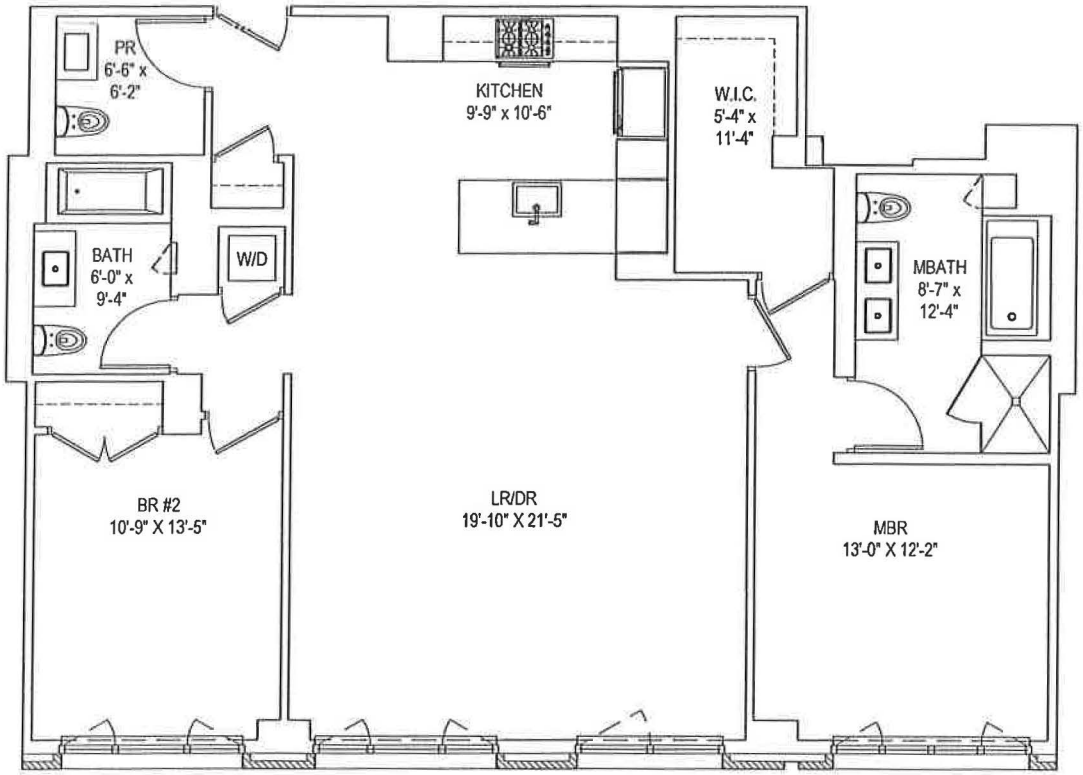

0 5' 10' 15' 20'

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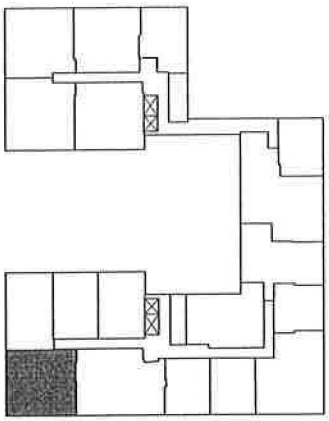
NEW YORK, NEW YORK 10009

UNIT 3R & 4R
2 BED /2.5 BATH
THIRD & FOURTH FLOOR

APPROX. UNIT AREA: 1190 SF



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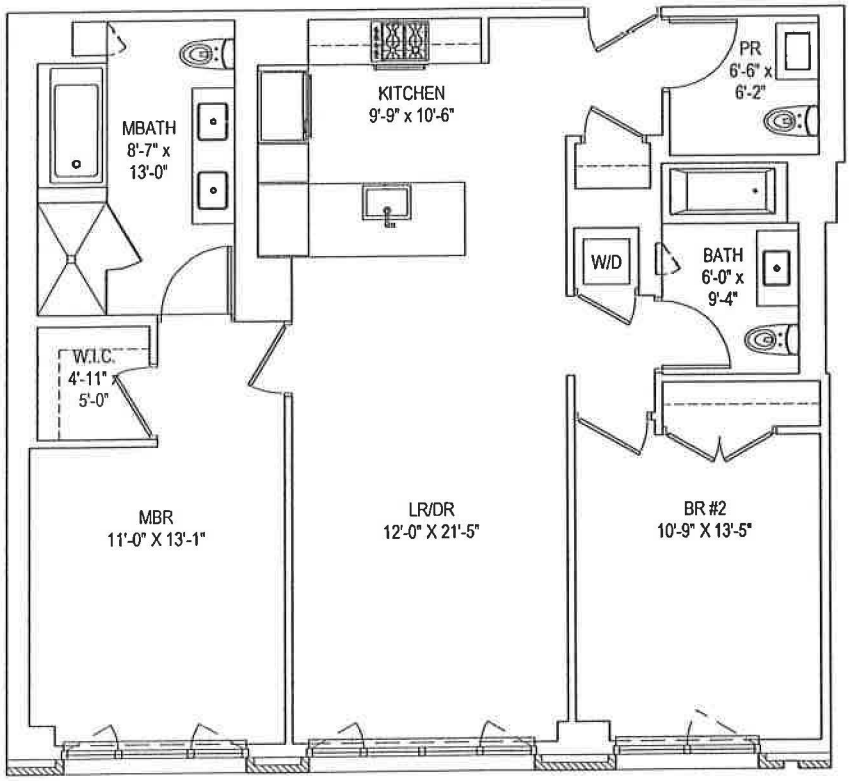

0 5' 10' 15' 20'

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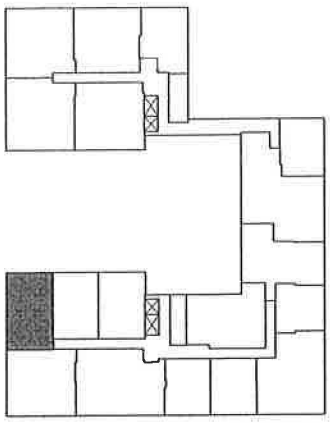
438 E 12TH STREET
NEW YORK, NEW YORK 10009

UNIT 3S & 4S
1 BED /1.5 BATH
THIRD & FOURTH FLOOR

APPROX. UNIT AREA: 934 SF



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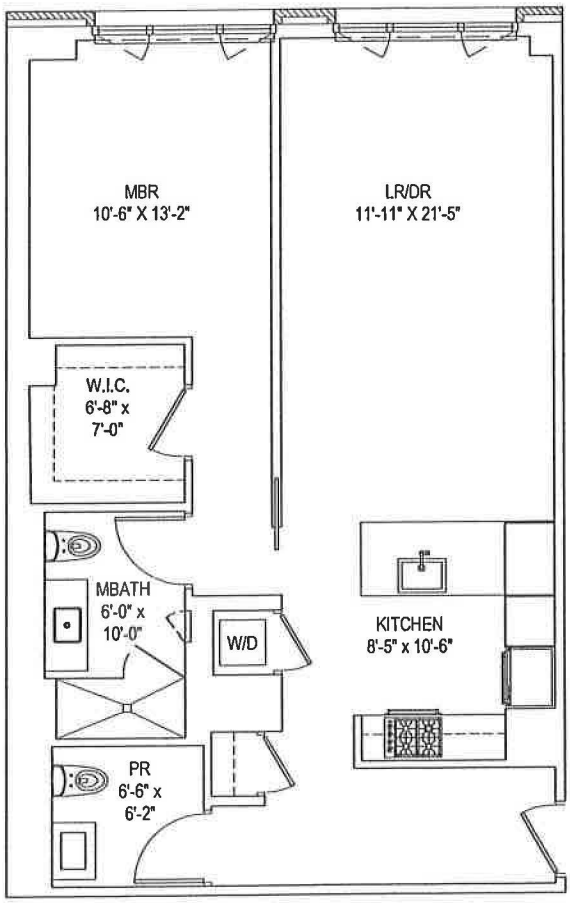

0 5' 10' 15' 20'

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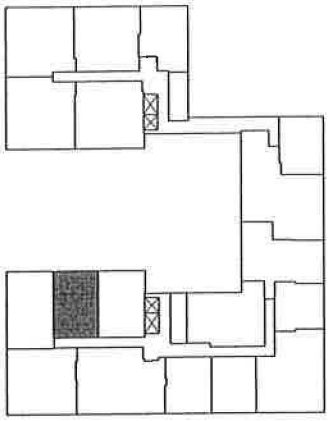
438 E 12TH STREET
NEW YORK, NEW YORK 10009

UNIT 3T & 4T
1 BED /1.5 BATH
THIRD & FOURTH FLOOR

APPROX. UNIT AREA: 765 SF



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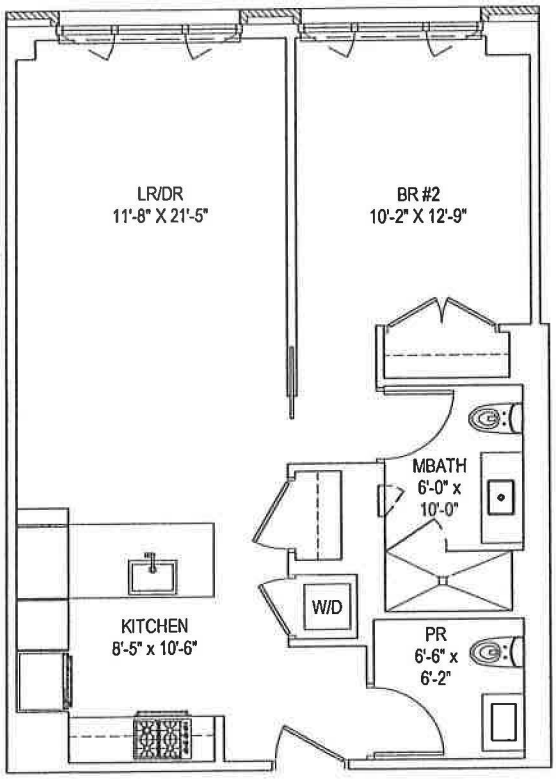

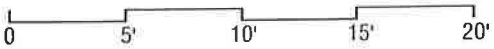

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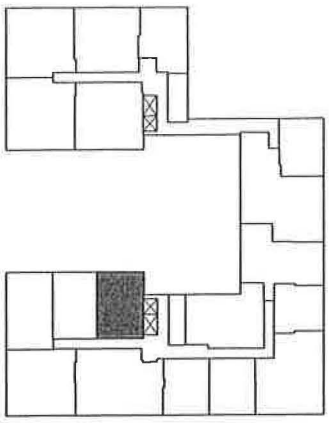
NEW YORK, NEW YORK 10009

UNIT 3U & 4U
1 BED /1.5 BATH
THIRD & FOURTH FLOOR

APPROX. UNIT AREA: 795 SF



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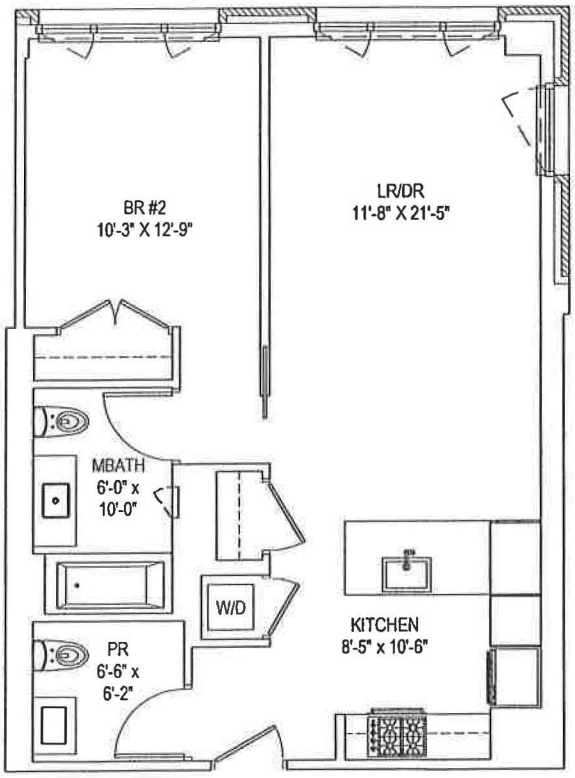

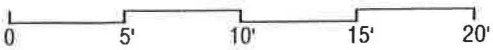

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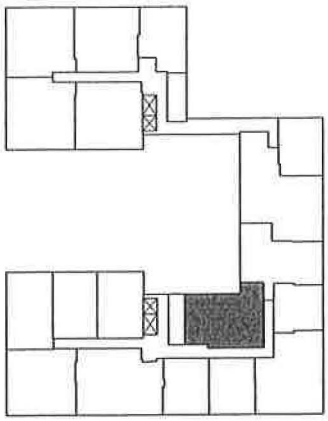
NEW YORK, NEW YORK 10009

UNIT 4J, 5J & 6J
2 BED /2 BATH
FOURTH, FIFTH & SIXTH FLOOR

APPROX. UNIT AREA: 1149 SF



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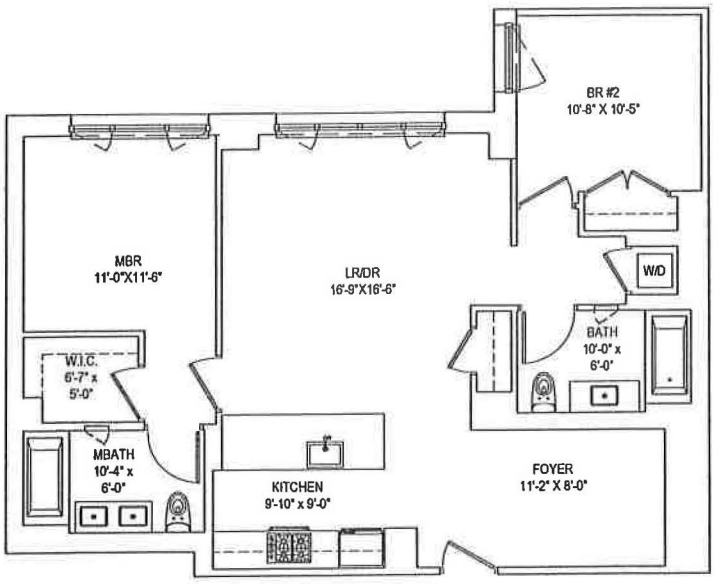

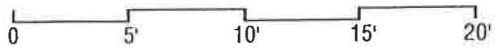

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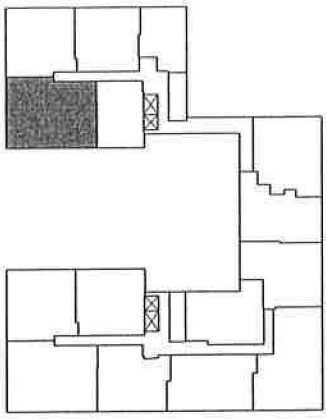
NEW YORK, NEW YORK 10009

UNIT 5D & 6D
3 BED /3 BATH
FIFTH & SIXTH FLOOR

APPROX. UNIT AREA: 1635 SF



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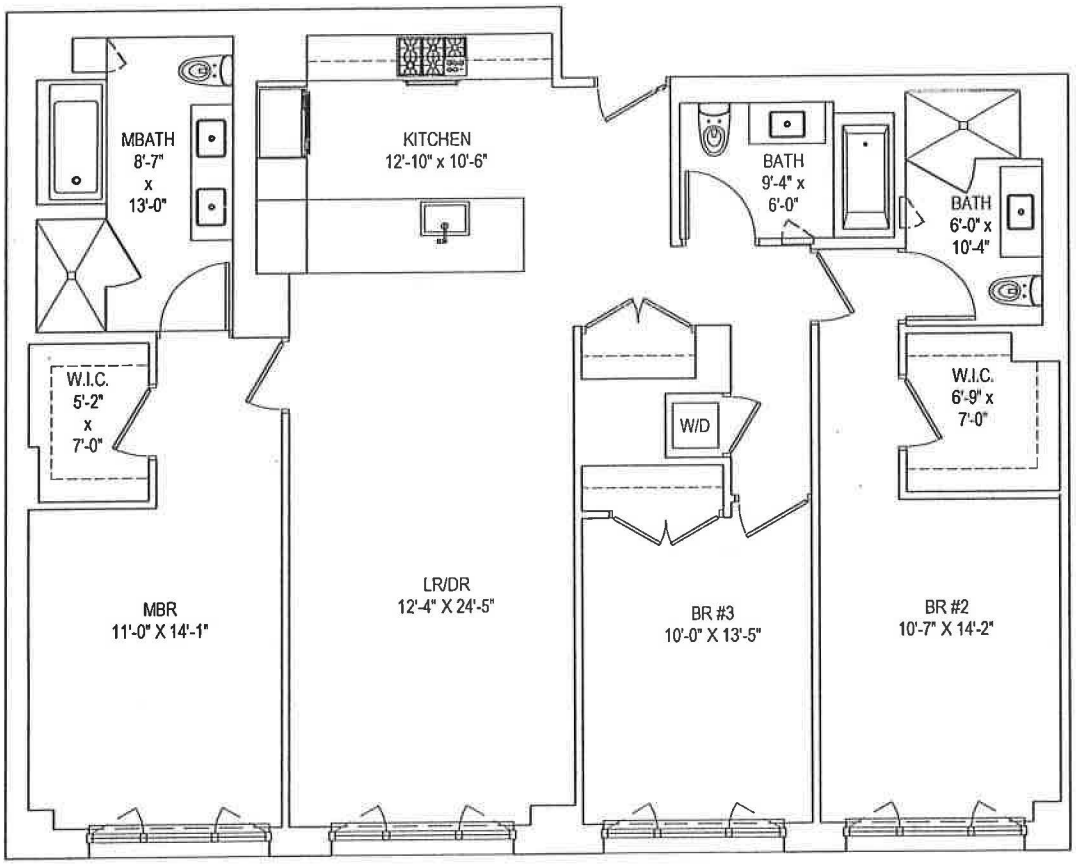

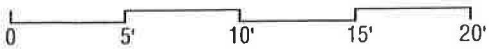

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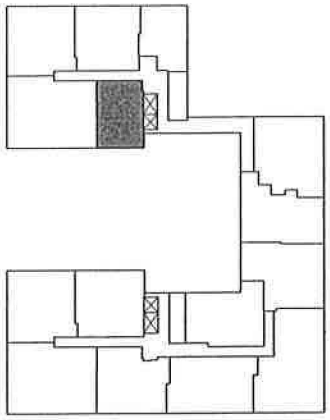
NEW YORK, NEW YORK 10009

UNIT 5E
1 BED /1.5 BATH
FIFTH FLOOR

APPROX. UNIT AREA: 824 SF



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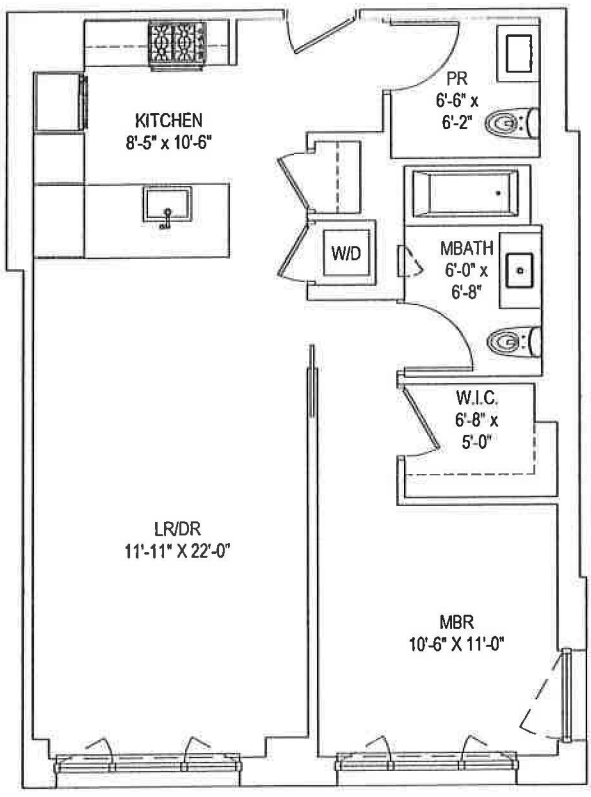

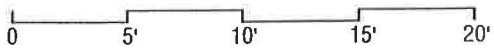

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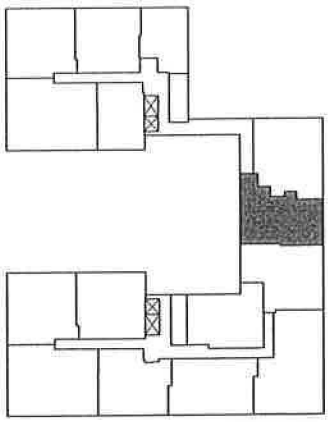
NEW YORK, NEW YORK 10009

UNIT 5F & 6F
2 BED /2.5 BATH
FIFTH & SIXTH FLOOR

APPROX. UNIT AREA: 1188 SF



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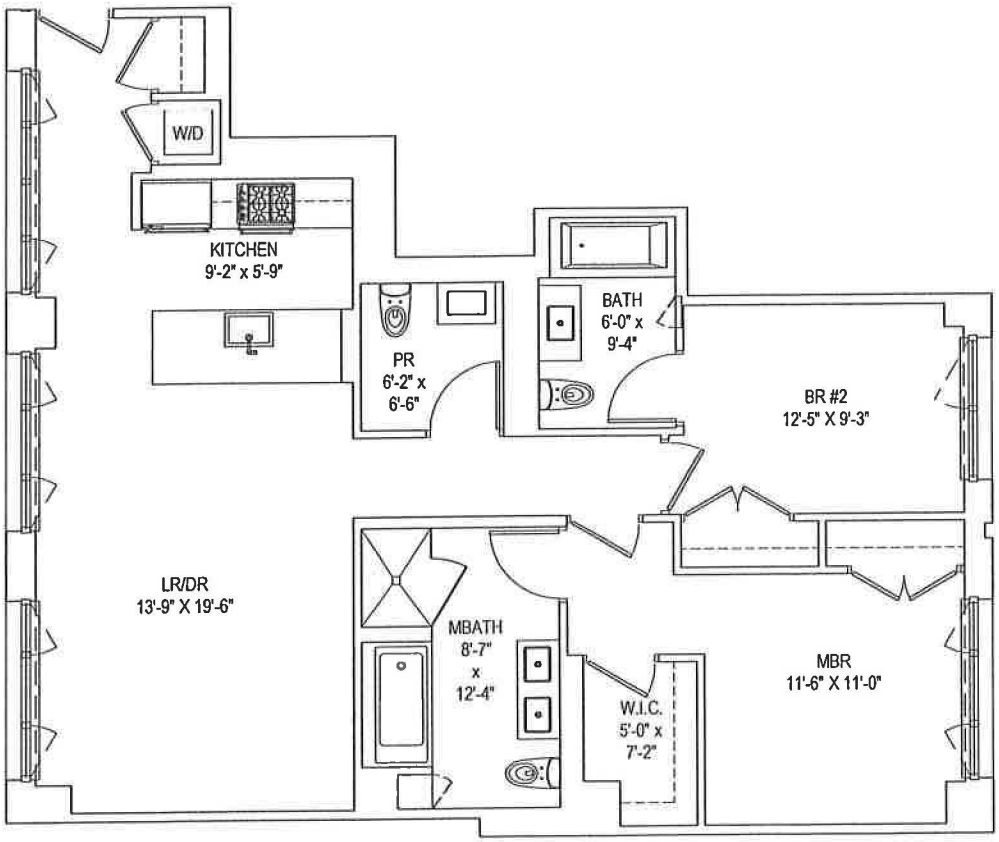

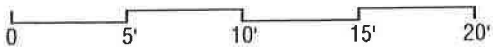

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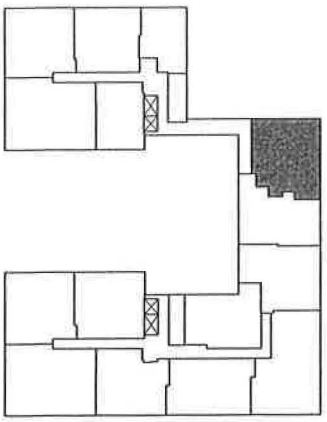
NEW YORK, NEW YORK 10009

UNIT 5G & 6G
2 BED /2.5 BATH
FIFTH & SIXTH FLOOR

APPROX. UNIT AREA: 1358 SF



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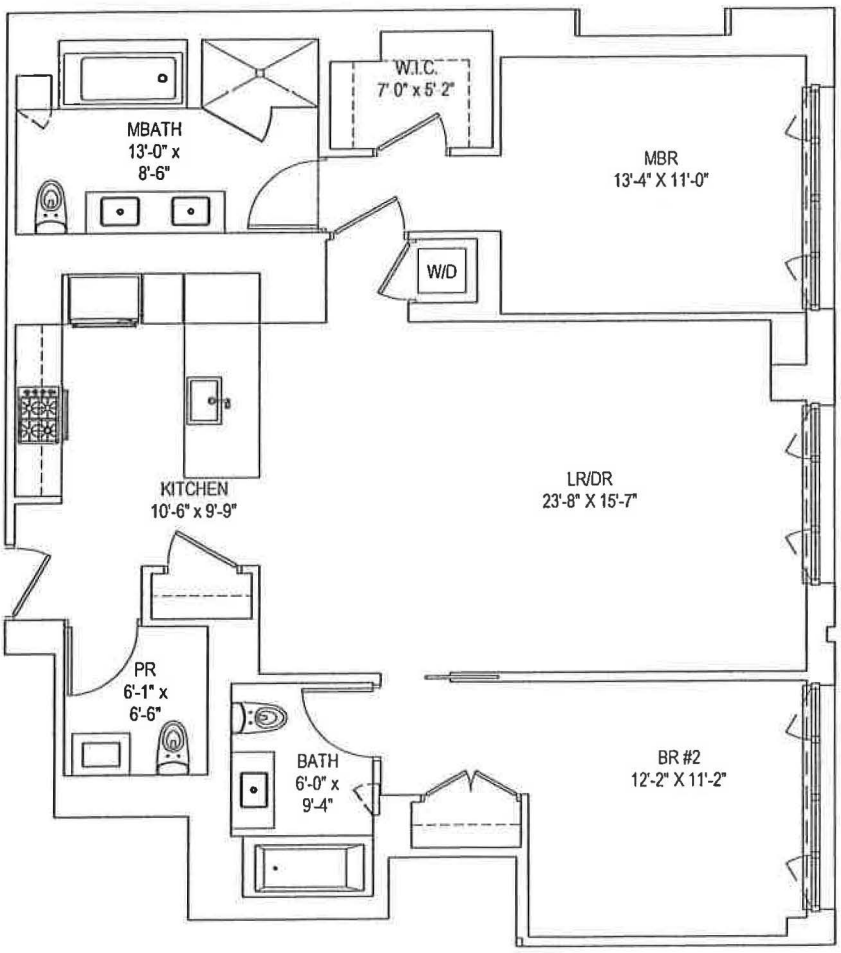

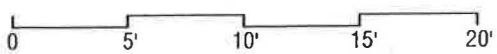

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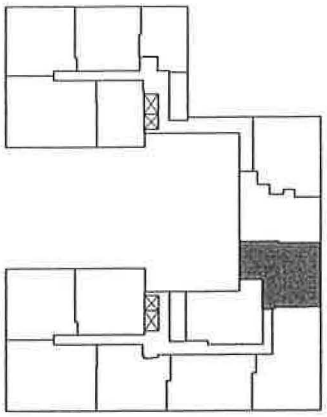
NEW YORK, NEW YORK 10009

UNIT 5K & 6K
2 BED /2.5 BATH
FIFTH & SIXTH FLOOR

APPROX. UNIT AREA: 1257 SF



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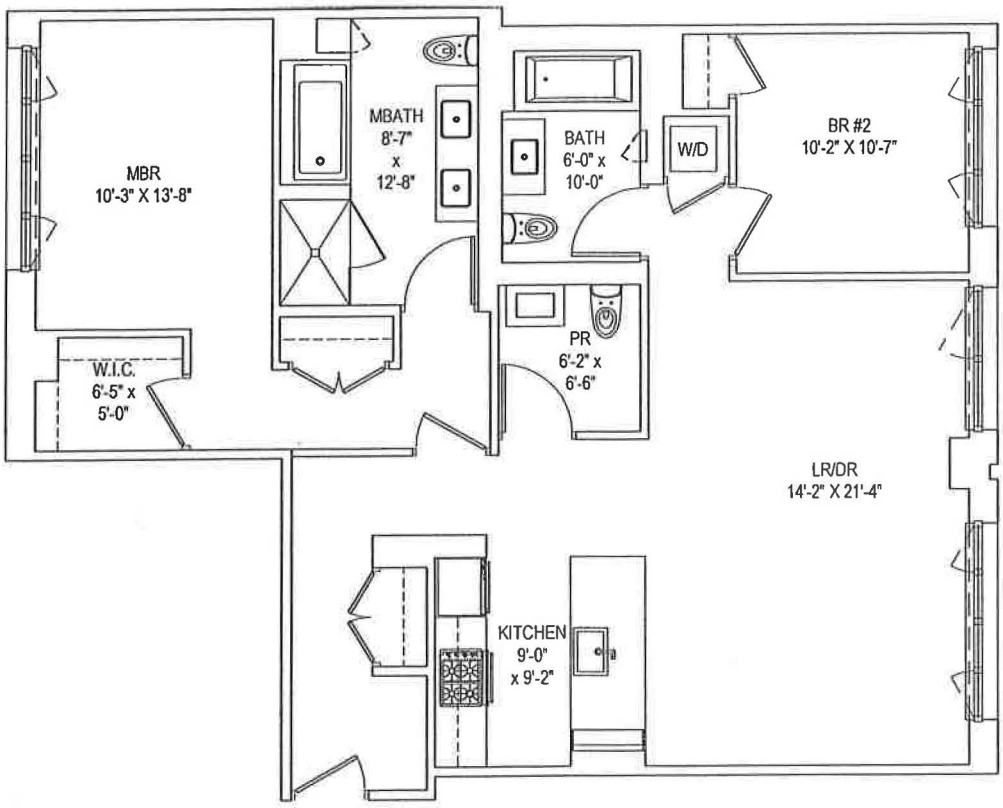


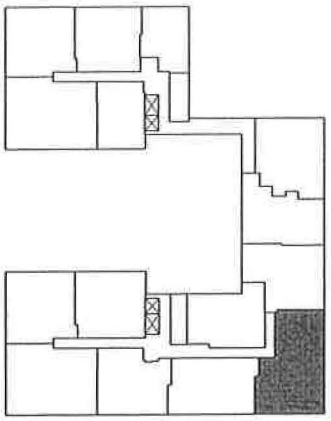
0 5' 10' 15' 20'

12.03.2015

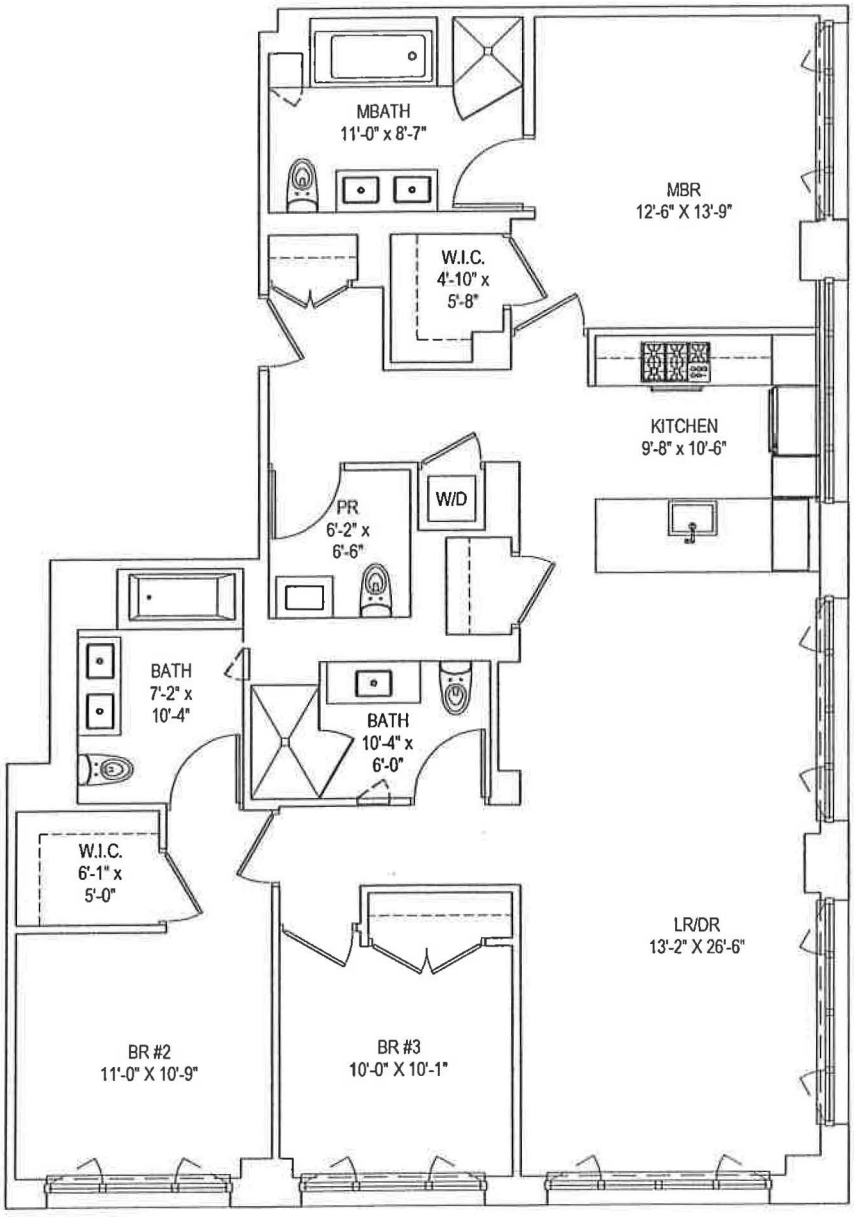
438 E 12TH STREET
NEW YORK, NEW YORK 10009

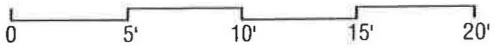
UNIT 5M & 6M
3 BED /3.5 BATH
FIFTH & SIXTH FLOOR

APPROX. UNIT AREA: 1628 SF



KEY PLAN





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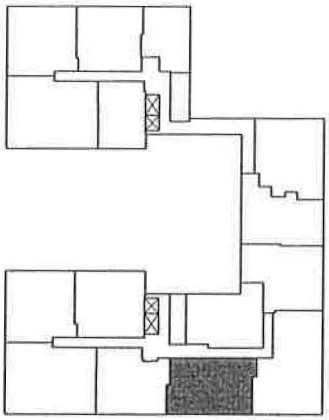
438 E 12TH STREET
NEW YORK, NEW YORK 10009

UNIT 5P & 6P
2 BED /2.5 BATH
FIFTH & SIXTH FLOOR

APPROX. UNIT AREA: 1267 SF



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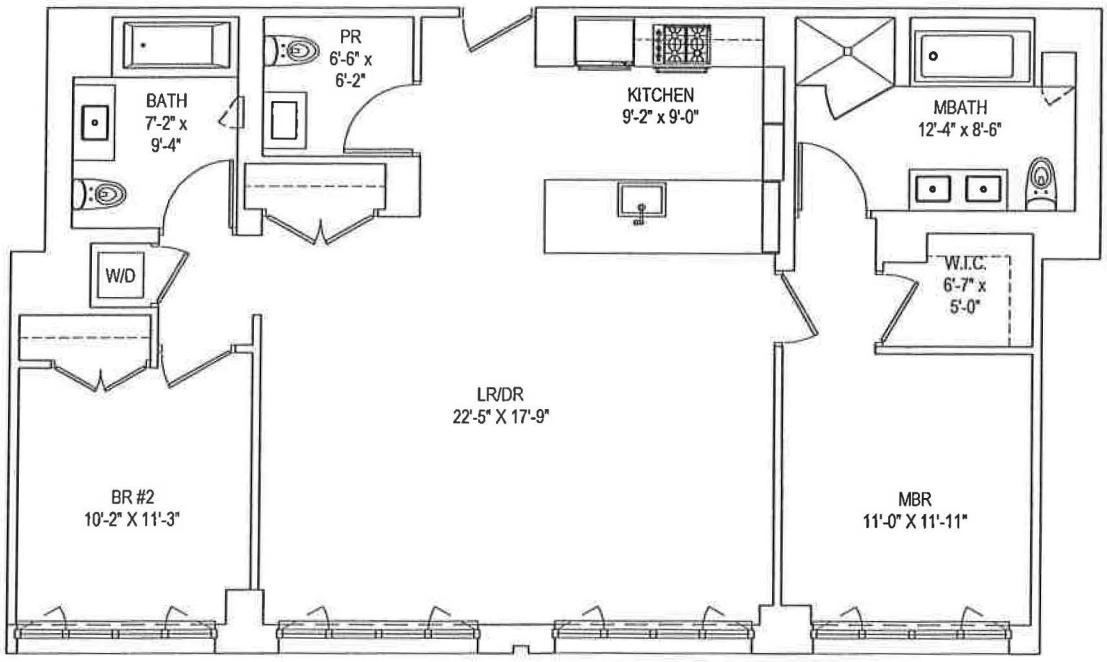


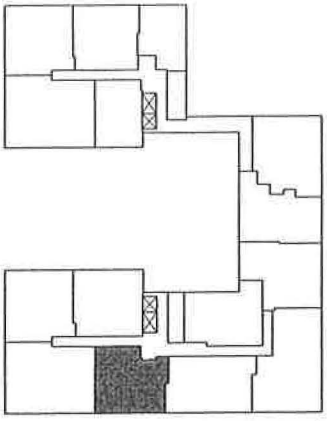
0 5' 10' 15' 20'

12.03.2015

438 E 12TH STREET
NEW YORK, NEW YORK 10009

UNIT 5Q & 6Q
2 BED /2.0 BATH
FIFTH & SIXTH FLOOR

APPROX. UNIT AREA: 1150 SF



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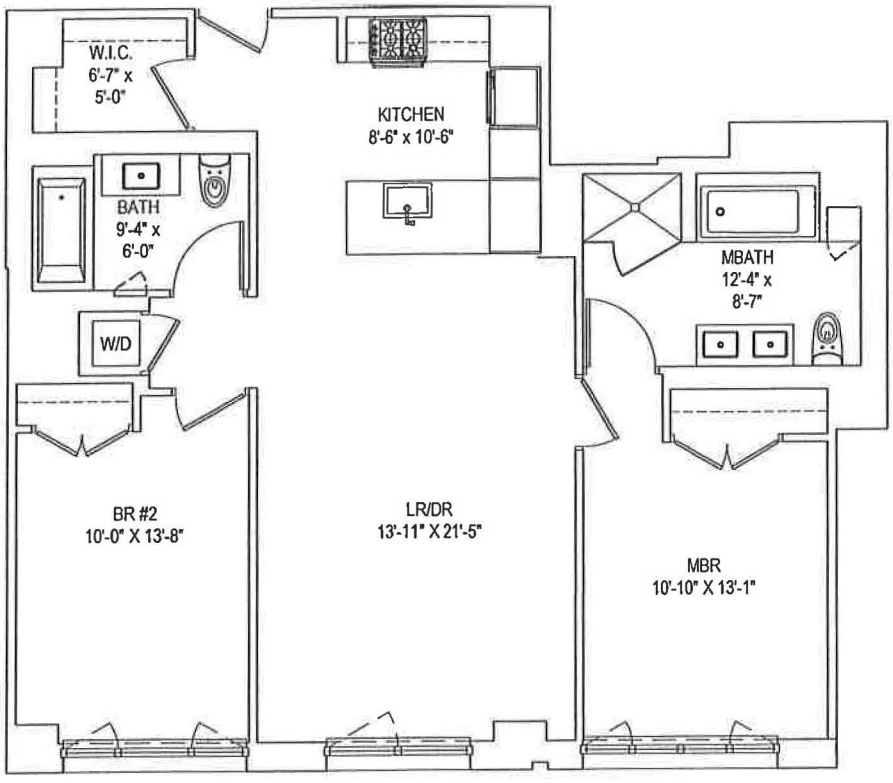

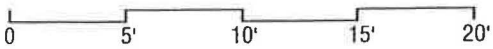

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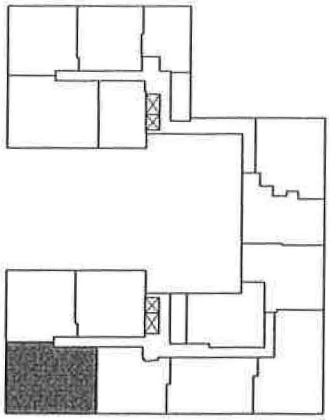
438 E 12TH STREET
NEW YORK, NEW YORK 10009

UNIT 5R & 6R
3 BED /3 BATH
FIFTH & SIXTH FLOOR

APPROX. UNIT AREA: 1604 SF



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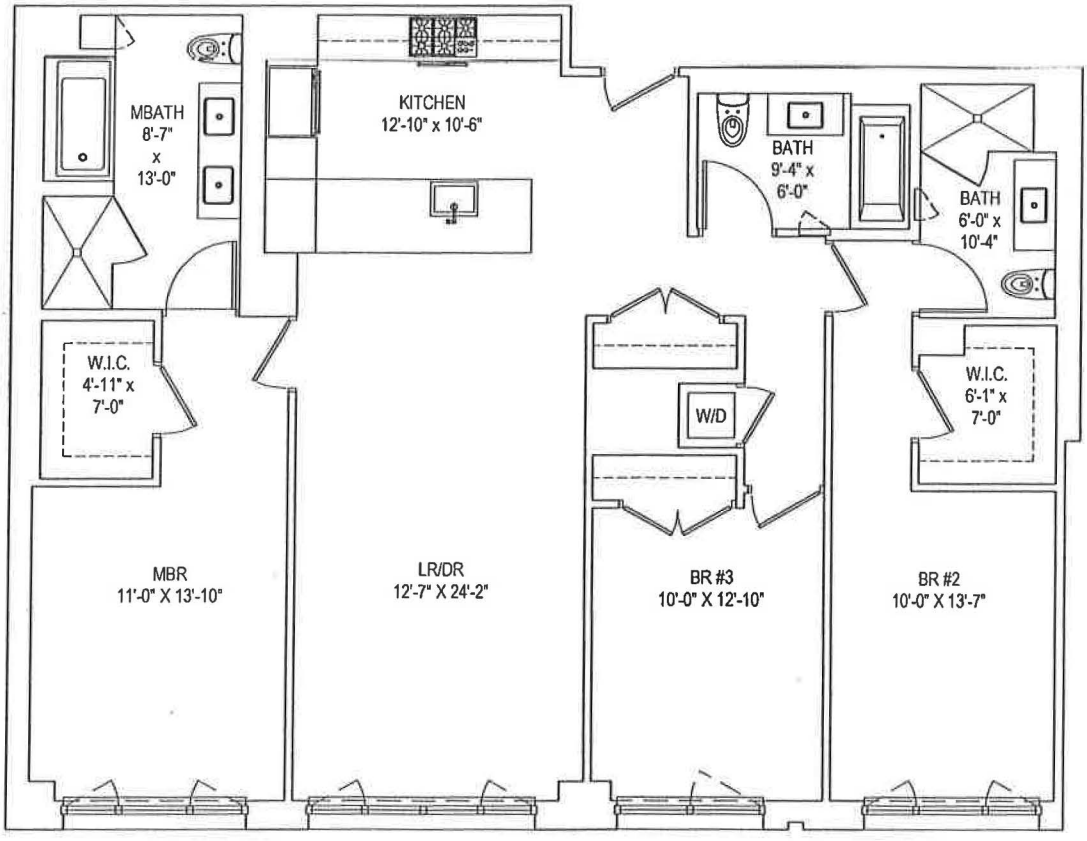

0 5' 10' 15' 20'

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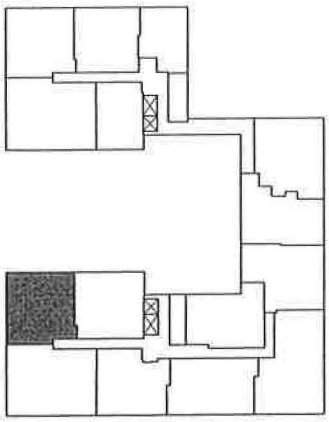
438 E 12TH STREET
NEW YORK, NEW YORK 10009

UNIT 5S & 6S
2 BED /2.5 BATH
FIFTH & SIXTH FLOOR

APPROX. UNIT AREA: 1244 SF



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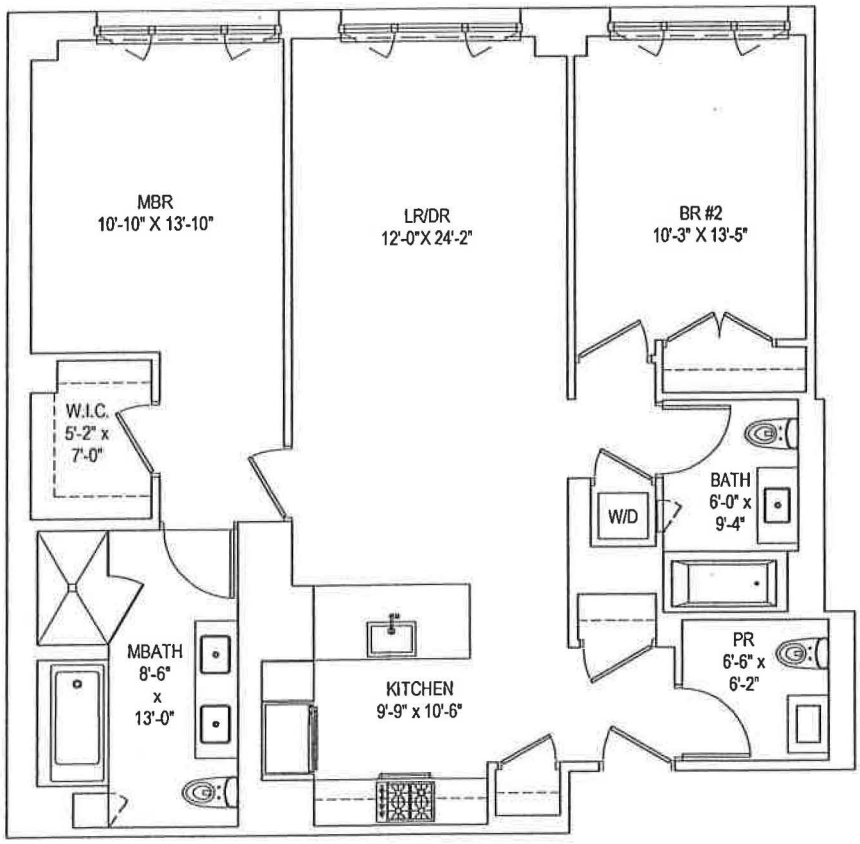

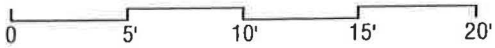

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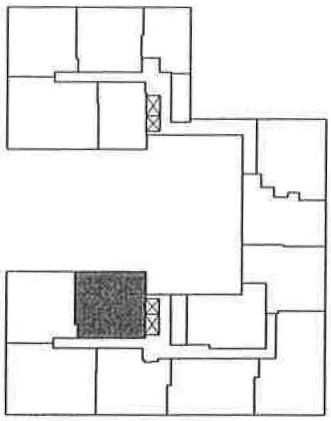
438 E 12TH STREET
NEW YORK, NEW YORK 10009

UNIT 5U & 6U
2 BED /2.5 BATH
FIFTH & SIXTH FLOOR

APPROX. UNIT AREA: 1185 SF



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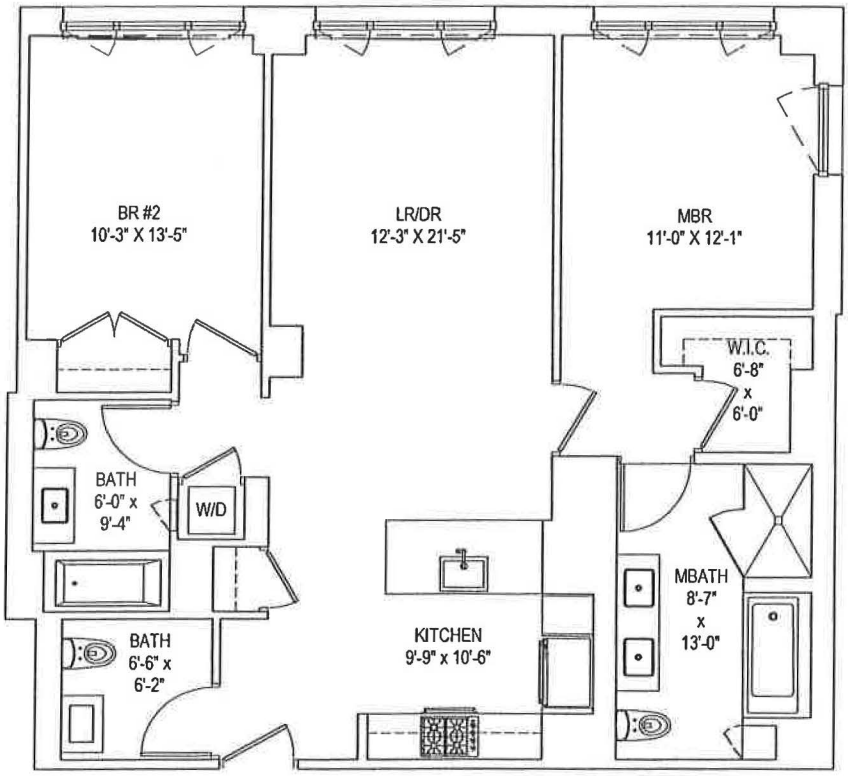

0 5' 10' 15' 20'

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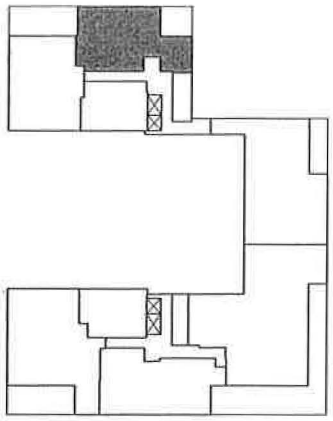
438 E 12TH STREET
NEW YORK, NEW YORK 10009

PENTHOUSE A
2 BED /2.5 BATH
PENTHOUSE

APPROX. UNIT AREA: 1621 SF
APPROX. TERRACE AREA: 241 SF



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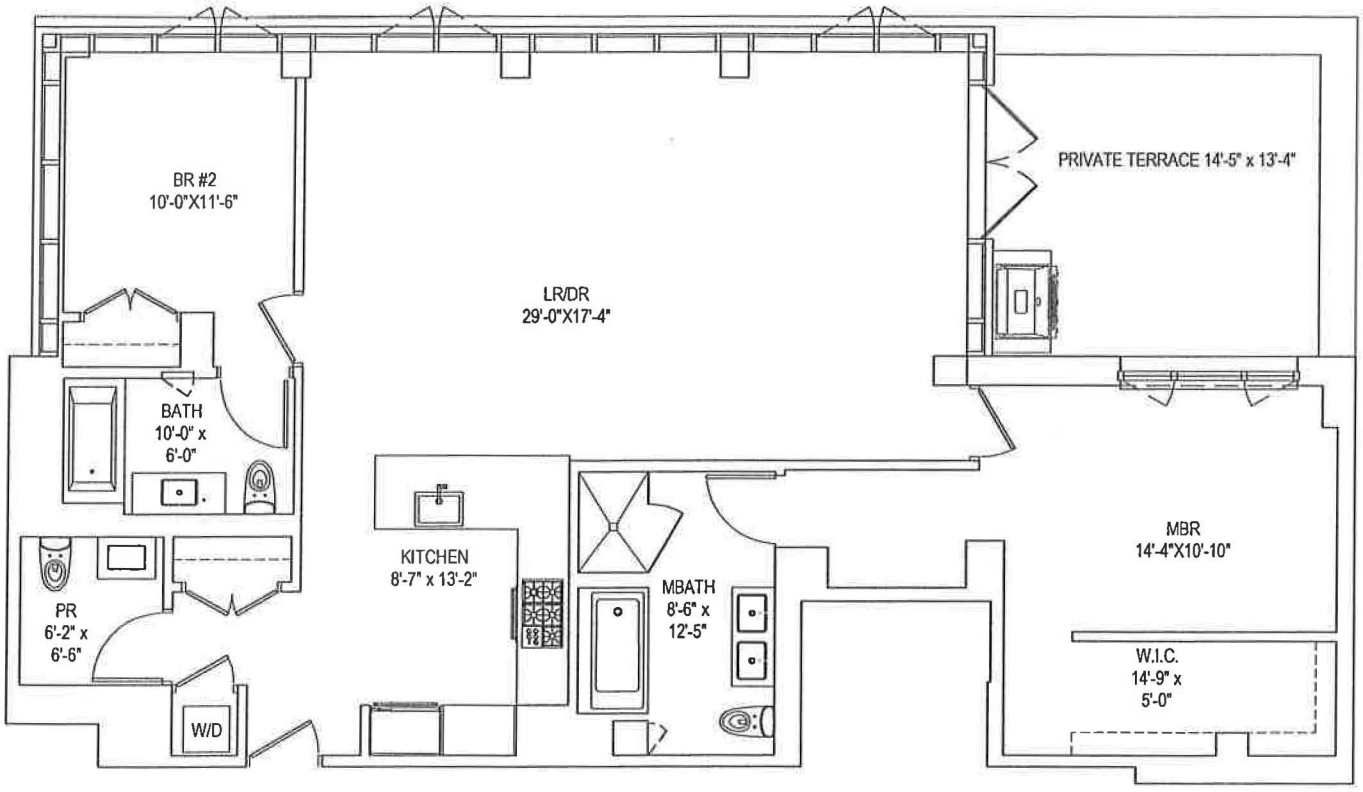

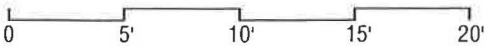

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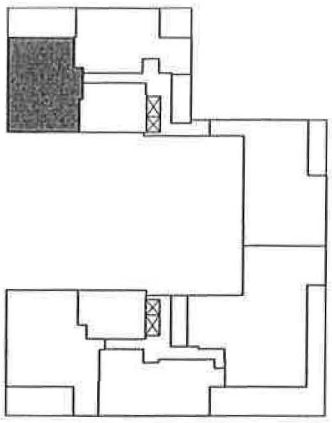
438 E 12TH STREET
NEW YORK, NEW YORK 10009

PENTHOUSE B
3 BED /2.5 BATH
PENTHOUSE

APPROX. UNIT AREA: 1744 SF
APPROX. TERRACE AREA: 843 SF



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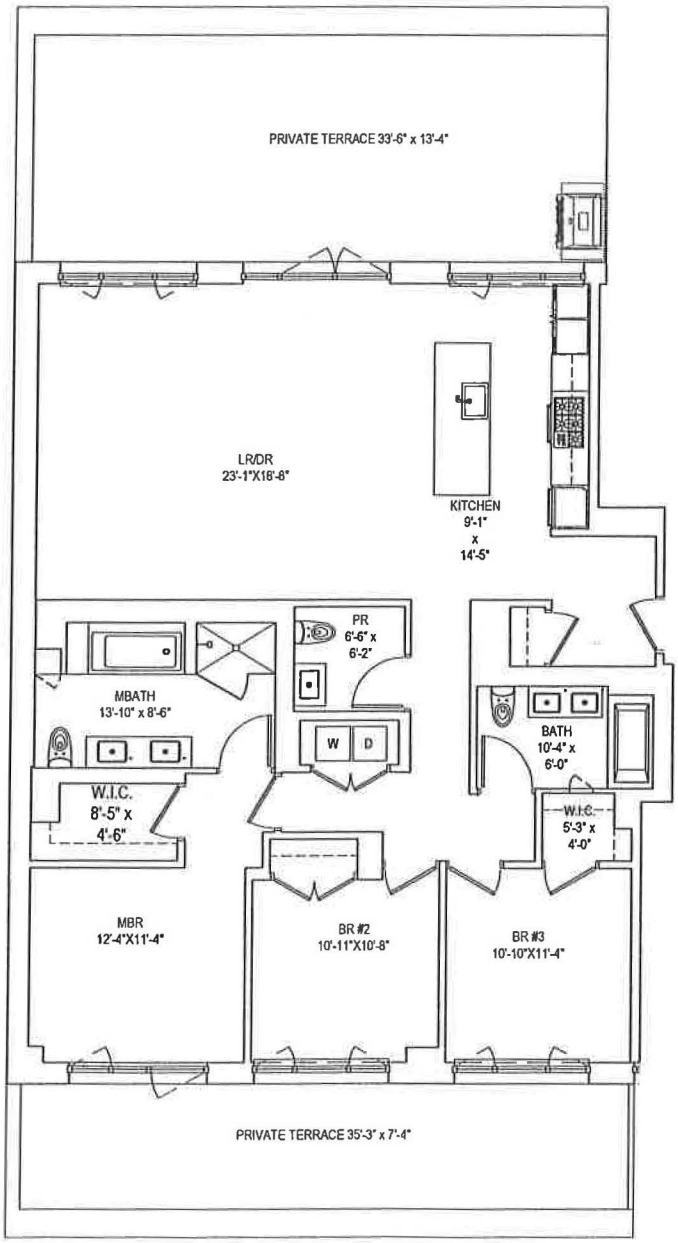

0 5' 10' 15' 20'

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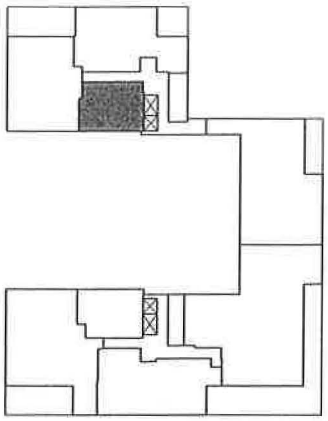
438 E 12TH STREET
NEW YORK, NEW YORK 10009

PENTHOUSE C
DUPLEX 2 BED /2.5 BATH
SIXTH FLOOR, PENTHOUSE & ROOF

APPROX. UNIT AREA: 1658 SF
APPROX. TERRACE AREA: 942 SF



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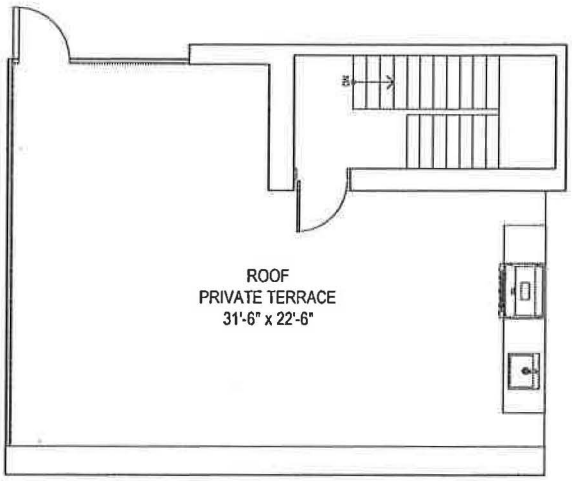
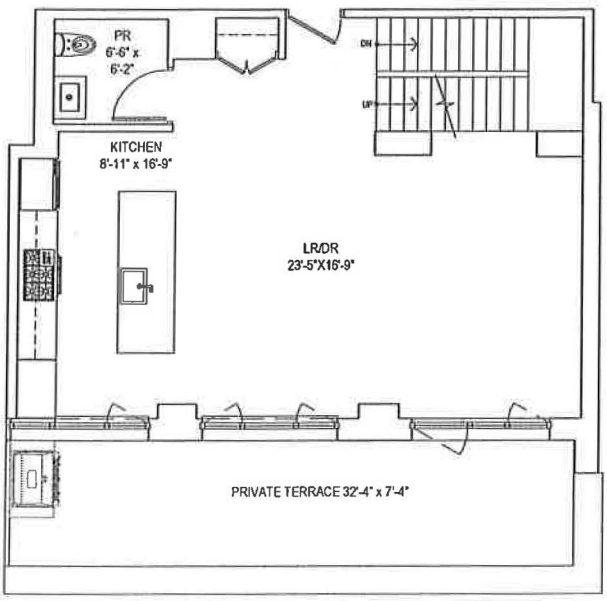
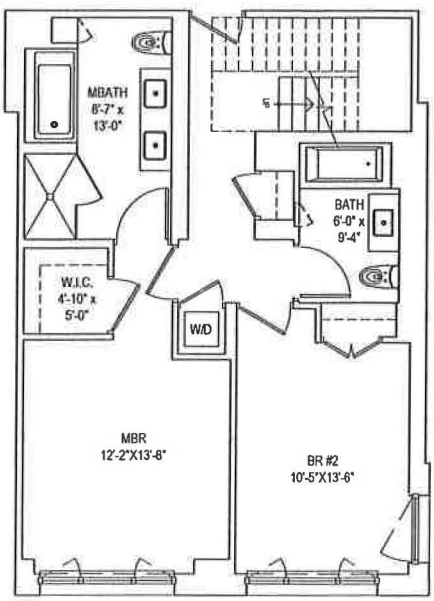


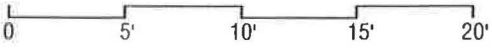
ROOF



PENTHOUSE



SIXTH FLOOR



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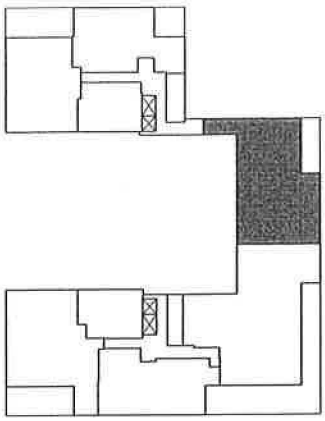
438 E 12TH STREET
NEW YORK, NEW YORK 10009

PENTHOUSE D
DUPLEX 3 BED /1 HOME OFFICE/ 1 MEZZANINE/ 3.5 BATH
PENTHOUSE, MEZZANINE & ROOF

APPROX. UNIT AREA: 3161 SF
APPROX. TERRACE AREA: 1297 SF



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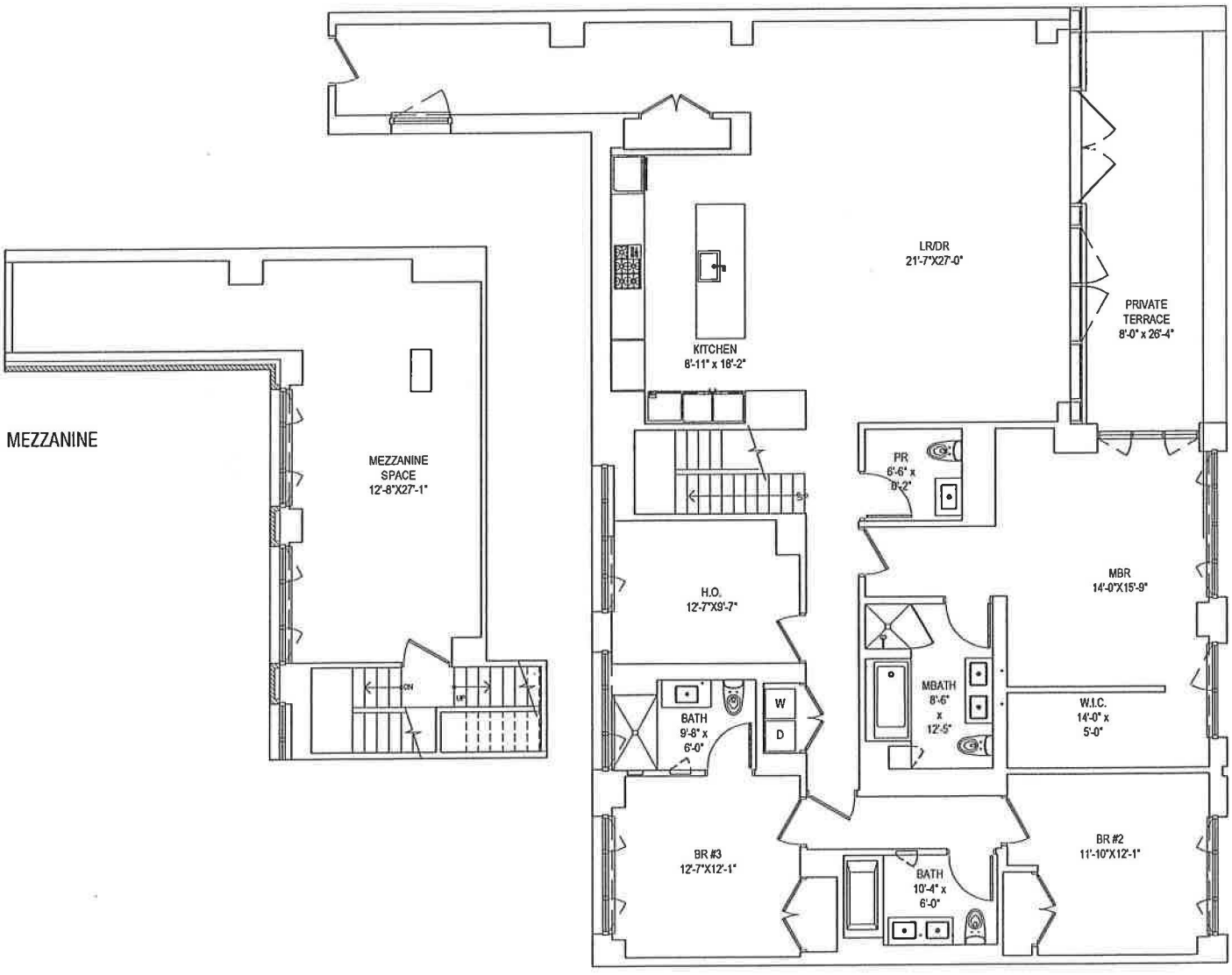


PENTHOUSE

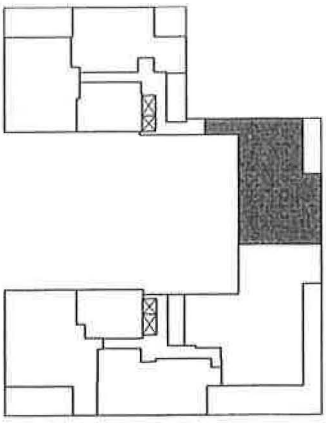
0 5' 10' 15' 20'

12.03.2015

438 E 12TH STREET
NEW YORK, NEW YORK 10009

PENTHOUSE D
DUPLEX 3 BED /1 HOME OFFICE/ 1 MEZZANINE/ 3.5 BATH
PENTHOUSE, MEZZANINE & ROOF

APPROX. UNIT AREA: 3161 SF
APPROX. TERRACE AREA: 1297 SF



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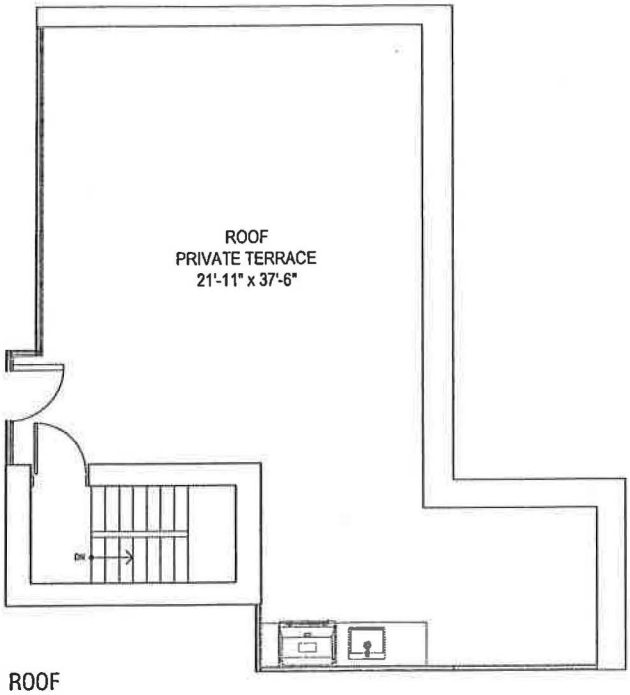


ROOF

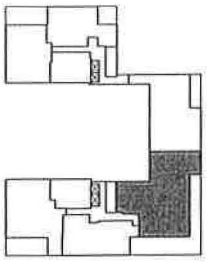
0 5' 10' 15' 20'

12.03.2015

438 E 12TH STREET
NEW YORK, NEW YORK 10009

PENTHOUSE E
4 BED /1 HOME OFFICE/ 4.5 BATH
PENTHOUSE

APPROX. UNIT AREA: 3482 SF
APPROX. TERRACE AREA: 1364 SF



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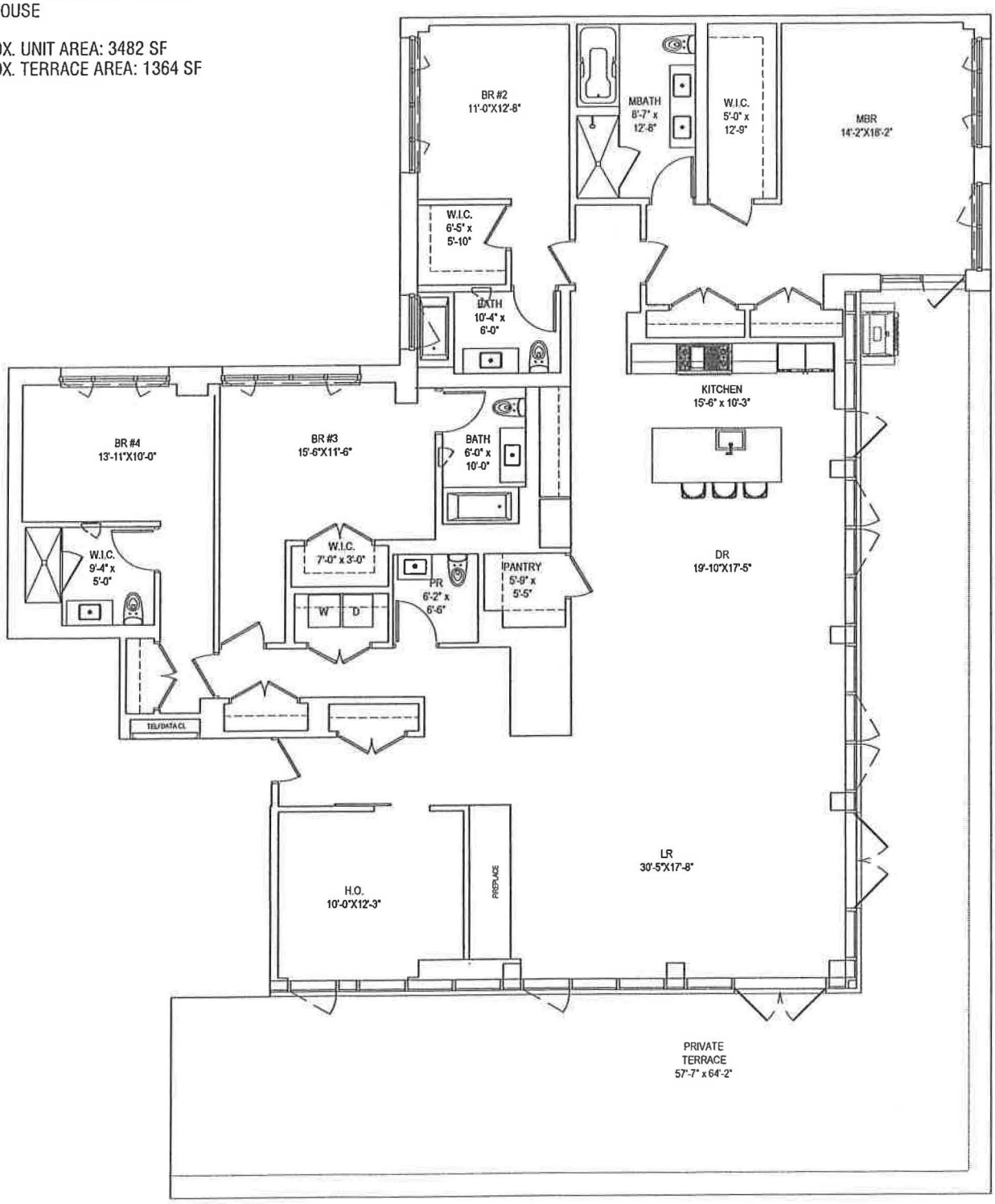


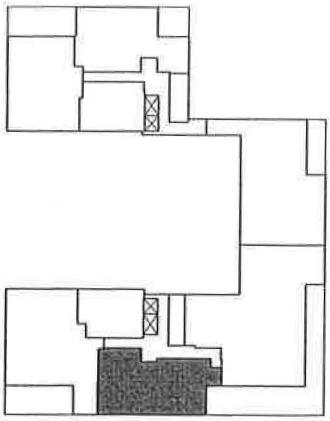
0 5' 10' 15' 20'

12.03.2015

438 E 12TH STREET
NEW YORK, NEW YORK 10009

PENTHOUSE F
3 BED /2.5 BATH
PENTHOUSE & ROOF

APPROX. UNIT AREA: 1782 SF
APPROX. TERRACE AREA: 931 SF



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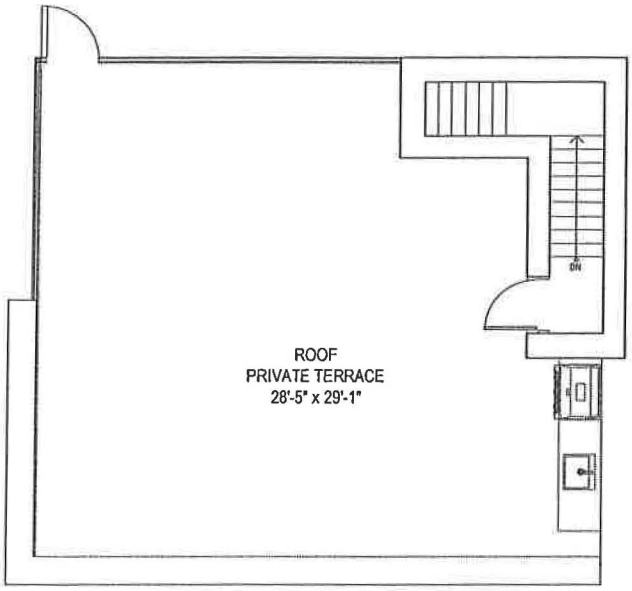

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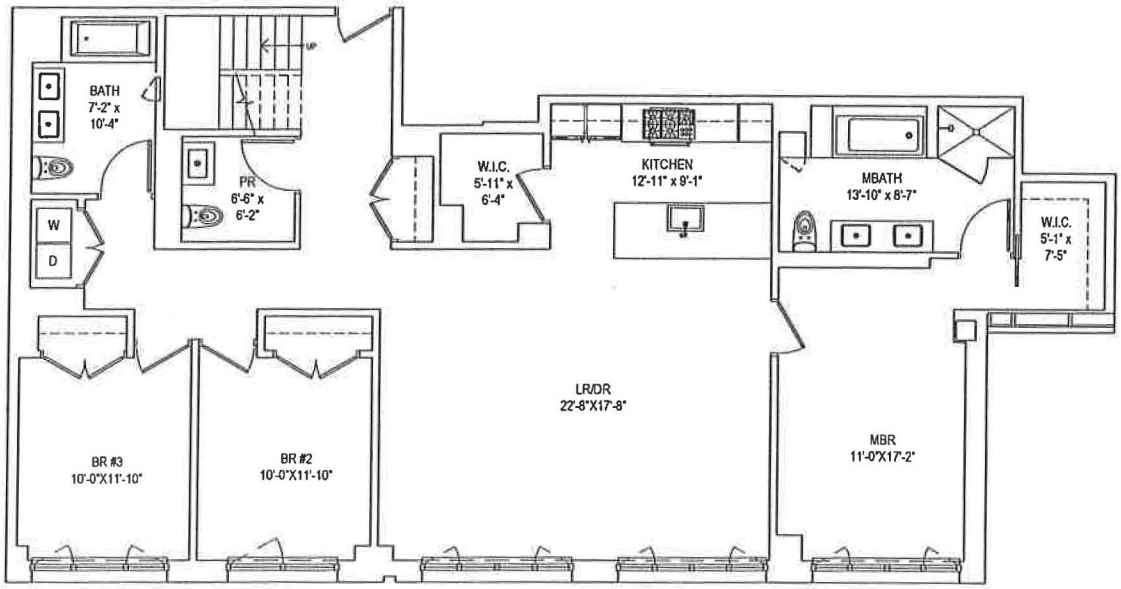


PENTHOUSE

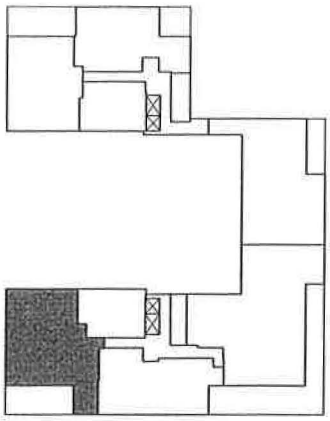
0 5' 10' 15' 20'

12.03.2015

438 E 12TH STREET
NEW YORK, NEW YORK 10009

PENTHOUSE G
4 BED /3.5 BATH
PENTHOUSE

APPROX. UNIT AREA: 2258 SF
APPROX. TERRACE AREA: 840 SF



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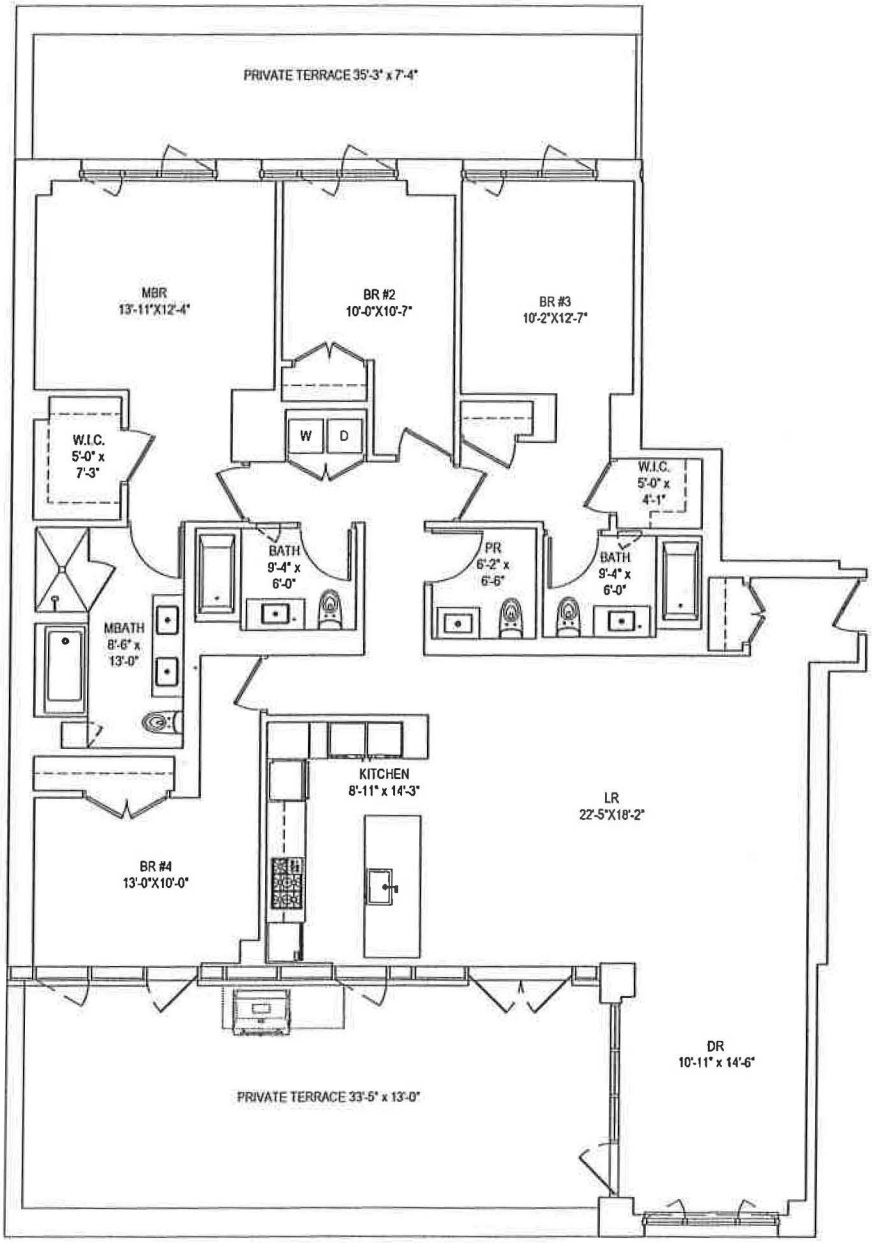


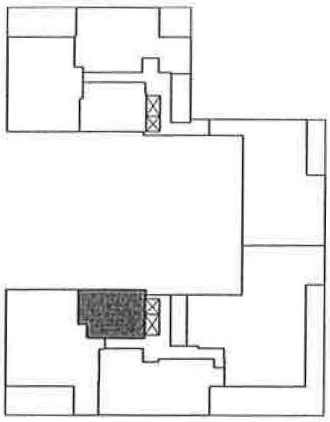
0 5' 10' 15' 20'

12.03.2015

438 E 12TH STREET
NEW YORK, NEW YORK 10009

PENTHOUSE H
DUPLEX 3 BED /2.5 BATH
SIXTH FLOOR, PENTHOUSE & ROOF

APPROX. UNIT AREA: 1987 SF
APPROX. TERRACE AREA: 958 SF



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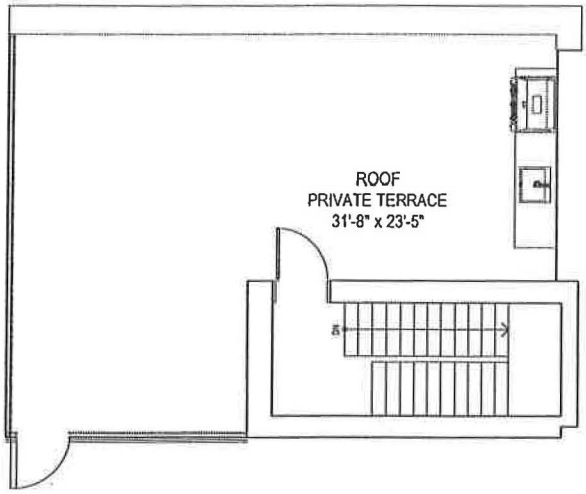

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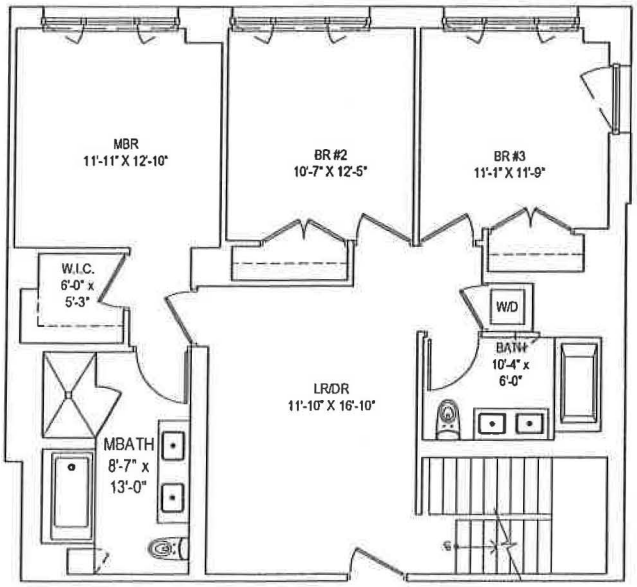
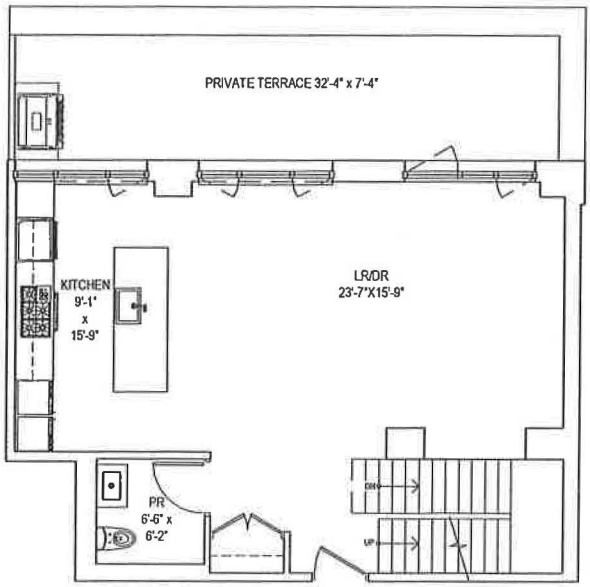
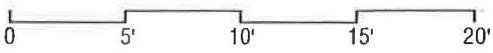


SIXTH FLOOR



PENTHOUSE



12.03.2015

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COUNSELORS AT LAW
6 EAST 45TH STREET, NEW YORK, N. Y. 10017
(212) 687-3747
FAX: (212) 599-4459

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YUHTYNG T. PATKA*
GRACE A. BETANCOURT
PHILIP M. PLATZ**

WALTER R. GELLES (RET.)

* ALSO ADMITTED IN CT & NJ
** ALSO ADMITTED IN NJ

August 12, 2015

181 Avenue A, LLC
c/o Steiner NYC, LLC
15 Washington Avenue
Brooklyn, New York 11205

RE: 438 East 12th Street
Block 439, Lot 26
Borough of Manhattan
City of New York

Dear Sir or Madam:

This letter is in response to your request for an opinion and projection of the estimated real estate tax assessments and taxes upon the completion of construction and creation of a condominium.

You have requested our opinion concerning the real property tax assessment to be levied upon the captioned premises as well as the taxes for the budget year for the first year of condominium operation which you have advised us will be the period January 1, 2018 through December 31, 2018 as well as the first post construction tax year which will be the period July 1, 2018 through June 30, 2019. You have advised us that the project will consist of the construction a residential multiple dwelling containing eighty-two residential units, a retail unit, community facility space and six parking units. All units will be conveyed by deed. You have advised us the construction has now commenced and you expect construction to be completed in the late fall of 2017.

In order to prepare this letter and the opinion set forth herein, you have supplied us with certain information upon which we have relied. This information includes your purchase price, your estimated construction costs and your estimated operating expenses. You have also supplied us with a square footage analysis of the project and architectural drawings prepared by the firm of Perkins Eastman Architects. We have also examined publicly available web sites maintained by the NYC Department of Buildings and Department of Finance.

We have also considered the recent tax assessment history of the property, the cost of the new project, the potential income for the new structure (if operated as a rental), comparable properties in the Borough of Manhattan which have been newly constructed or undergone renovation as well as market conditions in the general area.

In predicting the future assessed value, we have given consideration to the following factors:

1. The current claimed standard of assessment used by the Real Property Division of the New York City Department of Finance is to assess at 45% of value.

2. The estimate of the cost of the construction will be a factor.

3. The potential capitalized net income of the property if operated as a rental.

4. Tax Assessments of comparable properties.

Real Estate Tax Assessments in New York City are made on a fiscal year basis running from July 1 of any one year to the next succeeding June 30. The status of the building on January 5 of any one year is the basis of the assessment for the fiscal year beginning that July 1. The final assessment roll containing the final 2015/2016 assessed values (the property consisted of vacant land) was published on May 27, 2015 and showed the following values:

Actual Assessed Value	Transition Assessed Value	Tax Class
$2,118,150	$2,076,374	4

Real Property Tax Law Section 581 provides that cooperative and condominium apartments shall be assessed for tax purposes as if the building was a comparable rental property. Thus, the Department of Finance is prohibited from utilizing the sales prices of the individual condominium units in determining the assessed valuation. Therefore the prices that you set in your offering plan and any subsequent sales or resales are not relevant in determining the assessed value of the property or of the individual condominium units. Upon conversion to a condominium and after an application is submitted by you, the New York City Department of Finance shall assign individual tax lot numbers to each of the condominium units. The residential condominium units will be designated as tax class 2 property and will pay on the class 2 tax rate and the retail condominium and community facility units will be designated as tax class 4 property and will pay on the class 4 tax rate. The 2015/2016 class 2 residential tax rate has recently been set at $12.883 for each $100 of assessed valuation and the class 4 nonresidential tax rate has been set at $10.656 for each $100 of assessed valuation.

Real Property Tax Law Section 1805 provides for the creation of a transition assessment system within the City of New York. Under the transition assessment system, the usual increase in the actual assessed value of a property between one year and the next is phased in over a five

year period in equal installments. The five year phase in does not apply to new construction or other increases due to physical improvements to the property. Increases due to such physical improvements or new construction are added in full to the next year's assessment. Pursuant to Real Property Tax Law Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transition assessed valuation. We believe that there will be an increase in value for 2018/19 and 2019/2020 as a result of the new construction which will be placed on the assessment roll immediately and not subject to the five year phase in as well as a general equalization increase due to the changes in use of the building. In future years, part of the increases we project in assessed value will likely result in the taxable assessment being increased and based on a phased-in transition assessed value.

On June 25, 2015 the New York State Legislature passed legislation extending property tax abatements for homeowners in New York City cooperatives and condominiums through June 30, 2018 at the rate of 17.5% with buildings with average assessments greater than $60,000 per unit and a greater percentage for buildings with a lesser average per unit. The law makes additional changes from the original abatement law which may eliminate such abatement benefits for units which are not the primary residence of the owner. The law further limits the benefits to a maximum of three units in the building, one of which must be the primary residence of the owner. It is unknown at this time if unit owners will have acquired their ownership interests at a point in time by which they will be eligible to apply for this abatement. Therefore, in predicting the taxes on this building we have not given any consideration to this tax benefit. Unit owners are advised to beware of various filing deadlines that may be included in the renewed law as well as possible changes in the level of abatement and eligibility.

We caution you that it is possible that there will not be an official apportionment of the assessment for the tax liability among the units until such time as an official apportionment of the assessed value is made and becomes effective. You should explain in your offering plan how taxes are to be allocated among unit owners prior to the apportionment of the tax lots which may be substantially different than the numbers set forth herein.

Predicated upon the foregoing, it is our opinion that for the total actual assessed value of the property will be $11,000,000 for the 2017/2018 tax year and will be $18,500,000 for the 2018/2019 tax year and we have utilized those numbers in estimating the real estate taxes for the initial budget year and the first post construction tax year. For the 2017/2018 tax year you have advised us that the project will be not be complete by the tax status date of January 5, 2017. We caution you that we have found that the assessment practices of the New York City Department of Finance are notoriously inconsistent in assessing properties during the course of construction and it is likely that there may be a substantial deviation from our estimate in the assessed value for the 2017/2018 tax year.

We have been advised that in determining the assessed values for the individual units, the current procedures of the New York City Department of Finance calls for the locking-in of the

common interest (elements) percentages (Unit Allocation Factor or UAF) extracted from the condominium declaration filed with the Department of Finance, Survey office and registered at the City Register. Thus the initial allocation of the assessed value of all units should be based on the common interest as set forth in the condominium declaration which you have advised us is 90.5275% to the residential units, 8.3650% to the retail unit 0.8871% to the community facility unit and 0.2205% to the parking units.

Therefore assuming the class 2 tax rate increases to $13.25 for each $100 of assessed valuation and further assuming the class 4 tax rate increases to $11.25 for each $100 of assessed valuation we make the following projections of the real estate taxes for the initial budget year January 1, 2018 through December 31, 2018 and the first post construction tax year:

January 1, 2018 through June 30, 2018 (6 Months of the 2017/2018 Tax Year)

Units	Assessed Value	Tax Rate	Tax (6 Months)
Residential	$9,958,025	13.25%	$659,719
Retail	$920,150	11.25%	$51,758
Community Facility	$97,581	11.25%	$5,489
Parking	$24,255	11.25%	$1,364

July 1, 2018 through December 31, 2018 (6 Months of the 2018/2019 Tax Year)

Units	Assessed Value	Tax Rate	Tax (6 Months)
Residential	$16,747,588	13.25%	$1,109,528
Retail	$1,547,525	11.25%	$87,048
Community Facility	$164,114	11.25%	$9,231
Parking	$40,793	11.25%	$2,295

It is estimated that the 2018/2019 tax year will be the first tax year that the property will be fully assessed by the Department of Finance. For the 2018/2019 tax year we estimate that the real estate tax prior to any abatements or exemptions will be calculated as follows:

Units	Assessed Value	Tax Rate	Tax
Residential	$16,747,588	13.25%	$2,219,055
Retail	$1,547,525	11.25%	$174,097
Community Facility	$164,114	11.25%	$18,463
Parking	$40,793	11.25%	$4,589

Estimated Initial Residential Budget Year Real Estate Taxes	$1,769,247
Estimated Initial Retail Budget Year Real Estate Taxes	$138,806
Estimated Initial Community Facility Budget Year Real Estate Taxes	$14,720
Estimated Initial Parking Budget Year Real Estate Taxes	$3,659
Estimated Post Construction Initial Tax Year Real Estate Taxes	$2,219,055
Estimated Post Construction Initial Retail Budget Year Real Estate Taxes	$174,097
Estimated Post Construction Community Facility Tax Year Real Estate Taxes	$18,463
Estimated Post Construction Parking Tax Year Real Estate Taxes	$4,589

Our firm has an extensive practice in real estate tax review matters and in 421-a and J-51 tax exemption/ tax abatement applications, and we currently represent the owners of approximately 2,500 buildings in the City of New York, and file applications for correction of the tax assessments and tax exemptions/tax abatements on these properties. This firm and its predecessors have been engaged in such practice for a period in excess of 60 years. Additionally, the writer is the past chairman of the Law Committee of the Associated Builders and Owners of Greater New York, a director of both the New York State Builders Association and the Associated Builders and Owners of Greater New York, a past member of the Tax Certiorari and Condemnation Committee of the Bar Association of the City of New York, and is a director and former President of the Real Estate Tax Review Bar Association, a specialized Bar dealing with real estate tax assessment matters.

Based upon our previous experience with such proceedings, we have issued the within letter with the estimates and caveats contained therein which the specific understanding that our opinion is not a guarantee that the taxes will be exactly as estimated. In no event will we, as Sponsor's real estate tax counsel, be liable if there are changes in the facts on which we have relied in issuing this opinion, or if there are changes in the applicable statutes, rules and regulations of the City of New York, decisional laws or administrative agency rulings, interpretations and policies on which we have relied which cause this opinion to be inaccurate. Interested parties should be aware that the estimate of the initial real estate tax assessment and taxes cover a period far into the future. Neither we nor any person can guarantee what the real estate taxes will be at any future date. As stated above, changes in law or policies of government agencies may radically change the opinions expressed herein.

The opinion expressed herein is that of the undersigned, and does not purport to express the opinion of the New York City Department of Finance or any city or government agency. That Department's opinions may result in substantially different total taxes for the initial budget year as well as for tax years 2018/2019 and 2019/2020 than set forth herein. We consent to the inclusion of this letter in the offering plan.

Very truly yours,

TUCHMAN, KORNGOLD, WEISS, LIEBMAN & GELLES, LLP.

By: Paul J. Korngold

DECLARATION

Establishing a Plan for Condominium Ownership of Premises located at 438 East 12th Street, County, City, and State of New York Pursuant to Article 9-B of the Real Property Law of the State of New York.

NAME: **438 EAST 12TH STREET CONDOMINIUM**

DECLARANT: 181 Avenue A, LLC
c/o Steiner NYC
15 Washington Avenue
Brooklyn Navy Yard
Brooklyn, New York 11205

DATE OF DECLARATION:

The land affected by the within instrument lies in Tax Block _____Tax Lot formerly known as Lot __ and now known as Lots _____-_____ inclusive on the Tax Map of the Borough of Manhattan, County, City, and State of New York.

Record and Return to:

SEIDEN & SCHEIN, P.C.

Attorneys for Declarant
570 Lexington Avenue
New York, New York 10022

(212) 935-1400

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EXHIBITS

A. Description of the Land
B. Description of the Units
C. Definitions
D. By-Laws
E. Budget for First Year of Condominium Operation
F. Permitted Commercial Signage Locations

DECLARATION
OF
438 EAST 12th STREET CONDOMINIUM

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

181 Avenue A, LLC, a New York limited liability company having an office at c/o Steiner NYC, 15 Washington Avenue, Brooklyn Navy Yard, Brooklyn, New York 11205 (the "Declarant"), does hereby declare as follows:

ARTICLE 1

DEFINITIONS

All capitalized terms used in this Declaration (hereinafter referred to as the "Declaration") that are not otherwise defined in the Articles hereof or in the By-Laws (as herein after defined) will have the meanings set forth in **Exhibit C** annexed hereto, unless the context in which they are used will otherwise require.

ARTICLE 2

SUBMISSION OF THE PROPERTY

2.1 Declarant hereby submits the Land and Building (each as hereinafter defined), all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), and pursuant thereto does hereby establish a condominium to be known as "**438 EAST 12TH STREET CONDOMINIUM**" (the "Condominium").

2.2 Attached to this Declaration as **Exhibit D** and made a part hereof are the By-Laws of the Condominium which set forth detailed provisions governing the operation, use and occupancy of the Condominium (said By-Laws, as they may be amended from time to time, are hereinafter referred to as the "By-Laws").

ARTICLE 3

THE LAND

Included in the Property described in Article 2 is all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in the County of New York, City and State of New York, commonly known as 438 East12th Street, and more particularly described in **Exhibit A** annexed hereto and made a part hereof. The Land is owned by Declarant in fee simple absolute. The Land has an area of approximately 29,705 square feet.

ARTICLE 4

THE PROPERTY

Included in the Property described in Article 2 is a building (the "Building") consisting of one (1) retail unit (the "Retail Unit"), one (1) Community Facility Unit (the "Community Facility Unit"), six (6) parking units (collectively, the "Parking Units" and individually a "Parking Unit") and eighty-two (82) residential units (collectively, the "Residential Units" and individually a "Residential Unit"). The Retail Unit, Community Facility Unit, Parking Units and the Residential Units are sometimes hereinafter collectively referred to as the "Units" and individually as a "Unit." The Retail Unit and the Community Facility Unit are sometimes hereinafter collectively referred to as the "Commercial Units" and individually as a "Commercial Unit." The Commercial Units, together with the Commercial Common Elements (as hereinafter defined), are collectively referred to as the "Commercial Section." The Residential Units, and the Parking Units, together with the Residential Common Elements, and the Residential Limited Common Elements (as hereinafter defined), are collectively referred to as the "Residential Section." The owner of the Retail Unit is herein called the "Retail Unit Owner." The owner of the Community Facility Unit is herein called the "Community Facility Unit Owner." The owners the Retail Unit and the Community Facility Unit are herein sometimes called a "Commercial Unit Owner," and collectively the Retail Unit Owner and the Community Facility Unit Owner are herein called the "Commercial Unit Owners." The owner of a Parking Unit is herein called a "Parking Unit Owner," and all of the owners of the Parking Units are herein collectively called the "Parking Unit Owners." The owner of a Residential Unit is herein called a "Residential Unit Owner" and all the owners of the Residential Units are herein collectively called the "Residential Unit Owners." The Commercial Unit Owners, Parking Unit Owners and all Residential Unit Owners are collectively referred to herein as the "Unit Owners" and individually as a "Unit Owner."

ARTICLE 5

THE BUILDING

The Building is a single structure consisting of an amenities level, a garden level and six (6) floors above grade, plus mechanical levels, and will be a Class 1-A noncombustible building. The Building will be constructed of concrete, steel, brick, glass and metal.

ARTICLE 6

THE UNITS

6.1 **Exhibit B** annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its Unit designation; (ii) tax lot number; (iii) approximate location in the Building; (iv) approximate square foot area; (v) number of rooms; and (vi) the percentage interest in the Common Elements appurtenant to such Unit. The location of each Unit is shown on the floor plans of the Building (the "Floor Plans") certified by S9, as affiliate of Perkins Eastman Architects, 115 Fifth Avenue, New York, New York 10003 and intended to be approved by the Tax Map Unit of the City of New York and

filed in the Office of the Register of the City of New York, County of New York (the "Register's Office") following the recording of this Declaration.

6.2 Each Unit includes, and each Unit Owner shall be responsible for, entrance doors to the Unit, the interior sheetrocked walls and partitions, non-structural flooring, interior stairways, interior elevators, floor coverings and plastered or sheetrocked ceilings affixed, attached or appurtenant to such Unit, smoke detectors, carbon monoxide detectors, all plumbing, gas and heating fixtures and equipment such as, but not limited to, refrigerators, dishwashers, heating, ventilating and air conditioning ("HVAC") units (including the fans inside the units), heating equipment, ranges and other equipment and appliances, as may be affixed, attached or appurtenant to such Unit and serving such Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors. Each Unit shall also include (i) all lighting and electrical fixtures and appliances within the Unit, and (ii) any special equipment, fixtures or Facilities (as hereinafter defined) affixed, attached or appurtenant to the Unit by or for the benefit of a Unit Owner, to the extent located within a Unit from the panel and serving or benefiting only that Unit including, but not limited to, any freight elevators or freight entrances servicing a Commercial Unit. Notwithstanding anything contained in this Article 6 to the contrary, each Unit Owner will have the right, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, wall to wall carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity of the Building or affect any of the mechanical and electrical systems of such Unit or of the Building.

6.3 The Commercial Units include all windows and window frames, storefronts, entranceways and door assemblies and related and similar installations in the exterior façade which exclusively opens into, or is appurtenant to, the Commercial Units, as more particularly delineated on the Floor Plans.

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

ARTICLE 7

DIMENSIONS OF UNITS

The Residential Units and Commercial Units were measured from the exterior side of the exterior walls (perimeter columns and mechanical pipes/ducts/shafts/ are not deducted) to the corridor/Common Elements side of interior walls separating one Unit from another Unit, or

separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements, and to the midpoint of the demising interior walls and partitions separating one Unit from another Unit. Any Common Elements located within a unit shall not be considered a part of such Unit.

Parking Units are measured from the center of the dividing line between such Units.

ARTICLE 8

COMMON ELEMENTS

8.1 The common elements of the Condominium (the "Common Elements") consist of the entire Property, including the Land and all parts of the Building and improvements thereon, other than the Units. The Common Elements include, but are not limited to, those rooms, areas, corridors, spaces and other parts of the Building and all Facilities (defined below) therein for the common use of the Units and the Unit Owners or which are necessary or convenient for the existence, operation, maintenance or safety of the Property. The Common Elements of the Condominium that serve or benefit exclusively (a) the Residential Units or the Residential Unit Owners are called "Residential Common Elements," (b) one or more but not all of the Residential Units or the Residential Unit Owners are called "Residential Limited Common Elements," (c) the Parking Units or the Parking Unit Owners are called "Parking Common Elements," (d) the Commercial Unit or the Commercial Unit Owner are called "Commercial Common Elements." The "General Common Elements" are appurtenant to, serve and benefit each Unit to the extent of such Unit's percentage share of the General Common Elements. The General Common Elements are for the common use of all Unit Owners.

8.2 As used in this Declaration, the word "Facility" or "Facilities" includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: system, equipment, apparatus, converter, radiator, heater, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket, mail box, carpeting, tile or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture tub or box.

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

8.4 The General Common Elements consist of the following:

8.4.1 The Land (as more particularly described in Exhibit A attached to this Declaration), together with all easements, rights and privileges appurtenant thereto;

8.4.2 Any of the following: all foundations, footings, columns, girders, floor slabs and structural ceilings, beams, and supports and interior load bearing walls,

8.4.3 The façade, exterior walls and structural elements of exterior walls including, but not limited to, non-operable windows and spandrel glass, if any, in the Residential Section of the Building, but excluding (i) all operable windows and operable window frames in the Residential Section of the Building and (ii) all windows and window frames, storefronts, entranceways and door assemblies and related and similar installations in the exterior façade which exclusively opens into, or is appurtenant to, the Commercial Units;

8.4.4 The rooms and Facilities located as follows: on the amenities level, the maintenance workshop, Building storage, secondary water tank, the water meter room, the gas meter room, the electric room, the telephone room, the detention tank room, the staff room and the superintendent's office; on the lobby level, Building storage; the mechanical areas, stairs, roof, and the underlying roof structure and waterproofing on all terraces and roofs; the bulkhead roof and ladder to the main roof and all other areas designated as a General Common Element on the Floor Plans;

8.4.5 Any other Facilities in the Building which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of all of the Commercial Section and the Residential Section and are not a part of any Unit, Residential Common Elements, Commercial Common Elements or any Limited Common Element.

8.5 The Residential Common Elements consist of the following:

8.5.1 Residential electric meters and panels, electric closets, feeders, risers and Facilities, Residential Section gas meter(s), and cables serving exclusively the Residential Section;

8.5.2 The operable windows (including frames) and skylights (including frames), if any, that serve the Residential Section;

8.5.3 Kitchen, bathroom and dryer exhaust ducts, corridor and Residential Unit supply air ducts if any, water lines supply and return for heating, water pressure reducing valve system, and all other Facilities in the floor and ceilings serving or benefiting exclusively the Residential Section;

8.5.4 CATV riser and all other Facilities located in the Property serving or benefiting exclusively the Residential Section to the extent that the same are not owned by a third party;

8.5.5 The rooms and Facilities located as follows: on the amenities level, the residential storage room in which the Storage Bins are located, all other storage rooms,

the compactor rooms, the bicycle room, the swimming pool and all of its Facilities, the pool equipment room, the sauna, the steam room, the men's and women's bathrooms, the fitness room, the children's playroom, the lounge, the compacter room and the laundry room; on the garden level, two (2) refuse rooms; on the lobby level, the residential vestibule, residential lobbies on East 11th Street and East 12th Street, the package room, the mail area and the satellite electrical room; on the second floor, two (2) refuse rooms; on floors two through penthouse, two (2) refuse rooms and one (1) electrical room per floor; on the second floor, one (1) telephone/data closet; on floors three though penthouse, two (2) telephone/data closets per floor; the walkable surface of the residential terrace on the roof; and all other areas designated as a Residential Common Element on the Floor Plans;

8.5.5.1 Notwithstanding that the resident storage room located on the amenities level is a Residential Common Element, Declarant shall have the sole and exclusive right to the proceeds from the initial licensing by the Board of any Storage Bin located within the resident storage room.

8.5.6 The passenger elevator and its shafts, pits, machine rooms and Facilities;

8.5.7 All passages, hallways, stairs and corridors, all mechanical space and all other rooms, areas, spaces and other parts of the Building which are not Parking Units, Residential Units, Residential Limited Common Elements or part of the Commercial Units, Commercial Common Elements, or General Common Elements;

8.5.8 All other Facilities exclusively serving the Residential Section, excluding the Parking Units, the Residential Units, the Residential Limited Common Elements, the Commercial Units, the Commercial Common Elements, and the General Common Elements, and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Residential Section.

8.5.9 Notwithstanding anything to the contrary in this Article 8, if a Residential Common Element benefits only certain Residential Unit Owners, then the alteration, addition, repair, replacement and restoration thereto shall be performed by the Residential Board and the cost thereof shall be borne solely by those Residential Unit Owners who benefit from the Residential Common Element in the proportion that the Common Interest of each benefiting Residential Unit Owner bears to the Common Interests of all benefiting Residential Unit Owners.

8.6 The Parking Common Elements shall consist of the following:

8.6.1 The entrance door appurtenant to the Parking Units area and all areas in the parking garage which are not part of any Parking Unit. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, the cost of repairing the Parking Unit Common Elements shall be a Parking Common Expense which shall be allocated exclusively to Parking Unit Owners based on their respective percentage of Common Interest (unless damage is caused by a Unit Owner or a Unit Owner's lessee, in which case the repair shall be undertaken by the Board at the expense of the Unit Owner).

8.6.2 All remaining Facilities exclusively serving the Parking Units, excluding the Parking Units, the Residential Units, the Commercial Units, the Residential Common Elements, the Residential Limited Common Elements and the General Common Elements, which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Parking Units.

8.7 The Residential Limited Common Elements consist of the following:

8.7.1 The terraces to which one or more Residential Units have exclusive access as set forth in Exhibit B annexed hereto. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, Residential Unit Owners with a terrace appurtenant to their Residential Unit shall be responsible for all normal maintenance of such terrace at such Residential Unit Owner's sole cost and expense. The replacement of the pavers or other exterior walkable surface that was installed by Declarant with an alternate surface shall be subject to the approval of the Residential Board. The repair and replacement of the exterior surface of such terrace shall at all times be performed by the Residential Board and charged to the Residential Unit Owner. However, any structural or extraordinary repairs (non-recurring repair which requires more than the usual annual expense for ordinary wear) or replacements to such terrace (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to the same) shall be made by the Residential Board and the cost and expense thereof shall be charged to all Unit Owners as a Common Expense; provided, however, that any repairs or replacements that are necessitated or deemed advisable by the Board and result from the negligence or wrongful acts of any Residential Unit Owner having exclusive access to a terrace, as set forth in Exhibit B annexed hereto, or any of its invitees, may be made or done by the Board, and the Board may charge the entire cost thereof to such Residential Unit Owner;

8.8.2 All other Facilities exclusively serving one or more but not all Residential Units, excluding the Residential Units, the Residential Common Elements, the Parking Units, the Commercial Units, the Commercial Common Elements, and the General Common Elements, and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of one or more but not all of the Residential Units.

8.8 The Commercial Common Elements consist of the following:

8.8.1 Electric meters, water meters, gas meters and other utility meters (if any) serving or available for the exclusive use of the Commercial Section;

8.8.2 Ductwork, and all other HVAC and electric and similar Facilities serving or benefiting exclusively the Commercial Section;

8.8.3 All remaining Facilities exclusively serving the Commercial Units, excluding the Commercial Units, the Parking Units, the Residential Units, the Residential Common Elements, the Residential Limited Common Elements and the General

Common Elements, which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Commercial Units.

ARTICLE 9

USE OF BUILDING AND UNITS

9.1 As more particularly set forth in the By-Laws, Residential Units may be used only for residential purposes and for any home occupation uses to the extent permitted under applicable zoning law and ordinances and other applicable governmental laws and regulations, but not for retail use. A Residential Unit may also be used for any other lawful purposes (but not for retail use), subject, however, to (1) the terms and conditions of the then existing certificate of occupancy for the Building, (2) applicable governmental laws and regulations, (3) the use of such Residential Unit not adversely affecting the use and enjoyment of neighboring or adjacent Residential Units for residential purposes, (4) compliance with the By-Laws and (5) the prior written permission of the Residential Board, which permission shall in no event be granted unless such Board affirmatively finds that the conditions in (1) through (5) above have been met.

9.2 Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Declarant may, without the permission of the Residential Board or any other Board, (1) grant permission for the use of any Unsold Residential Unit (as defined in Exhibit C) owned by it or its designee for any purpose, provided such use is permitted by Law, and does not violate the then existing certificate of occupancy for such Residential Unit or any other governmental regulations, and (2) use any Unsold Residential Units owned by it or its designee as models and sales and/or promotion offices in connection with the sale or rental of the Units, subject only to compliance with applicable governmental laws and regulations.

9.3 The Commercial Units may be used for any lawful purposes, including, without limitation, department and other retail stores and outlets, storage, theaters, banks, restaurants and commercial and professional offices and studios.

9.4 In accordance with Section 339-m of the Real Property Law and the By-Laws, the Board of Managers shall have the right to impose Common Charges to Commercial Units, and Parking Units based on factors other than such Unit's percentage of Common Interest.

9.5 As more particularly set forth and described in the By-Laws, except as otherwise expressly provided herein or in the By-Laws, Storage Bins shall only be used for the personal storage of Residential Unit Owners or a bona fide lessee thereof. The Storage Bins shall be maintained, repaired and replaced by the Residential Board and the cost thereof shall be allocated exclusively to each Storage Bin licensee.

9.6 Except for Parking Units Owned by Declarant or its designee, Parking Units shall only be sold by the Parking Unit Owner to a Residential Unit Owner. Parking Units shall only be leased by a Parking Unit Owner to a Residential Unit Owner or to a bona fide lessee of a Residential Unit Owner.

9.6.1 No Residential Unit Owner, other than Declarant, shall own more than two (2) Parking Units at a time without the express written consent of the Residential Board.

9.7 As more particularly set forth and described in the By-Laws, except as otherwise expressly provided herein or in the By-Laws, Parking Units shall only be used for parking the motor vehicles of Residential Unit Owners or the bona fide lessee thereof.

ARTICLE 10

CHANGES IN THE RESIDENTIAL SECTION

Except to the extent prohibited by Law and the By-Laws, Declarant or its designee shall have the right, without the vote or consent of any Board, other Unit Owners or the Residential Mortgage Representatives, if any, (and to amend this Declaration, as necessary) to: (a) make alterations, additions or improvements to any Unsold Residential Units; (b) change the use (subject to Section 9.2 above) or layout of, or number of rooms of any Unsold Residential Units from time to time; (c) change the size and/or number of Unsold Residential Units by subdividing one or more Unsold Residential Units into two or more separate Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Residential Units, converting a Residential Unit or any portion thereof to a Residential Common Element, a Residential Limited Common Element, a Commercial Unit, a Commercial Common Element, altering the boundary walls between any Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) which exclusively benefit an Unsold Residential Unit into such Unit; (d) designate a General Common Element, a Residential Common Element, Residential Limited Common Element, or a Commercial Common Element as part of a newly created Residential Unit, Residential Limited Common Element, Commercial Unit, or Commercial Common Element or designate all or part of a Residential Unit as a newly created Commercial Unit, Residential Common Element, Residential Limited Common Element, or Commercial Common Element; and (e) if appropriate, reapportion among the Unsold Residential Units affected by such change in size, use or number pursuant to the preceding clauses (b) and (c) their percentage interests in the Common Elements; provided, however, that (i) the percentage interest in the Common Elements of any other Residential Units (other than Unsold Residential Units) shall not be changed by reason thereof unless the owners of such Residential Units shall consent thereto; (ii) Declarant or its designee, as the case may be, shall comply with all Laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold each Board and all other Unit Owners harmless from any liability arising therefrom. So long as Declarant or its designee owns at least one (1) Unsold Unit, the provisions of this Article 10 may not be added to, amended, modified or deleted without the prior written consent of Declarant or its designee. By written permission of the Residential Board, which permission, shall not be unreasonably withheld, any other Residential Unit Owner may be given, with respect to his Residential Unit, the same rights and be subject to the same limitations and conditions as are set forth in this Article 10 with respect to Unsold Residential Units. Notwithstanding the other provisions of this Article 10, no reapportionment of the interests in the Common Elements appurtenant to any Residential Unit shall be made unless there is first delivered to the Residential Board a written certification stating that the

percentage interests of the respective Units in the Common Elements, immediately after such reapportionment, will be based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. The certification referred to in the preceding sentence shall be delivered (i) at Declarant's election, by Declarant, the managing agent of the Residential Section or of the Condominium or any other person reasonably acceptable to the Residential Board in the case of any Unsold Residential Unit, and (ii) by either the managing agent of the Residential Section or of the Condominium, or any other person reasonably acceptable to the Residential Board in the case of any other Residential Unit.

ARTICLE 11

CHANGES IN THE COMMERCIAL SECTION

Except to the extent inconsistent with the By-Laws or prohibited by Law, the Commercial Unit Owners shall have the right, subject to the approval of the Commercial Board, which shall not be unreasonably withheld, but without the vote or consent of the Residential or Condominium Boards, other Unit Owners or the Commercial or Residential Mortgage Representatives, if any, to: (1) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon a Commercial Unit and the Commercial Common Elements serving that Unit; (2) change the layout or number of rooms in a Commercial Unit from time to time; (3) change a Commercial Unit, by subdividing the same, into any desired number of Commercial Condominium Units, combining any of the Commercial Unit or combining any units resulting from a subdivision, altering the boundary walls between the Commercial Unit, or otherwise; (4) designate a Residential Unit, a Residential Common Element, a Residential Limited Common Element, or a General Common Element as part of a newly created Commercial Condominium Unit or designate all or part of a Commercial Unit as a newly created Residential Unit, Residential Common Element, or Commercial Common Element; (5) reapportion among the newly created Commercial Unit and/or Residential Units resulting from any subdivision, combination or otherwise their percentage interests in the Common Elements which shall be based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit; provided that in no case may such reapportionment result in a greater percentage of Common Interest for the total of the new Commercial Unit and/or Residential Units than existed for the original Commercial Unit; (6) change, alter or modify the facade and exterior portion of the Commercial Unit provided, however, that the percentage interest in the Common Elements of any portion of the Commercial Unit owned by another Commercial Unit Owner or of any Residential Unit shall not be changed by reason thereof unless the owner of such Unit shall consent thereto, and the Commercial Unit Owner shall comply with all Laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold each Board and all other Unit Owners harmless from any liability arising therefrom, and (7) amend the Certificate of Occupancy with respect to the Commercial Unit (any such amendment to be at the sole cost and expense of the Unit Owner of the Commercial Unit in question) to provide that such Commercial Unit may be used for any purpose which is lawful at the time that such amendment is made. Notwithstanding the foregoing, Declarant or its designee

shall have the right to make the foregoing changes to any Unsold Commercial Unit without the consent of any Board or Unit Owner. In addition, for so long as Declarant or its designee owns at least one (1) Unsold Unit, any structural alteration, modification, addition or improvement to the Commercial Units, and any alteration, modification, addition or improvement to the façade and exterior portion of the Commercial Units shall require the prior written consent of Declarant or its designee.

ARTICLE 12

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York is hereby designated to receive service of process in any action which may be brought against the Condominium, the Residential Section or the Commercial Section.

ARTICLE 13

DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

The percentage interest of each Unit in the Common Elements has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

ARTICLE 14

ENCROACHMENTS

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

ARTICLE 15

ACCESS TO COMMON ELEMENTS

Each Unit Owner shall have an easement in common with all other Unit Owners to use all Common Elements located in the Building, including those located in any of the other Units or elsewhere on the Property which serve such Unit Owner's Unit including an easement to

connect to existing utilities including, but not limited to utilities for gas, electricity, steam and ventilation. Each Unit shall be subject to an easement in favor of all Unit Owners to use all Common Elements located in such Unit or elsewhere on the Property which serve other Units. In addition, Declarant, the Condominium Board, the Residential Board, the Commercial Board or their agents shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Property. All easements and rights of access described in this Article 15 shall be exercised in such a manner, to the extent practicable, as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes. To the extent that entry by any Board is upon any Unit in which Common Elements are located, such entry shall be permitted on not less than three days' notice, except that no notice will be necessary in the case of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building).

ARTICLE 16

EASEMENTS AND NAME OF CONDOMINIUM

16.1 Except as set forth in this Declaration, each Residential Unit Owner shall have, in common with all other Residential Unit Owners, an easement for the use of the Residential Common Elements and the General Common Elements and any Facilities located therein, including, but not limited to, such easement as shall be necessary to operate, maintain, repair, rebuild, restore and replace, as necessary, such Residential Unit Owner's Unit. The Commercial Section and the Residential Section shall be subject to such easement.

16.2 Except as set forth in this Declaration, the Commercial Unit Owners shall have an easement for the exclusive use of the Commercial Common Elements and an easement for the use of the General Common Elements and any Facilities located therein, including, but not limited to, (i) such easement as shall be necessary to operate, maintain, repair, rebuild, restore and replace, as necessary, such Commercial Unit Owner's Unit, and (ii) such easements as shall be necessary for the Commercial Unit Owner to install or affix and maintain ductwork and all other HVAC Facilities serving or benefiting exclusively such Commercial Unit Owner's Commercial Unit, except (a) neither the Commercial Unit Owner (other than Declarant or its designee) nor any tenant of the Commercial Unit Owner (other than a tenant of Declarant or its designee) shall have the right to install, affix, or maintain ductwork or any other HVAC Facilities on or along the exterior of the Building and (b) any ductwork or any other HVAC Facilities that the Commercial Unit Owner (other than Declarant or its designee) or any tenant thereof (other than a tenant of Declarant or its designee) desires to install which will materially affect the Residential Section shall require the consent of the Residential Board. The maintenance, repair and replacement of such ductwork and all other HVAC Facilities serving or benefiting exclusively such Commercial Unit Owner's Commercial Unit shall be performed by the Commercial Unit Owner at the Commercial Unit Owner's sole cost and expense, and the repair of any damage to the Building caused by such installation or affixation, or the maintenance, repair or replacement of such ductwork and/or other HVAC Facilities shall be performed by the Board of Managers and paid for by such Commercial Unit Owner.

16.3 Each Unit Owner shall have, in common with all other Unit Owners, an easement for ingress and egress through the Residential Section and the Commercial Section as the case may be, and for the use of any Common Element, to the extent necessitated by an emergency including but not limited to an easement by the Commercial Unit Owner for emergency access through and over the fire stairs in the Building. The Residential Section and the Commercial Section shall be subject to such easement.

16.4 The Residential Board shall have and each Residential Unit shall be subject to an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the General Common Elements, Residential Common Elements or Residential Limited Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to maintain any existing encroachment and any non-material future encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Residential Units, the General Common Elements, the Residential Common Elements; or the Residential Limited Common Elements; provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere, to the extent practicable, with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than three days' notice, except that no notice will be necessary in the case of an emergency.

16.5 Subject to Section 16.2 hereof, the Commercial Unit Owners shall have, and each Unit shall be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the Commercial Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to maintain any existing encroachment and any non-material future encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Commercial Unit, the Commercial Common Elements; provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere, to the extent practicable, with the use of the Commercial Unit, the Residential Units or the Residential Common Elements for their permitted purposes. Such entry shall be permitted on not less than three days' notice, except that no notice will be necessary in the case of an emergency.

16.6 Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

16.7 Declarant or its designee its successors and assigns shall, to the extent permitted by Law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs and awnings on the Property for the purposes of advertising (i) the sale or lease of any Unsold Residential Unit, the sale or lease of all or any portion of the Commercial Units and (ii) the operation of any business of a tenant or occupant of all or any portion of the Commercial Units or of any Unsold Residential Units, as the case may be, without the consent of any Board or Unit Owner. In addition, Declarant or its designee shall have an easement and the right to erect, maintain, repair, replace, restore, renovate, remodel and reconstruct the facade of the Building from the ground floor level through and including the bottom of the second floor of the Building without the consent of any Board or Unit Owner.

16.8 In accordance with Section 6.16.4 and its subsections, the Commercial Unit Owners (other than Declarant or its designee) shall have an easement and the right to erect, maintain, repair and replace, from time to time, one or more signs appurtenant to the Commercial Units, below the second floor of the Building, and to repair, replace, restore, renovate, remodel and reconstruct the facade of the Building from the ground floor level through and including the bottom of the second floor of the Building with the consent of the Commercial Board but without the consent of the Residential Board or the Condominium Board; provided that any such sign and/or awning which a Commercial Unit Owner desires to erect or replace, and any alteration, replacement, restoration, renovation, remodeling, and/or reconstruction of the façade of the Building by such Commercial Unit Owner while Declarant or Declarant's designee owns any Unsold Units shall require the prior written consent of Declarant or Declarant's designee.

16.9 Declarant and it designee (as long as Declarant or its designee owns at least one Unsold Unit) and the Residential Board with respect to the Residential Section, the Commercial Board with respect to the Commercial Section and the Condominium Board with respect to the Property, shall have the right to grant such additional electric, gas, telephone, internet, cable, television, steam, ventilation or other easements for utilities, communications, access or other easements, and to construct any shafts, flues or install any air conditioning compressors or other equipment or Facilities on the roof or relocate any easements in any portion of the Residential Section, the Commercial Section or the Property, as the case may be, as Declarant or its designee, the Residential Board, the Commercial Board or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or to complete the Building as described in the Plan, or for the general health or welfare of the owners, tenants and occupants of the appropriate Units; provided that (i) the Condominium Board and the Residential Board shall not grant such additional easements within a Commercial Unit without the written consent of the Commercial Unit Owner, (ii) the Condominium Board and the Commercial Board shall not grant such additional easements within a Residential Unit which would require the use of any useable square footage within a Residential Unit without the written consent of the affected Residential Unit Owner, (iii) the Condominium Board shall not grant such additional easements within the Residential Common Elements or the Residential Limited Common Elements without the written consent of the Residential Board, and (iv) such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Unit or with the use or occupancy of the Residential Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. Each Board shall have the right to permit or revoke a right in favor of any company providing utilities or services, and such company's employees and agents, to have access to any Unit or the Common Elements in furtherance of the aforementioned easements to in order to install, operate, maintain and service same, provided such right of access shall be exercised in such manner so as to avoid unreasonable interference with the normal conduct of business of the tenants and occupants of the Commercial Unit or with the use or occupancy of the Residential Units for their permitted purposes.

16.10 Declarant and its designee, assignee and licensees shall have, and the Units and Common Elements shall be subject to, an easement, (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace satellite dishes and similar equipment on the roof and facade of the Building and elsewhere on the Common Elements and the conduit and Facilities

relating thereto, other than those portions of the roof which constitute Residential Common Elements or Residential Limited Common Elements and to retain any and all income derived therefrom, and (b) to maintain any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the installation, operation, maintenance, alteration, rebuilding, restoration or replacement thereof. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Declarant, its designees, assignees or licensees for the use of the aforesaid easements or equipment. Any satellite dish or other facilities placed upon the roof and the facade of the Building and elsewhere on the Common Elements by Declarant, its designees, assignees or licensees shall be the exclusive property of Declarant, its designees, assignees or licensees and neither the Condominium nor other Unit Owners shall have any rights with respect thereto. Notwithstanding the foregoing, additional utilities or the relocation of existing utilities cannot be installed in a Commercial Unit without the consent of the affected Commercial Unit Owner and provided further that access to a Unit or Common Element in furtherance of such easement shall be exercised in a manner so as to not unreasonably interfere with the normal conduct of business of the tenants and occupants the Commercial Section or with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no notice shall be necessary in the case of an emergency.

16.11 Any rights of access to the Commercial Units granted pursuant to this Article or elsewhere in this Declaration and the By-Laws shall be exercised only upon reasonable notice, but in no event less than three (3) days' notice, except in cases of emergency. The Boards shall use best reasonable efforts to schedule access to the Commercial Units so as to minimize disruptions to the business operations of the occupants of such Units, but shall not be required to schedule their right of access at times when overtime or holiday wage rates shall be payable to employees or employees of contractors as a result of such scheduling.

16.12 Declarant and its designee (as long as Declarant or its designee owns at least one Unsold Unit) and the Commercial Unit Owners, and their successors and assigns, shall, to the extent permitted by Law, have an easement to install, use, maintain, repair and replace (i) all mechanical equipment and associated piping and controls; (ii) all electrical risers, feeders, lines and equipment, including incoming service, main switch changer and distribution panel boards, conduits, wires, meters, transformers and panel boards; (iii) all storm and sanitary sewer equipment and pipes (including vent lines, ejectors, interceptors, filters and valves); (iv) all other facilities of the Building (including shafts, pipes, wiring, ducts, vents, flues, cables, conduits and lines) (collectively, "Utilities") which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Commercial Units now or in the future, except (a) neither the Commercial Unit Owners (other than Declarant or its designee) nor any tenant thereof (other than a tenant of Declarant or its designee) shall have the right to install, affix, or maintain any Utilities on or along the exterior of the Building and (b) any Utilities that the Commercial Unit Owners (other than Declarant or its designee) or any tenant thereof (other than a tenant of Declarant or its designee) desires to install which will materially affect the Residential Section shall require the consent of the Residential Board.

16.13 Declarant shall have an easement over all portions of the Property to complete construction thereof and to otherwise comply with its obligations under the Plan, if any.

16.14 The Board, the Residential Board, Declarant and Declarant's designee shall each have an easement through any Residential Unit and an easement to use any terrace or balcony which is appurtenant to such Residential Unit for the installation and temporary storage of equipment (such as, but not limited to, scaffolding), as necessary, in the sole judgment of such Board or Declarant or Declarant's designee, as the case may be, for the purpose of maintaining, repairing, altering, inspecting, rebuilding, replacing or restoring any component of the Building, including, but not limited to, the windows and the façade. Such entry shall be permitted on not less than three days' notice, except that no notice will be necessary in the case of an emergency.

16.15 The Board and its employees, contractors, subcontractors and agents shall have an easement to enter the nineteenth floor elevator alcove to service the Building's mechanical systems on at least one (1) days' notice to the Unit PH Unit Owner, except that no notice shall be required in the case of an emergency.

16.16 The Condominium and the Building shall be designated and known as **"438 East 12th Street Condominium."** For so long as Declarant owns any Units in the Building, Declarant shall own and control all rights and interests appurtenant to the name of the Condominium and/or the Building. For so long as Declarant owns any Units in the Building, only Declarant shall have the right to change or assign the name of the Condominium and/or the Building.

ARTICLE 17

POWER OF ATTORNEY

17.1 Each Residential Unit Owner hereby grants to the persons who shall from time to time constitute the Residential Board an irrevocable power of attorney, coupled with an interest (in such form and content as the Residential Board shall determine) following due authorization (if required) from the Residential Unit Owners (a) to acquire or lease any Residential Unit, together with its Appurtenant Interests (as defined hereinafter), whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Residential Unit so acquired, or to sublease any Residential Unit so leased, without the necessity of further authorization by the Residential Unit Owners, on such terms as the attorneys-in-fact may determine, (b) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units, including retaining counsel and taking any other actions which the Residential Board deems necessary or appropriate and (c) to execute, acknowledge and deliver any declaration or other instrument affecting the entire Residential Section which the Residential Board deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the entire Residential Section or any consent, covenant, restriction, easement or declaration, or any

amendment thereto, affecting the entire Residential Section or the Common Elements which the Residential Board deems necessary or appropriate.

17.2 The Commercial Unit Owners hereby grant to the persons who shall from time to time constitute the Commercial Board an irrevocable power of attorney, coupled with an interest(in such form and content as the Commercial Board shall determine) following due authorization (if required) from the Commercial Unit Owners (a) to acquire or lease the Commercial Units or portion thereof, together with its Appurtenant Commercial Interests (as hereinafter defined) whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Commercial Board or its designee, corporate or otherwise, on behalf of the Commercial Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not to vote the interest appurtenant to) the Commercial Units or portion thereof so acquired, or to sublease the Commercial Units or portion thereof so leased, without the necessity of further authorization by the Commercial Unit Owner, on such terms as the attorneys-in-fact may determine, and (b) to execute, acknowledge and deliver (i) any declaration or other instrument affecting the Commercial Section which the Commercial Board deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Commercial Section, (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Commercial Section or the Common Elements which the Commercial Board deems necessary or appropriate, or (iii) any easement permitting access between the Commercial Section and any property adjoining the Land, including the right to penetrate any General Common Elements located between the Commercial Section and such adjoining property, provided such penetration does not materially weaken the structural soundness of the Building.

17.3 Each Unit Owner hereby grants to Declarant and its designee (as long as Declarant or its designee owns at least one Unsold Unit) an irrevocable power of attorney, coupled with an interest, to amend the Condominium Declaration to effectuate the rights granted to Declarant under the Declaration. This provision shall be self-operative, but each Unit Owner shall execute and deliver to the Declarant, upon demand, any additional powers of attorney reasonably requested for such purpose.

17.4 Each Unit Owner hereby grants to the Commercial Unit Owners an irrevocable power of attorney, coupled with an interest, to amend the Condominium Declaration to effectuate the rights granted to the Commercial Unit Owners under the Declaration. This provision shall be self-operative, but each Unit Owner shall execute and deliver to the Commercial Unit Owners, upon demand, any additional powers of attorney reasonably requested for such purpose.

ARTICLE 18

ACQUISITION OF UNITS BY BOARDS

18.1 If (a) any Residential Unit Owner surrenders such Unit Owner's Unit, together with (i) the undivided interest in the Residential Common Elements and Residential Limited Common Elements and General Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in any other assets of the Residential Section or the Condominium (such interests in (i), (ii) and (iii) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Condominium Act, (b) the Residential Board, pursuant to Article 8 of the By-Laws, acquires or leases a Residential Unit or Commercial Unit, together with the Appurtenant Interests, or (c) the Residential Board purchases, at a foreclosure or other similar sale, a Residential Unit or a Commercial Unit, together with the Appurtenant Interests, then, in any such event, title to any such Residential Unit or Commercial Unit, together with the Appurtenant Interests, shall be held by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering any Residential Unit leased or subleased by the Residential Board or its designee shall be held by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, in proportion to their respective interest in the Common Elements.

18.2 If (a) a Commercial Unit Owner surrenders such Unit Owner's Commercial Unit or any portion thereof, together with (i) the undivided interest in the Commercial Common Elements, and General Common Elements appurtenant thereto and (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Commercial Board or it designee, corporate or otherwise, on behalf of the Commercial Unit Owner or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in any other assets of the Commercial Section or the Condominium (such interests in (i), (ii), and (iii) being hereinafter collectively called the "Appurtenant Commercial Interests"), pursuant to the provisions of Section 339-x of the New York Condominium Act, (b) the Commercial Board, pursuant to this Declaration and/or the By-Laws, acquires or leases all or a portion of the Commercial Unit, together with its Appurtenant Commercial Interest, or (c) the Commercial Board purchases, at a foreclosure or other similar sale, all or a portion of the Commercial Unit, together with its Appurtenant Commercial Interest, then, in any such event, title to all or any such portion of the Commercial Unit, together with its Appurtenant Commercial Interests, shall be held by the Commercial Board or its designee, corporate or otherwise, on behalf of the Commercial Unit Owner, in proportion to their respective interests in the Common Elements. The lease or sublease covering all or any portion of a Unit leased or subleased by the Commercial Board or its designee shall be held by the Commercial Board or its designee, corporate or otherwise, on behalf of the Commercial Unit Owner in proportion to its respective interests in the Common Elements.

18.3 The Residential Board shall have the authority to purchase, on behalf of all Unit Owners, a Residential Unit to be used as the residence of the Resident Manager of the Building

and, in such event, title to all or any such portion of the Residential Unit, together with its Appurtenant Residential Interests, shall be held by the Residential Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Residential Common Elements.

ARTICLE 19

COVENANTS RUNNING WITH THE LAND

19.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations which are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and such Unit Owner's heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public or any other third party. All present and future owners, tenants, subtenants, licensees, and other occupants of Units shall be subject to the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or sub-lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant, subtenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease or use and occupancy agreement thereof.

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

19.3 If this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall

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

ARTICLE 20

AMENDMENTS OF DECLARATION

20.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Residential Units, or the Commercial Units or the Commercial Unit Owners (a) any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least 80% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws; (b) any provision of this Declaration benefiting, protecting or otherwise affecting only the Residential Section or the Residential Unit Owners may be added to, amended, modified or deleted by vote of at least 66.667% in number and in Common Interest of all Residential Unit Owners taken in accordance with the provisions of the By-Laws; provided, however, that the Common Interest appurtenant to each Residential Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners directly affected and (c) any provision of this Declaration benefiting, protecting or otherwise affecting only the Commercial Units or Commercial Unit Owners may be added to, amended, modified or deleted by the vote of 100% in number and in Common Interest of the Retail Unit Owner taken in accordance with the provisions of the By-Laws; provided, however, that the Common Interest appurtenant to the Commercial Units shall not be altered without the written consent of all Commercial Unit Owners directly affected; and provided further that a Commercial Unit Owner shall have the right to amend the Declaration without the consent of the other Commercial Unit Owner if such amendment does not have a material adverse effect on such other Commercial Unit Owner. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Residential Units, or the Commercial Units, or the Commercial Unit Owners, (i) (x) the written consent of the Residential Mortgage Representatives, if any, to an amendment, modification, addition or deletion with respect to clause (a) above shall not be required unless such amendment, modification, addition or deletion materially impairs the value of the security interest of one or more Permitted Mortgagees, in which case such written consent shall not be unreasonably withheld or delayed and (y) with respect to clause (a) above, the Commercial Unit Owner may grant to any Permitted Mortgagee the right to consent to any amendment, modification, addition or deletion to this Declaration to the extent of any mortgage which encumbers the Commercial Unit for so long as such mortgage is on record; (ii) the written consent of the Residential Mortgage Representatives, if any, to an amendment, modification, addition or deletion with respect to clause (b) above shall not be required unless such amendment, modification, addition or deletion materially impairs the value of the security interest of one or more Permitted Mortgagees, in which case such written consent shall not be unreasonably withheld or delayed; and (iii) with respect to clause (c) above, the Commercial

Unit Owners may grant to any Permitted Mortgagee the right to consent to any amendment, modification, addition or deletion to this Declaration which affects the Commercial Units to the extent of any mortgage which encumbers the Commercial Units for so long as such mortgage is on record. No such amendment, modification, addition or deletion shall be effective until recorded in the Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Residential Units, or the Commercial Unit or the Commercial Unit Owner, any such amendment, modification, addition or deletion shall be executed by either (1) the Condominium Board as attorney-in-fact for the Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact or (2) the Residential Board as attorney-in-fact for the Residential Unit Owners, coupled with an interest, which Residential Board is hereby authorized by such Residential Unit Owners so to act as their attorney-in-fact or (3) the Commercial Board as attorney-in-fact for the Commercial Unit Owners, coupled with an interest, which Commercial Board is hereby authorized by the Commercial Unit Owner so to act as their attorney-in-fact, as the case may be. Subject to the foregoing provisions of this Section 20.1 and the rights of Declarant or its designee, the Commercial Unit Owners and the Commercial Board under Articles 9, 10 and 11 of this Declaration, Articles 8 and 9 of this Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Residential Mortgage Representatives, as the case may be, as set forth above) 80% in number and in Common Interest of all Unit Owners affected thereby, or if only a Commercial Unit is affected, 100% in number and in Common Interest of such affected Commercial Unit Owners, or if only Residential Units are affected, 80% in number and in Common Interest of such Residential Unit Owners, approve such amendment, modification, addition or deletion in the manner set forth above. Notwithstanding anything to the contrary contained in this Article 20, no provision of this Declaration may be added to, amended, modified or deleted without the prior written consent of Declarant's Construction Lender at any time that Declarant's Construction Lender has a lien on any Unsold Residential Unit or any Commercial Unit if such added, amended, modified or deleted provision would have a material and adverse effect on Declarant's Construction Lender.

20.2 If the number of rooms in an Unsold Residential Unit is changed, or the use, size and/or number of Unsold Residential Units is changed (whether as a result of a subdivision or combination of Unsold Residential Units or alteration of boundary walls between Unsold Residential Units, or otherwise) and the appurtenant percentage interests of Units in the Common Elements are reapportioned as a result thereof, all in accordance with Article 10 hereof, and in accordance with applicable Law, then Declarant or its designee causing such changes shall have the right to execute, or (upon its request) to require any other Unit Owner or any Board to execute, and record in the Register's Office and elsewhere, if required by Law, an amendment to this Declaration (together with such other documents as Declarant or its designee causing such changes deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Residential Unit or in the use, size and/or number of Unsold Residential Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests of Units in the Common Elements resulting therefrom, all without the approval of any Board, the Unit Owners or the Residential Mortgage Representatives, if any. In addition, if any Residential Unit Owner other than Declarant or its designee causing such changes is given the right by the Residential Board to make the changes described in this Section 20.2 with respect to such Unit Owner's Residential Unit or Residential

Units, all in accordance with Article 10 hereof, then such Residential Unit Owner shall have the right to require the Residential (or Condominium) Board to execute, and record in the Register's Office and elsewhere, if required by Law, any amendment to this Declaration and other documents which are necessary or appropriate (in the reasonable judgment of the Residential (or Condominium) Board) to reflect the changes made by the Residential Unit Owner, all without the approval of any Board, other Unit Owners or the Residential Mortgage Representatives, if any. Nothing contained in this Section shall be construed to mean that the Common Interest appurtenant to any Unit not subject to any change may be reapportioned without the written consent of the Owner of such Unit.

20.3 If (a) the number of rooms in a Commercial Unit or the size of the Commercial Unit is changed and the percentage interest in the Common Elements appurtenant to such Commercial Unit belonging to the Owner causing such change is reapportioned among any newly created commercial condominium units resulting from any subdivision of the Commercial Unit, any combining of the Commercial Unit or of any units resulting from a subdivision, any alteration of the boundary walls between commercial condominium units, or otherwise, or (b) a Commercial Common Element is designated as part of a newly created commercial condominium unit or all or part of a Commercial Unit is designated as a newly created Commercial Common Elements, all in accordance with Article 11 hereof the Commercial Board (or the Commercial Unit Owner causing such changes) shall have the right to execute, or (upon request) to require any other Board or Unit Owner to execute, and record in the Register's Office, and elsewhere, if required by Law, an amendment to this Declaration (together with such other documents as (the Commercial Unit Owner or) the Commercial Board deems appropriate to effectuate the same) reflecting (i) such change in the number of rooms in or size of the Commercial Unit, the subdivision of the Commercial Unit into separate commercial condominium units, the combination of the Commercial Unit or of any newly created commercial condominium units resulting from a subdivision, the alteration of boundary walls between commercial condominium units, or otherwise, and the reapportionment of the percentage interests in the Common Elements among such newly created commercial condominium units or (ii) such designation of a Commercial Common Element as part of a newly created commercial condominium unit or such designation of part of a Commercial Unit as a newly created Commercial Common Element, all without the approval of any Board, the Unit Owners or the Residential Mortgage Representatives, if any. Notwithstanding the foregoing, Declarant or its designee shall have the right to make the foregoing changes to any Unsold Commercial Unit without the consent of any Board or Unit Owner. Nothing contained in this Section shall be construed to mean that the Common Interest appurtenant to any Unit not subject to any change may be reapportioned without the written consent of the Owner of such Unit.

20.4 Amendments, modifications, additions or deletions of or to this Declaration, the By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of a Commercial Unit or with the subdivision, combination or alteration of a Commercial Unit, or of any newly created commercial condominium units and/or the offering for sale or lease of all or any portion of a Commercial Unit. In connection therewith, the Commercial Board, (or, when permitted, the Commercial Unit Owner) may cause this Declaration, the By-Laws and the Rules and Regulations to be so amended, modified, added to or deleted from and the resulting provision thereof may be similar or dissimilar to those affecting the Residential Section and Residential Unit Owners; provided such amendment does not have

an adverse effect on the Residential Section or any Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the Residential Section or the Residential Unit Owners, the Commercial Board shall be the attorney-in-fact for the Residential Unit Owners, coupled with an interest for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion. Notwithstanding the foregoing, Declarant or its designee shall have the right to make amendments, modifications, additions or deletions of or to this Declaration, the By-Laws and the Rules and Regulations as may be necessary, appropriate or desirable in connection with the operation of the Unsold Commercial Unit without the consent of any Board or Unit Owner.

20.5 The provisions of Sections 20.1 and 20.2 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Declarant or its designee, and the provisions of Sections 20.1, 20.3, and 20.4, may not be modified, amended, added to or deleted, in whole or in part without the consent of the Commercial Board.

20.6 Amendments, modifications, additions or deletions of or to this Declaration are subject in all respects to Section 13.2 of the By-Laws which is incorporated by reference herein.

20.7 Notwithstanding any provision contained herein to the contrary, any amendment to this Declaration of a material adverse nature to Permitted Mortgagees of Residential Units (except for Permitted Mortgagees of any Unsold Residential Unit) shall require the written consent of at least 51%, in number and in Common Interest, of such affected Permitted Mortgagees. Such consent shall be deemed granted if the affected Permitted Mortgagee fails to respond to any written proposal for an amendment to this Declaration within sixty (60) days from receipt of the notice of the proposed amendment; provided that notice of such amendment is delivered to the Permitted Mortgagee by certified or registered mail, return receipt requested.

20.8 As long as the Declarant or any Declarant-designee shall continue to own at least one (1) Unit, the Board of Managers may not, without the Declarant's or Declarant-designee's prior written consent, (i) amend the Declaration or the By-Laws so as to in any way adversely affect the Declarant or its designees, or (ii) interfere with: the offer, sale or leasing of Unsold Units at the Property; the operations of general or sales or leasing offices at the Property; or actions necessary for renovation, repair or correction at the Property, as required by Declarant.

ARTICLE 21

TERMINATION OF CONDOMINIUM

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated after a casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws) until such time as withdrawal of the Property from the provisions of the Condominium Act is authorized by a vote of at least 80% in number and in Common Interest of all Unit Owners. No such vote shall be effective, however, (a) without the written consent (which consent shall not be unreasonably withheld or delayed) of Permitted Mortgagees which represent at least 51% in number and Common interest of all Units which are encumbered by a Permitted Mortgage, and (b) without the written consent of Declarant, until such time as Declarant and its designees do not hold title to any Unsold Unit and (c) without the

consent of Declarant's Construction Lender at any time that Declarant's Construction Lender has a lien on any Unsold Residential Unit or any Commercial Unit, except where by virtue of the Condominium's withdrawal from the Condominium Act sufficient funds will become available to satisfy the mortgage. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payments shall be made to a Unit Owner until there has first been paid from out of such Unit Owner's share of such net proceeds all liens on such Unit Owner's Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 22

WAIVER

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

ARTICLE 23

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof

ARTICLE 24

CERTAIN REFERENCES

24.1 A reference in this Declaration to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural and vice versa, unless the context otherwise requires.

24.2 The terms "herein," "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used, unless the context otherwise requires.

24.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 25

SEVERABILITY

Subject to the provisions of Sections 19.2 and 19.3, if any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the remainder of

this Declaration and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law.

ARTICLE 26

COVENANT OF FURTHER ASSURANCES

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

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

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

26.4 The foregoing provisions of Sections 26.1 and 26.2 (i) shall not apply to the holder of any Permitted Mortgage of any Unit, and (ii) shall not be enforced against, but shall be enforced by, Declarant or its designee.

ARTICLE 27

SUCCESSORS AND ASSIGNS

Except as set forth herein or in the By-Laws to the contrary, the rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon

any successor or assign of Declarant or its designee (not including Residential Purchasers of Units pursuant to the Plan), or, with the written consent of Declarant or its designee, any transferee of some or all of the then Unsold Residential Units then owned by Declarant or its designee, as the case may be. The rights and/or obligations of the Commercial Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Commercial Unit Owners. Subject to the foregoing, Declarant, its designee, and/or the Commercial Unit Owners, as the case may be, shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

ARTICLE 28

CONSENTS

Whenever the consent, approval, satisfaction or permission of Declarant or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction or permission will not be required when neither Declarant nor any designee of Declarant owns any Unsold Units.

ARTICLE 29

INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (i) the Property Description annexed hereto as Exhibit A; (ii) the Description of the Units annexed hereto as Exhibit B; (iii) the Definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; and (v) the Floor Plans, are each incorporated herein by this reference and made a part of this Declaration as if set forth at length in the text hereof.

ARTICLE 30

GENERAL

Except as required by Law, neither Declarant nor any of its principals or designees shall be subject to any of the restrictions and/or prohibitions with regard to the Units set forth in this Declaration or the By-Laws.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the _____day of _____201_.

181 Avenue A, LLC

By: _____

STATE OF NEW YORK)
) 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(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

EXHIBIT A

DESCRIPTION OF THE LAND

EXHIBIT B

DESCRIPTION OF UNITS

EXHIBIT C

DEFINITIONS

EXHIBIT D

BY-LAWS

BY-LAWS OF

438 EAST 12TH STREET CONDOMINIUM

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RULES AND REGULATIONS OF THE RESIDENTIAL SECTION

BY-LAWS OF 438 EAST 12TH STREET CONDOMINIUM

ARTICLE 1

GENERAL

1.1 Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of 438 East 12th Street Condominium (the "Condominium"). The Condominium covers the property (the "Property") consisting of approximately 29,705 square feet of land (the "Land") which forms a part of Block 439 on the Tax Map of the Borough of Manhattan, County, City, and State of New York, the building and other improvements now or hereafter to be constructed thereon or therein, as the case may be (hereinafter collectively called the "Building"), including, without limitation, the Units and the Common Elements, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the recording of a Declaration (which, as the same may be amended from time to time, is herein called the "Declaration") in the New York County Office of the Register of The City of New York ("City Register's Office"), together with these By-Laws. All terms used herein including, but not limited to, "Declarant or its designee" and "Declarant or a designee of Declarant," which are not separately defined herein, shall have the meanings given to those terms in the Declaration.

1.2 Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and other occupants of Units and employees and guests of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations (as hereinafter defined). The acceptance of a deed or conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of these By-Laws, the Rules and Regulations and the Declaration as they may be amended from time to time, are accepted and ratified.

1.3 Principal Office of Condominium. The principal office of the Condominium shall be located within the Property or at such other place within the Borough of Manhattan reasonably convenient thereto, as may be designated from time to time by the Condominium Board (as hereinafter defined).

ARTICLE 2

BOARD OF MANAGERS

2.1 Number, Term and Qualification.

2.1.1 As more particularly set forth in Section 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Condominium Board"). From and after the first annual meetings of Unit Owners as provided in Section 3.1, the Condominium

Board shall consist of a Residential Board of five (5) persons elected or designated by the Residential Unit Owners, subject to Declarant's Subsection 3.9.3 rights, and a Commercial Board of two (2) persons elected or designated by the Retail Unit Owner The Condominium Board, the Residential Board and the Commercial Board are herein sometimes referred to collectively as the "Boards" and individually as a "Board."

2.1.2 Each member of the Residential Board and the Commercial Board, except for the first Boards as provided in Section 2.4 and except as otherwise provided herein, shall be elected at the separate annual meetings of Residential Unit Owners and the Commercial Unit Owners and shall serve until the next annual meeting thereof and until successors have been elected and qualified. There shall be no limit on the number of successive terms a Board member may serve.

2.1.3 Except for Board members elected or designated by Declarant or its designee (a) all members of the Residential Board shall be either Residential Unit Owners or officers, directors, shareholders, partners, principals, members, trustees, employees or beneficiaries of corporations, partnerships, limited liability companies fiduciaries or any other entities which own Residential Units, or Permitted Mortgagees or family members of any of the foregoing, and (b) all members of the Commercial Board shall be either Commercial Unit Owners or officers, directors, members, managers, shareholders, partners, principals, employees or beneficiaries of corporations, partnerships, fiduciaries or any other entities which may own a Commercial Unit or a managing agent for such Commercial Unit Owners or an employee thereof, Permitted Mortgagees of the Commercial Units, lessees of the Commercial Units or portions thereof, or family members of any of the foregoing. Other than Board members elected or designated by Declarant or its designee no Board member shall continue to serve after such member ceases to be qualified as set forth above. As used herein the term "Permitted Mortgagee" means the holder of any "Permitted Mortgage" of a Unit or Units which is permitted to be placed thereon pursuant to these By-Laws.

2.2 Powers and Duties.

2.2.1 The Boards shall collectively have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (except such powers and duties which by Law, the Declaration or these By-Laws may not be delegated to the Boards by the Unit Owners). All determinations, however, which (a) affect only the Residential Section and do not adversely affect the Commercial Section or the use of the Commercial Section for its permitted purposes, shall be made by the Residential Board or (b) affect only the Commercial Section and do not adversely affect the Residential Section or the use of Residential Units for their permitted purposes, shall be made by the Commercial Board. All other determinations with respect to the administration of the affairs of the Condominium including, without limitation, determinations which (i) relate to the Residential Section and adversely affect the Commercial Section, or (ii) relate to the Commercial Section and adversely affect the Residential Section, or (iii) relate to or affect the General Common Elements, shall be made by the Condominium Board. Any dispute between the Residential Board and the Commercial Board with respect to whether the Residential Board or the Commercial Board shall be entitled to make any determination shall be settled by Arbitration (as hereinafter defined); provided, however, that no such dispute with respect to whether the determination of one adversely affects the other shall be deemed to exist unless the objecting party specifies the grounds for its objection in writing to the

other party within 10 business days of receipt by it of notice of such determination. In addition, any dispute between the Residential Board and the Commercial Board with respect to whether any matter is entitled to be determined by the Condominium Board shall be settled by Arbitration, which Arbitration shall be determined on the basis of what is in the best interests of the Condominium. As used herein the term "Arbitration" means arbitration conducted in accordance with the provisions of Article 11 and the term "adversely affect" shall mean the uses prohibited by Section 6.16.

2.2.2 Subject to the provisions of Subsection 2.2.1, and without limiting the generality thereof, the Boards shall each have all powers and duties expressly set forth elsewhere in the Declaration and By-Laws and shall be entitled to make such determinations and take such actions and incur such liabilities as may be required to effectuate each Board's obligations under the Declaration and By-Laws.

2.2.2.1 The Condominium Board shall be entitled to make determinations with respect to the following matters:

2.2.2.1(a) Operating, caring for, keeping up, maintaining, repairing and replacing of the General Common Elements, including contracts for utilities, services and supplies;

2.2.2.1(b) Determining the amount of General Common Charges (as hereinafter defined) and the amount of Special Assessments for all Units;

2.2.2.1(c) Employing and dismissing personnel necessary for the maintenance and operation of the General Common Elements;

2.2.2.1(d) Adopting, amending or adding to, the rules and regulations of the Condominium;

2.2.2.1(e) Making additions and improvements to, or alterations of, the General Common Elements;

2.2.2.1(f) Making repairs and restorations of the General Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings;

2.2.2.1(g) Enforcing obligations of Unit Owners, the Commercial Board and the Residential Board;

2.2.2.1(h) Levying fines against Unit Owners, the Commercial Board or the Residential Board for violations of the rules and regulations of the Condominium adopted by the Board (any such fines shall constitute General Common Charges payable by the Unit Owner or Board against which they are levied);

2.2.2.1(i) Opening and maintaining bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor;

2.2.2.1(j) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves both the Residential Section and the Commercial Section or the General Common Elements, as set forth in 6.2;

2.2.2.1(k) Borrowing money on behalf of the Condominium, when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, the General Common Elements; provided, however, that (i) the consent of at least 66-2/3% in Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of $150,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous years), and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit. If any sum borrowed by the Condominium Board pursuant to the authority contained in this subparagraph 2.2.2.1(k) is not repaid by said Board, a Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit;

2.2.2.1(l) Bringing actions on behalf of the Unit Owners, as their interests may appear, with respect to any cause of action relating to the General Common Elements, as the Condominium Board deems advisable;

2.2.2.1(m) Organizing corporations or limited liability companies to act as designees of the Condominium Board with respect to such matters as such Board may determine;

2.2.2.1(n) Executing, acknowledging and delivering of (i) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Building, or (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Condominium Board deems necessary or appropriate;

2.2.2.1(o) Preparing, executing and recording, on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration and/or these By-Laws whenever in the Condominium Board's

estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the Declaration and/or these By-Laws;

2.2.2.1(p) Obtaining and reviewing insurance for the Property, including the Units, pursuant to the provisions of Section 6.2; and

2.2.2.1(q) Leasing or purchasing an apartment for use as the residence of the building superintendent, either in the Building or elsewhere (in compliance with applicable Law and regulation) and amending, modifying, extending, renewing, and otherwise dealing in any way with respect to any such apartment.

2.2.2.2 The Residential Board shall be entitled to make determinations with respect to the following matters:

2.2.2.2(a) Operating, caring for, keeping up, maintaining, repairing and replacing the Residential Section, including contracts for utilities, services and supplies;

2.2.2.2(b) Determining the amount of Residential Common Charges (as hereinafter defined), subject to the determination of the Condominium Board with respect to General Common Charges, and the amount of Special Assessments for all Residential Units;

2.2.2.2(c) Collecting Residential Common Charges from Residential Unit Owners;

2.2.2.2(d) Employing and dismissing personnel necessary for the maintenance and operation of the Residential Section, including the building superintendent;

2.2.2.2(e) Adopting, amending or adding to the Residential Rules and Regulations (as provided in Schedule A hereof);

2.2.2.2(f) Subject to Section 8.2. of the By-Laws, purchasing, leasing and otherwise acquiring in the name of the Residential Board (or, if required, in the name of the Condominium Board) or its designee, on behalf of all Residential Unit Owners, Residential Units offered for sale or lease or surrendered by their owners to the Residential Board;

2.2.2.2(g) Purchasing Residential Units or Commercial Units at foreclosure or other similar sales, in the name of the Residential Board (or, if required, in the name of the Condominium Board) or its designee, on behalf of all Residential Unit Owners;

2.2.2.2(h) Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) Residential Units

acquired by, and subleasing Residential Units leased by, the Residential Board or its designee, on behalf of all Residential Unit Owners;

2.2.2.2(i) Making additions and improvements to, or alterations of, the Residential Common Elements and the Residential Limited Common Elements;

2.2.2.2(j) Making repairs to and restorations of the Residential Section or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings;

2.2.2.2(k) Enforcing obligations of Residential Unit Owners and the Boards;

2.2.2.2(l) Levying fines against Residential Unit Owners for violations of the Residential Rules and Regulations (any such fines shall constitute Residential Common Charges payable by the Residential Unit Owner against whom they are levied);

2.2.2.2(m) Maintaining bank accounts on behalf of the Residential Section (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor;

2.2.2.2(n) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves only the Residential Section as set forth in Section 6.2;

2.2.2.2(o) Borrowing money on behalf of the Residential Section 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 Section or otherwise in connection with any permitted action or activity of the Residential Board; provided, however, that (i) except as provided in Section 8.6 of the By-Laws, the consent of at least 66-2/3% in Common Interest of all Residential Unit Owners shall be required for any borrowings in excess of the aggregate amount of $150,000 (including the pro rata share of the Residential Section with respect to any borrowing made by the Condominium Board pursuant to 2.2.2.1(k)) 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 interest in the Common Elements without the consent of the owner of such Unit, and (iii) the Commercial Unit Owners will not be liable for repayment of any portion of any such loan. If any sum borrowed by the Residential Board pursuant to the authority contained in this subparagraph 2.2.2.2(o) is not repaid by said Board, a Residential Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements bears to the interest of all Residential Unit Owners in the Common Elements 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;

2.2.2.2(p) Bringing actions on behalf of the Residential Unit Owners, as their interests may appear, with respect to any cause of action relating to the Residential Section, as the Residential Board deems advisable;

2.2.2.2(q) Organizing corporations or limited liability companies to act as designees of the Residential Board with respect to such matters as such Board may determine, including, without limitation, in connection with the acquisition of title to or the leasing or subleasing of Residential Units by the Residential Board on behalf of Residential Unit Owners;

2.2.2.2(r) Executing, acknowledging and delivering (i) any declaration or other instrument affecting only the Residential Section which the Residential Board deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Residential Section, or (ii) any consent, covenant, restriction, easement or declaration affecting only the Residential Section and which the Residential Board deems necessary or appropriate;

2.2.2.2(s) Executing, acknowledging and delivering any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units for the benefit and on behalf of (i) all Residential Unit Owners, or (ii) for individual Residential Unit Owners, provided that each such Residential Unit Owner indemnifies the Residential Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings;

2.2.2.2(t) Operating, maintaining and supervising of all Residential Common Elements and Residential Limited Common Elements;

2.2.2.2(u) Purchasing or leasing, in the name of the Residential Board, space for the storage of personal property of Residential Unit Owners, and in connection therewith the promulgation of conditions, rules and regulations for the operation and supervision thereof;

2.2.2.2(v) Imposition of move-in fees and charges, and transfer fees in connection with the sale or lease of a Residential Unit, provided that no such fees or charges or any other conditions of transfer or lease may be imposed upon the Declarant or its designees; and

2.2.2.2(w) Leasing or purchasing an apartment for use as the residence of the building superintendent, either in the Building or elsewhere (in compliance

with applicable Law and regulation) and amending, modifying, extending, renewing, and otherwise dealing in any way with respect to any such apartment.

2.2.2.3 The Commercial Board shall be entitled to make determinations with respect to the following matters:

2.2.2.3(a) Operating, caring for, keeping up, maintaining, repairing and replacing the Commercial Section, including contracts for utilities, services and supplies;

2.2.2.3(b) Determining the amount of Commercial Common Charges, subject to the determination of the Condominium Board with respect to General Common Charges, and the amount of Special Assessments for the Commercial Units;

2.2.2.3(c) Collecting Commercial Common Charges from Commercial Unit Owners;

2.2.2.3(d) Employing and dismissing personnel necessary for the maintenance and operation of the Commercial Section;

2.2.2.3(e) Adopting, amending and adding to, the rules and regulations of the Commercial Section;

2.2.2.3(f) Selling, leasing, mortgaging and otherwise dealing with all or any portion of the Commercial Section. This 2.2.2.3(f) is not intended, except to the extent provided elsewhere to the contrary, to interfere with the ability of Commercial Unit Owners to sell, lease, mortgage, subdivide or combine portions of their individual Units;

2.2.2.3(g) Making additions and improvements to or alterations of the Commercial Common Elements;

2.2.2.3(h) Making repairs to and restorations of the Commercial Section or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings;

2.2.2.3(i) Enforcing obligations of the Commercial Unit Owners and the Boards;

2.2.2.3(j) Opening and maintaining bank accounts with respect to the Commercial Section and designating the signatories required therefor;

2.2.2.3(k) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves only the Commercial Section as set forth in Section 6.2;

2.2.2.3(l) Borrowing money on behalf of the Commercial Section 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 Commercial Section or otherwise in connection with any permitted action or activity of the Commercial Board; provided, however, that (i) the consent of at least 66-2/3% in Common Interest of all Commercial Unit Owners shall be required for any borrowings in excess of the aggregate amount of $75,000 (including the pro rata share of the Commercial Section with respect to any borrowing made by the Condominium Board pursuant to 2.2.2.1(l)), 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 interest in the Common Elements without the consent of the owner of such Unit, and (iii) the Residential Unit Owners will not be liable for repayment of any portion of any such loan. If any sum borrowed by the Commercial Board pursuant to the authority contained in this subparagraph 2.2.2.3(l) is not repaid by said Board, a Commercial Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements bears to the interest of all Commercial Unit Owners in the Common Elements 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 Commercial Unit Owners' Units;

2.2.2.3(m) Bringing actions on behalf of the Commercial Unit Owners, as their interests may appear, with respect to any cause of action relating to the Commercial Section, as the Commercial Board deems advisable;

2.2.2.3(n) Organizing corporations or limited liability companies to act as designees of the Commercial Section with respect to such matters as the Commercial Board may determine;

2.2.2.3(o) Executing, acknowledging and delivering (i) any declaration or other instrument affecting only the Commercial Section which the Commercial Board deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Commercial Section, and (ii) any consent, covenant, restriction, easement or declaration affecting only the Commercial Section which the Commercial Board deems necessary or appropriate

2.2.2.3(p) Purchasing, leasing and otherwise acquiring in the name of the Commercial Board or its designee, on behalf of the Commercial Unit Owners, the Commercial Units or portions thereof offered for sale or lease or surrendered by their owners to the Commercial Board;

2.2.2.3(q) Purchasing the Commercial Units or portions thereof at foreclosure or other similar sales, in the name of the Commercial Board or its designee, on behalf of the Commercial Unit Owners;

2.2.2.3(r) Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) the Commercial Units or portions thereof acquired by, and subleasing the Commercial Units or portions thereof leased by, the Commercial Board or its designee, on behalf of the Commercial Unit Owners; and

2.2.2.3(s) Operating, maintaining and supervising of all Commercial Common Elements.

2.2.3 Any act with respect to a matter determinable by any Board and deemed necessary or desirable by such Board in connection therewith shall be done or performed by such Board or shall be done on its behalf and at its direction by the agents, employees or designees of such Board.

2.2.4 For convenience of operation of the Condominium, any Board may designate another Board to act as its agent with respect to any matters the determination of which is entitled to be made by such designating party and in connection with such designation may execute, acknowledge and deliver any application, instrument or document, including, without limitation, any power of attorney or indemnification from liability that such designated party may require or request.

2.2.5 Any action required or permitted to be taken pursuant to the provisions of these By-Laws or the Declaration by either the Residential Board or the Commercial Board (including, without limitation, the billing and collection of Common Charges and Special Assessments, and the enforcement of any obligations of any Unit Owner) may be taken by either the Residential Board or the Commercial Board in the name of the Condominium Board which shall, upon request, execute, acknowledge and deliver any and all instruments, documents or applications in connection therewith; provided, however, that the party desiring to take such action shall, subject to the provisions of Section 2.15, indemnify and hold harmless the other and, in the case of action taken by the Commercial Board, the Commercial Board shall also indemnify and hold harmless the Residential Unit Owners from any expense or liability thereof or therefrom.

2.2.6 As long as the Declarant or any Declarant-designee shall continue to own at least one (1) Unit, the Board of Managers may not, without the Declarant's or Declarant-designee's prior written consent, (i) amend the Declaration or the By-Laws so as to in any way adversely affect the Declarant or its designees, or (ii) interfere with: the offer, sale or leasing of Units at the Property; the operations of general or sales or leasing offices at the Property; or actions necessary for renovation, repair or correction at the Property, as required by Declarant.

2.2.7 Notwithstanding any other provision of the Declaration or of these By-Laws, the Commercial Unit Owner, if there is, or is deemed to be, only one Commercial Unit, is designated by the Commercial Board to perform all of the duties, and is empowered with the powers otherwise granted herein to the Commercial Board, and in such matters shall act for and on

behalf of itself and the Commercial Board in the same manner and with the same authority as the Commercial Board and, if required, in the name and stead of the Commercial Board, in connection with the operation of the Condominium. In so acting, the Commercial Unit Owner, if there is or is deemed to be, only one Commercial Unit, and all Persons acting for and on behalf of the Commercial Unit Owner in such capacities shall be indemnified to the same extent as the Commercial Board and its members and officers are otherwise indemnified hereunder or otherwise, without limitation of any indemnification of such Commercial Unit Owner as an Owner.

2.3 Managing Agents and Managers. With respect to matters the determinations concerning which any Board is entitled to make, such Board may employ a managing agent and/or a manager at a compensation established by such Board to perform such duties and services as such Board shall authorize. Each Board may delegate to such managing agent or manager other powers granted to such Board by these By-Laws, except the powers set forth in Subsections 2.2.2.1(b), (e), (g), (h), (m), (n), (o) and (p); 2.2.2.2(b), (e), (f), (o), (p), (q) and (r); 2.2.2.3 (b), (e), (f), (1), (m) and (n). Subject to the limitations set forth in this Section 2.3, the Commercial Board, the Condominium Board and the Residential Board may by mutual agreement employ one managing agent and/or manager to jointly act on their respective behalves and the costs of which shall be a General Common Expense, provided, however, that notwithstanding anything to the contrary contained herein, any decision with respect to whether or not to so employ one managing agent or manager shall not be the subject of Arbitration.

2.4 First Boards. The Condominium Board shall initially consist of two (2) persons designated by Declarant to initially comprise the Residential Board and one (1) person designated by Declarant to initially comprise the Commercial Board. The various Board members shall be deemed to have been "elected" as members of such Boards for the purposes of these By-Laws. Within 365 days after the date of the First Unit Closing the Residential and Commercial Boards will call for the first annual meetings of Residential Unit Owners and Commercial Unit Owners for the purpose of electing new Boards in accordance with the provisions of Section 3.1. The terms of each such member of the Residential Board and the Commercial Board shall expire annually.

2.5 Resignation and Removal. Any Board member may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board from which such member is resigning. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Subject to the provisions of Subsection 3.9.3, any Residential Board or Commercial Board member may be removed, with or without cause, by a majority vote of Residential Unit Owners or by Commercial Unit Owners, as the case may be, present in person or by proxy at a regular or special meeting of Residential Unit Owners or Commercial Unit Owners, as the case may be, at which a quorum is present. Any Board member whose removal has been proposed shall be given an opportunity to be heard at the meeting. Notwithstanding the above, Residential or Commercial Board members designated by Declarant or its designee may only be removed for gross negligence, willful misconduct or fraud by a majority vote of Residential Unit Owners or by Commercial Unit Owners, as the case may be, present in person or by proxy at a regular or special meeting of Residential Unit Owners or Commercial Unit Owners, as the case may be, at which a quorum is present, and replaced as described in Section 2.6. In addition, any member of

either Board who is designated as such by Declarant or its designee, may be removed by such designating party at any time, with or without such cause, and the party making such removal shall have the right to designate the replacement for such member. For the avoidance of ambiguity, in the event that any Board member appointed by Declarant or its designee resigns and Declarant's Construction Lender appoints a replacement for such member, such member shall be deemed to be a Board member appointed by Declarant.

2.6 Vacancies. Subject to the provisions of Section 2.5 (including the penultimate sentence thereof) and of Section 3.9.3, any vacancy on the Residential Board or Commercial Board for whatever reason shall be filled by the members of the Residential or Commercial Board then in office, at a special meeting of such Board held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and any person so elected shall be a member of the respective Board until the next annual meeting of the Residential Unit Owners or Commercial Unit Owners, as the case may be, when a successor shall be elected for the remainder of the term of the member creating such vacancy. Notwithstanding anything to the contrary contained in these By-Laws, in the case of a vacancy on any Board, created by the resignation, removal or any other cause which results in any Board member designated by Declarant or its designee, ceasing to be a member of any such Board, Declarant or its designee, as the case may be, shall have the sole right to designate a replacement for such member.

2.7 Organizational Meetings of the Residential and Commercial Boards. The first meetings of the Residential Board and the Commercial Board following each annual meeting of each of the Residential Unit Owners and Commercial Unit Owners shall be held immediately following each such annual meeting.

2.8 Regular Meetings of Boards. Regular meetings of the Residential Board and Commercial Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by a majority of the members thereof, provided that in the case of the Residential Board, at least four such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each member thereof, by personal delivery, mail, facsimile or email, at least five business days prior to the day named for such meeting.

2.9 Special Meetings of Boards. Special meetings of the Residential Board and the Commercial Board may be called by the respective President or Vice President of the Residential Board or Commercial Board by giving five business days' prior notice to each member of such Board by personal delivery, mail, facsimile or e-mail, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting. Special meetings of the Residential Board or of the Commercial Board shall be called in like manner and on like notice on the written request of at least two members of the Residential Board or one member of the Commercial Board, respectively.

2.10 Resolutions of Boards. The Residential Board and the Commercial Board shall each cause to be promptly delivered to the other copies of all resolutions adopted by it except to the extent (a) of matters privileged under applicable Law, (b) relating to the terms of the sale, leasing or subleasing of any Unit or portion of any Unit, other than the nature of the use thereof, and (c) relating to matters not related to the Property.

2.11 Meetings of Condominium Board. No organizational or regular meetings of the Condominium Board shall be held unless otherwise required by applicable Law in which event such required meetings shall be held at such time and place in the Borough of Manhattan as shall be determined by the Condominium Board, provided that notice thereof be given to Board members by personal delivery, mail, facsimile or e-mail at least five business days prior to the day named for such meeting. Special meetings of the Condominium Board may be called by the President of the Residential Board or the President of the Commercial Board by giving five business days' prior notice to each member of such Board by personal delivery, mail or telegram, which notice shall state the time, place (which shall be in the Borough of Manhattan) and purpose of the meeting.

2.12 Waiver of Notice. Any Board member may at any time waive notice of any Board meeting in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of a Board at any meeting thereof shall constitute a waiver of notice by him of the time and place thereof. If all the members are present at any meeting of a Board, no notice shall be required and any business may be transacted at such meeting.

2.13 Determinations by Boards; Quorums.

2.13.1 Except as otherwise set forth in Subsection 2.13.4, all determinations by any Board shall be made at a meeting of such Board at which a quorum thereof is present. At any Commercial, Condominium, or Residential Board meeting, a majority of the members thereof shall constitute a quorum, and the votes of a majority of such members present shall constitute the decision of such Board.

2.13.2 When the Residential Board and the Commercial Board, with each acting in accordance with the provisions of this Article 2, have made the same determination as to any matter which is required or permitted to be determined by the Condominium Board, such determination shall constitute the determination of the Condominium Board. No meeting of the Condominium Board as such shall be necessary for any determination by it to be made. However, in the event any meeting of the Condominium Board is held, a majority of the members of the Condominium Board shall constitute a quorum for the transaction of business and a majority of the votes cast at any meeting at which a quorum is present shall constitute the decision of such Board.

2.13.3 If at any Board meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.13.4 Members of any Board may participate in a meeting thereof by means of a conference telephone or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of any Board may be taken without a meeting if all members of such Board consent in writing to the adoption of a Resolution authorizing such action and the writing or writings are filed with the minutes of such Board.

2.14 Compensation. No member of any Board shall receive any compensation for acting as such.

2.15 Liability of Boards and Unit Owners.

2.15.1 To the extent permitted by applicable Law, no member of any Board shall have any personal liability with respect to any contract, act or omission of any Board or of any managing agent or manager in connection with the affairs or operation of the Condominium, the Commercial Section, or the Residential Section or any Limited Common Element (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by any Board or by any managing agent or manager thereof shall state that it is made by such Board, managing agent or manager only as agent for all Unit Owners, Residential Unit Owners, or Commercial Unit Owners, as the case may be, that such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and shall also state the applicable limitations of liability of Unit Owners provided for in the next sentence. The liability of any Unit Owner with respect to any contract, act or omission with respect to the Condominium or the Residential or Commercial Section, as the case may be, or any Limited Common Element shall be limited to such proportionate share of the total liability as the interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, Residential Unit Owners, or Commercial Unit Owners, as the case may be, and, unless expressly stated to the contrary in such contract (as determined by the relevant Board in its sole and absolute discretion), to the extent permitted by applicable Law, shall be limited to such Unit Owner's interest in such Unit Owner's Unit and such Unit Owner's appurtenant Common Interest so that such Unit Owner shall have no personal liability for such contract, act or omission. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges. Any such contract or agreement may also provide that it covers the assets, if any, of the Board on whose behalf the contract or agreement is made. Board members shall have no liability to Unit Owners except that a Board member shall be liable to such Unit Owner for such Board Member's own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member and each Residential or Commercial Board member, as the case may be, against any liability or claim except those arising out of such member's own bad faith or willful misconduct. Any Board may contract or effect any transaction with any Board member, any Unit Owner, Declarant, Declarant's designee or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

2.15.2 No Board or any member thereof shall be liable for either (i) any failure or interruption of any utility or other service to be obtained by, or on behalf of, such Board or to be paid for as a Common Expense, except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of such Board or any member thereof or (ii) any injury, loss or damage to any individual or property, occurring in or about either a Unit or any General or Limited Common Element.

2.16 Fidelity Bonds. Each Board shall obtain or ensure maintenance of fidelity bonds or insurance, in amounts deemed appropriate by it, for all of its members, officers and employees and for the managing agent or manager, if any, employed by it and the premiums on such bonds

or insurance shall constitute General Common Expenses, Commercial Common Expenses, or Residential Common Expenses, as the case may be.

2.17 Committees. Each Board may, subject to such limitations and exceptions as such Board may prescribe, appoint an Executive Committee and such other committees as such Board may deem appropriate, each to consist of as many members as such Board shall deem appropriate for the purpose of making such reports and studies as each such Board deems appropriate. Any Executive Committee of the Condominium Board shall be required to consist of at least one member of the Residential Board and one member of the Commercial Board. For so long as Declarant is entitled to designate members to any Board, any committee appointed by any such Board shall have as at least one of its members a member appointed by Declarant.

2.18 Principal Offices of Boards. The principal offices of the Boards shall each be located within the Property or at such other place in the Borough of Manhattan reasonably convenient thereto as may be designated from time to time by such Boards.

2.19 Status of Boards. In addition to the status conferred upon each of the Boards under or pursuant to the provisions of the Condominium Act, each of the Boards shall, to the extent permitted by applicable Law, be deemed to constitute a separate association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation of any of the Boards pursuant to the provisions of 2.20, the provisions of this Section 2.19 shall no longer be applicable to such Board.

2.20 Incorporation of Boards. To the extent and in the manner provided in the Condominium Act, each of the Boards may by action of such Board as provided in this Article 2, be incorporated under the applicable statutes of the State of New York. In the event that any Board so incorporates, it shall have, to the extent permitted by applicable Law, the status conferred upon it under such statutes in addition to the status conferred upon such Board under or pursuant to the provisions of the Condominium Act. The certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the provisions of the Declaration and these By-Laws and the provisions of the Declaration and these By-Laws shall control in the event of any inconsistency or conflict between the provisions hereof and the provisions of such certificate of incorporation and by-laws.

2.21 Boards as Agents of Unit Owners. In exercising their respective powers and performing their respective duties under the Declaration and these By-Laws, each Board shall act in good faith as, and shall be, the agent of the Unit Owners such Board represents, subject to and in accordance with the provisions of the Declaration and these By-Laws.

ARTICLE 3

UNIT OWNERS

3.1 Annual Meetings. The first annual meeting of the Commercial Unit Owners shall be called for a date which is no more than 365 days after the First Unit Closing. Such meeting shall be held not less than 10 days nor more than 40 days after such date. At such meeting, the incumbent Commercial Board shall resign and the Commercial Unit Owners shall elect or

designate the Commercial Board's two (2) members in accordance with Section 2.1 and as otherwise provided in these By-Laws. Thereafter, annual meetings of Commercial Unit Owners shall be held within approximately 30 days of each anniversary of the first annual meeting. At each such annual meeting, the incumbent Commercial Board members shall resign and new Board members shall be elected or designated in accordance with Section 2.1 and as otherwise provided in these By-Laws. Within 10 days following each annual meeting, the Commercial Board shall elect or designate in accordance with Section 2.1 and these By-Laws two representatives to the Condominium Board. On a date which is no more than 365 days after the First Unit Closing, the Residential Board will also call the first annual meeting of the Residential Unit Owners. Such meetings shall be held not less than 10 days nor more than 40 days after such date. At such meeting, the incumbent Residential Board shall resign and the Residential Unit Owners shall elect (in accordance with the provisions of Section 2.1 and as otherwise provided in these By-Laws) a Residential Board consisting of five (5) members. Thereafter, annual meetings of Residential Unit Owners shall be held within approximately thirty (30) days of each anniversary of the first annual meeting. At such meetings, the incumbent Board members shall resign and the members of the Residential Board shall be elected and there shall also be transacted such other business as may properly come before such meetings. The members of the Residential Board shall also serve as members of the Condominium Board. No joint annual meeting of Residential Unit Owners and Commercial Unit Owners shall be required to be held unless otherwise required by Law, in which event each such joint annual meeting shall be held on the date above specified for the annual meeting of Residential Unit Owners.

3.2 Place of Meetings. Meetings of all or any Unit Owners, Residential Unit Owners or Commercial Unit Owners, as the case may be, shall be held at the principal office of the Condominium or the Residential or Commercial Section, respectively, or, at such other suitable and convenient place in the Borough of Manhattan, as may be designated by the appropriate Board.

3.3 Special Meetings. The President of the Residential or Commercial Board shall call a special meeting of respective Unit Owners, if so directed by resolution of the respective Board or upon a petition signed and presented to the Secretary of the respective Section by Unit Owners holding in the aggregate not less than 25% in Common Interest of all Unit Owners in such Section. The President and the Vice President of the Condominium shall call a special joint meeting of all Unit Owners if so directed by resolution of the Condominium Board or upon a petition signed and presented to the Secretary of the Condominium by Unit Owners holding in the aggregate not less than 25% in Common Interest of Residential Unit Owners or 100% in Common Interest of Commercial Unit Owners.

3.4 Notice of Meetings and Actions Taken. Notice of each annual or special meeting shall be given by the appropriate Secretary to all Unit Owners of record entitled to vote thereat. Each such notice shall state the purposes of the meeting and the time and place where it is to be held and no business shall be transacted thereat except as stated in the notice. All notices hereunder shall be given by personal delivery, mail or telegram, at least ten (10) but no more than thirty (30) business days prior to the day named for the meeting and shall be given or sent to the Unit Owners entitled to receive same at their address at the Property or at such other address at the Property or elsewhere as any Unit Owner has designated by notice in writing to the appropriate Secretary at least ten (10) days prior to the giving of notice of the applicable meeting. However,

if the business to be conducted at any meeting of the Unit Owners shall include consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be given to all Unit Owners as provided above at least thirty (30) days prior to the day fixed for such meeting, and such notice shall be accompanied by a copy of the text of such proposed amendment.

3.5 Adjournment of Meetings. If any joint or separate meeting of Unit Owners cannot be held because a quorum is not present, a majority of Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

3.6 Order of Business. The order of business at all joint or separate meetings of Unit Owners shall be as follows:

(a) Call to order;

(b) Roll call;

(c) Proof of notice of meeting;

(d) Reading of minutes of preceding meeting;

(e) Reports of officers;

(f) Reports of members of the Board;

(g) Reports of committees;

(h) Election of inspectors of election (when so required);

(i) Election of members of the Board (when so required);

(j) Unfinished business;

(k) New business; and

(l) Adjournment.

3.7 Title to Units. Title to Units may be taken by any individual, corporation, partnership, association, limited liability company, trust or other entity, or any two or more of such owners as joint tenants, tenants in common or tenants by the entirety, as may be appropriate, but not as owners in severalty.

3.8 Voting.

3.8.1 Each Unit Owner or a person designated by such Unit Owner to act as proxy on such Unit Owner's behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit as set forth herein and in the Declaration at all meetings of Residential Unit Owners or Commercial Unit Owners and at all joint meetings of Unit Owners. The

designation of any such proxy shall be made in writing to the Secretary of the appropriate Board and shall be revocable at any time by written notice to such Secretary by the Unit Owner so designating; provided, however, that no designation to act as a proxy shall be effective for a period in excess of six months except a designation of a Permitted Mortgagee to act as the proxy of its mortgagor. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. No Board or its designee shall be entitled to vote the interest appurtenant to any Unit owned by such Board and the Common Interest of such Unit shall be excluded from the total Common Interests when computing the interest of Unit Owners for voting purposes.

3.8.2 Except as otherwise set forth herein or in the Declaration, at all meetings of Unit Owners, each Unit Owner (or such Unit Owner's proxy) entitled to vote thereat (including Declarant with respect to Units owned by Declarant or its designee) shall be entitled to cast one vote for each .0001% (rounded off to the nearest .0001%) of Common Interest attributable to such Unit Owner's Unit.

3.8.3 Whenever a particular percentage of Common Interest must be reached for voting purposes and such required percentage is in terms of the Residential Unit Owners, as a group, or the Commercial Unit Owners (as opposed to all Unit Owners as a whole), such required percentage shall mean a percentage in terms of total Common Interests attributable to that particular group and not the percentage of Common Interests attributable to all Unit Owners.

3.9 Election of Board Members; Rights of Declarant.

3.9.1 All elections of Board members shall be determined by plurality vote.

3.9.2 When voting for members of the Residential or Commercial Board, respectively, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting and the percentage of Common Interests owned by such Unit Owner, and in addition, the name of the proxy if such ballot is cast by a proxy. Each Unit Owner shall be entitled to cast the number of votes determined in accordance with Subsection 3.8.2 for each member to be elected by the Unit Owners. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

3.9.3 Notwithstanding any other provision of this Section 3.9 or any other provision of these By-Laws to the contrary, commencing with the first annual meeting of Residential Unit Owners, Declarant shall have the right to vote all of the Common Interests attributable to Unsold Residential Units owned by it until Declarant has closed title to all of the Unsold Residential Units owned by it so that none of them remain Unsold Units. Declarant shall hold a majority of seats on the Residential Board until the later to occur of (i) five (5) years from the date of the First Unit Closing or (ii) the date upon Declarant shall own Unsold Residential Units having a percent Common Interest in the Residential Section in the aggregate of ten (10%) percent or less (the "Declarant Control Period"). Notwithstanding the foregoing, Declarant may, at its discretion, relinquish voting control of the Residential Board prior to the end of the Declarant Control Period. In addition, even after the later of (i) and (ii), above, for so long as Declarant owns Unsold Residential Units having a percentage of Common Interest in the Residential Section in the aggregate of at least five (5%) percent, (a) Declarant shall have the right to designate two (2) members of the Residential Board, or one less than a majority of the Residential Board, as the case may be, and (b) for so long as Declarant owns at least one (1) of

the Unsold Residential Units, Declarant shall have the right to designate one (1) member of the Residential Board. For so long as Declarant owns at least one (1) of the Unsold Residential Units, the number of members of the Residential Board may not be increased without the consent of Declarant.

3.9.4 Notwithstanding the provisions of Section 3.9.3 of these Bylaws, Declarant, as a controlling member of the Board, may exercise veto power over decisions with respect to Common Expenses, other than Common Expenses required to (i) to comply with applicable laws or regulations; (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer, for a period ending not more than the earlier of five (5) years after the First Unit Closing or whenever Unsold Units constitute less than twenty-five percent (25%) of the Common Interest.

3.9.5 Notwithstanding any other provision of this Section 3.9 or any other provision of these By-Laws to the contrary, commencing upon the recording of these By-Laws with the Register's Office, Declarant shall have the right to vote all of the Common Interests attributable to the Unsold Commercial Units owned by it until Declarant has conveyed title to all Unsold Commercial Units.

3.9.6 The two (2) members of the Commercial Board shall be designated by Declarant for so long as Declarant owns at least one (1) Unsold Commercial Unit. Upon the transfer of title to both of the Commercial Units to a party other than a Declarant-designee, the two (2) members of the Commercial Board shall be designated by the Retail Unit Owner.

3.10 Majority of Unit Owners. Except as may otherwise be provided by Law, as used in these By-Laws, the terms "Majority of Residential Unit Owners", and "Majority of Unit Owners" means either those Residential Unit Owners, or Unit Owners, as the case may be, having more than 50% of the total authorized votes of either Residential Unit Owners, or all Unit Owners, as the case may be, determined in accordance with the provisions of Section 3.8, who are present in person or by proxy and voting at any meeting at which a quorum is present.

3.11 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of (a) Residential Unit Owners owning more than 50% of the Common Interests attributable to all Residential Units shall constitute a quorum at all meetings of Residential Unit Owners, (b) the Commercial Unit Owners owning more than 50% of the Common Interests attributable to the Commercial Unit Owners shall constitute a quorum at all meetings of the Commercial Unit Owners, and (c) Unit Owners owning more than 50% of the Common Interests attributable to all Units shall constitute a quorum at all joint meetings of Unit Owners, except that the Commercial Board shall have the absolute right to require an adjournment of such joint meetings for not longer than 30 days unless an emergency exists.

3.12 Majority Vote. Except where otherwise provided by Law, the Declaration or these By-Laws, (a) at all separate meetings of Residential Unit Owners, the affirmative vote of a Majority of Residential Unit Owners shall be binding upon all Residential Unit Owners for all purposes, (b) at all separate meetings of the Commercial Unit Owners, the affirmative vote of the Retail Unit Owner shall be binding upon the Commercial Unit Owners for all purposes, and (c) at all

joint meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

3.13 Determination of Unit Owners. When the Residential Unit Owners and the Commercial Unit Owners, with each acting separately in accordance with the provisions of this Article 3, have made the same determination as to any matter which is required or permitted to be determined by all Unit Owners, such determination shall constitute the determination of all Unit Owners. No joint meeting of Residential Unit Owners and Commercial Unit Owners shall be necessary for any such determination to be made by all Unit Owners.

ARTICLE 4

OFFICERS

4.1 Designation. The principal officers of the Condominium shall be (a) for the Residential Section, a President, Vice President, Secretary and Treasurer thereof, all of whom shall be elected by the Residential Board, (b) for the Commercial Section, a President and Secretary/Treasurer thereof, both of whom shall be elected by the Commercial Board, and (c) for the entire Condominium, (i) a President thereof, who shall be the same person serving as President of the Residential Section, (ii) a Vice President and Treasurer thereof, who shall be the same person serving as President of the Commercial Section, and (iii) a Secretary thereof, who shall be the same person serving as Secretary of the Residential Section. The Condominium Board, Commercial Board and the Residential Board may each appoint an Assistant Treasurer, Assistant Secretary and such other officers as in their judgment may be desirable. Any officer or director of the Residential Section may also be an officer or director of the Commercial Section and any officer or director of the Commercial Section may also be an officer or director of the Residential Section. None of the officers of the Residential Board, the Commercial Board or the Condominium Board need be Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Residential Board after the first annual meeting of Residential Unit Owners. Thereafter, the President and Vice President of the Residential Board must be members of the Residential Board.

4.2 Election of Officers. The officers of the Residential Board and the Commercial Board shall be elected annually by the members of the Residential Board and the Commercial Board, respectively, at the organizational meetings thereof, except that the initial officers of the Residential Board and the Commercial Board shall be elected, respectively, by the initial Residential Board members and the initial Commercial Board members and shall hold office at the pleasure of such Boards and until their successors are elected.

4.3 Resignation and Removal of Officers. Any officer may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board which elected such officer. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the members of the Board electing him, any officer may be removed, either with or without cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

4.4 Presidents. The President of the Condominium shall be the chief executive officer of the Condominium and shall preside at all joint meetings of Unit Owners and at all meetings of the Condominium Board. The President of the Residential Section shall be the chief executive officer thereof and shall preside at all meetings of the Residential Board and Residential Unit Owners. The President of the Commercial Section shall be the chief executive officer thereof and shall preside at all meetings of the Commercial Board and the Commercial Unit Owners. Each of said Presidents shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from among Unit Owners or Residential Unit Owners or Commercial Unit Owners from time to time as the President decides is appropriate to assist in the conduct of the affairs of the entire Condominium or of the Residential or Commercial Section, as the case may be.

4.5 Vice Presidents. Each of the Vice Presidents shall take the place of the President under whom such Vice President serves and perform the duties of the President whenever such President shall be absent or unable to act. If both the President and the Vice President of the Residential Section, the Commercial Section, or the Condominium are unable to act, the Board under whom such President and Vice President serves shall appoint some member of such Board to act in the place of such President and Vice President on an interim basis. Each Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board or by the President under whom such Vice President serves.

4.6 Secretaries. The Secretary of the Condominium shall keep the minutes of all joint meetings of Unit Owners and of the Condominium Board. The Secretary of the Residential Section shall keep the minutes of the meetings of the Residential Board and Residential Unit Owners. The Secretary of the Commercial Section shall keep the minutes of the meetings of the Commercial Board and the Commercial Unit Owners. Each of the Secretaries shall have charge of such books and papers as the Board under which such Secretary serves shall direct and shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

4.7 Treasurers. Each of the Treasurers shall have the care and custody of the funds and securities of the Condominium, the Commercial or the Residential Section, as the case may be, and shall be responsible for keeping full and accurate financial records and books of account thereof showing all receipts and disbursements necessary for the preparation of all required financial data. Each of the Treasurers shall be responsible for the deposit of all funds and other securities in the name of the Board for which such Treasurer serves (or in the name of the managing agent appointed by such Board) in such depositories as may from time to time be designated by such Board and shall in general perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.8 Execution of Documents. Unless otherwise delegated by the Board, all agreements, contracts, deeds, leases, checks and other instruments of the Condominium or of the Residential or Commercial Section shall be executed by any officer thereof or by such other person or persons as may be designated by the applicable Board. However, any Board can, by resolution,

determine that an expenditure in excess of a specified amount by said Board must be countersigned by two members of said Board.

4.9 Compensation of Officers. Except as otherwise provided by the Board for which such officer serves, no officer shall receive any compensation for acting as such.

ARTICLE 5

NOTICES

5.1 Notices. All notices required or desired to be given hereunder to any Board shall be personally delivered or sent by registered or certified mail to the office of such Board or to such other address as such Board may designate from time to time, by notice in writing to the other Board and if there is a managing agent of such Board, a duplicate shall be sent in like manner to such managing agent. All notices to the Residential Unit Owners or the Commercial Unit Owners shall, except as otherwise provided herein, be personally delivered or sent by registered or certified mail to the Property address of such Residential Unit Owners or Commercial Unit Owners or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Condominium Board and the Commercial or Residential Board. All notices to Permitted Mortgagees shall be personally delivered or sent by certified or registered mail to their respective addresses, as designated by them from time to time, in writing to the Condominium Board, Commercial Board and the Residential Board. All notices shall be deemed to have been given when personally delivered or mailed in a postage prepaid sealed wrapper, except notices of change of address which shall be deemed to have been given when received.

5.2 Waiver of Service of Notice. Whenever notice is required to be given by Law, the Declaration or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 6

OPERATION OF THE PROPERTY

6.1 Determination of Common Expenses and Fixing of Common Charges.

6.1.1 Except as otherwise provided herein, all costs and expenses attributable to the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements ("General Common Expenses") shall be determined by the Condominium Board as set forth below, and shall be borne by the Unit Owners. General Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be General Common Expenses. General Common Expenses shall also include such amounts as the Condominium Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the General Common Elements. The Condominium Board shall from time to time and at least annually prepare a budget to meet General Common Expenses and shall allocate and assess to the Residential Unit Owners, Parking Unit Owners, and the Commercial Unit Owners, pro rata in

accordance with the aggregate respective Common Interests of the Residential Unit Owners and the Commercial Unit Owners (except as otherwise provided in the Declaration or these By-Laws, or to the extent a different method of allocation is described in Schedule B, Projected Budget for First Year of Condominium Operation ("Schedule B"), as set forth in the Plan, a copy of which is attached hereto and made a part hereof as **Exhibit E**) ("General Common Charges") to meet General Common Expenses. In addition to basing charges on Common Interests, the Condominium Board may also make allocations and assessments of General Common Expenses in accordance with submetering, contract allocations, and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable Law. Notwithstanding anything to the contrary set forth above, the Condominium Board may not modify its method of allocations and assessments or increase the services or number of building employees servicing the Commercial Units in such a manner as would increase the Common Charges otherwise payable by the Commercial Unit Owners, without the consent of the Commercial Unit Owners. To the extent practicable, the Condominium Board shall allocate costs based upon metered or submetered usage.

6.1.2 Except as otherwise provided herein, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of and any alteration, addition or improvement to Residential Common Elements or the Residential Limited Common Elements ("Residential Common Expenses") shall be determined exclusively by the Residential Board and shall be borne solely by the Residential Unit Owners in proportion to their respective Common Interests, except as otherwise provided in the Declaration or in these By-Laws. Notwithstanding anything to the contrary in this Subsection 6.1.2, if a Residential Common Element or Residential Limited Common Element benefits only certain Residential Unit Owners, then the costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Residential Unit Owners who benefit from the Residential Common Element or Residential Limited Common Element in the proportion that the Common Interest of each benefiting Residential Unit Owner bears to the Common Interest of all benefiting Residential Unit Owners, except as otherwise provided in the Declaration or in these By-Laws. In addition, except as otherwise provided in these By-Laws, such Residential Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such Residential Common Element or Residential Limited Common Element at their sole cost and expense. Residential Common Expenses shall include, without limitation, such amounts as the Residential Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Residential Common Elements or the Residential Limited Common Elements and the rental or purchase of an apartment to be used as the residence of the Building resident manager and all costs and expenses associated therewith. Residential Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Residential Common Expenses. The Residential Board shall from time to time and at least annually prepare a budget to meet Residential Common Expenses and shall allocate and assess to the Residential Unit Owners, pro rata in accordance with their respective Residential Common Interests (except as otherwise provided in the Declaration or these By-Laws), charges ("Residential Common Charges") to meet (a) Residential Common Expenses and (b) the Residential Unit Owners' pro rata share of General Common Charges (except as otherwise provided in the Declaration or these By-Laws). From time to time the Residential Board may increase or decrease the amount of Residential

Common Charges payable for a fiscal year or any portion thereof to meet a revised estimate or determination of Residential Common Expenses for such fiscal year or any portion thereof. During the Condominium's initial two fiscal years but not thereafter, the Residential Board's authority shall include the right to base the amount of Residential Common Charges on actual costs and expenditures and/or to make retroactive adjustments to the amount of Residential Common Charges payable by Residential Unit Owners for any period to reflect actual operating costs for such period. In addition to basing charges on Common Interests, the Residential Board may also make allocations and assessments of Residential Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of Law. The Residential Board shall advise all Residential Unit Owners promptly in writing of the amount of Residential Common Charges payable by each of them and shall furnish copies of each annual budget to all Residential Unit Owners and Permitted Mortgagees thereof. In the event that the annual receipts collected from Unit Owners during the first year of Condominium operation commencing on the date of First Unit Closing exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis by an amount in excess of $100,000, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Condominium Board in proportion to each Unit's percentage of Common Interest (except as otherwise provided in the Declaration or in these By-Laws). Rebates, if any, attributable to Units purchased from Declarant during the first year of condominium operation will be distributed by the Condominium Board to Declarant and the Residential Unit Owner(s) in proportion to the amount of time Declarant and each Residential Unit Owner owned such Unit.

6.1.3 Except as otherwise provided herein, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, Commercial Common Elements ("Commercial Common Expenses") shall be determined by the Commercial Board and shall be borne solely by the Commercial Unit Owners. Commercial Common Expenses shall also include such amounts as the Commercial Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Commercial Common Elements, and such amounts, determined by the Commercial Board as may be required for the purchase, lease or sublease by the Commercial Board or its designee, corporate or otherwise, on behalf of the Commercial Unit Owners, of any portion of a Commercial Unit whose owner has elected to sell, lease, transfer or convey such portion of the Unit or which is to be sold at a foreclosure or other sale. Commercial Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Commercial Common Expenses. The Commercial Board shall from time to time and at least annually prepare a budget to meet Commercial Common Expenses and shall allocate and assess to the Commercial Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or these By-Laws), charges ("Commercial Common Charges") to meet (a) Commercial Common Expenses, and (b) the Commercial Unit Owners' pro rata share of General Common Charges. Such budgets shall include such amounts for reserves as the Commercial Board deems appropriate. In addition to basing charges on Common Interests, the Commercial Board may also make allocations and assessments of Commercial Common Expenses in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of Law. The Commercial

Board shall furnish copies of each budget on which such Commercial Common Charges are based to the Permitted Mortgagees thereof.

6.1.4 Except as otherwise provided herein, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of and any alteration, addition or improvement to Parking Common Elements ("Parking Common Expenses") shall be determined exclusively by the Residential Board and shall be borne solely by the Parking Unit Owners in proportion to their respective Common Interests, except as otherwise provided in the Declaration or in these By-Laws. The Residential Board shall from time to time and at least annually prepare a budget to meet Parking Common Expenses and shall allocate and assess to the Parking Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or these By-Laws), charges ("Parking Common Charges") to meet (a) Parking Common Expenses and (b) the Parking Unit Owners' pro rata share of General Common Charges (except as otherwise provided in the Declaration or these By-Laws). From time to time the Residential Board may increase or decrease the amount of Parking Common Charges payable for a fiscal year or any portion thereof to meet a revised estimate or determination of Parking Common Expenses for such fiscal year or any portion thereof. During the Condominium's initial two fiscal years but not thereafter, the Residential Board's authority shall include the right to base the amount of Parking Common Charges on actual costs and expenditures and/or to make retroactive adjustments to the amount of Parking Common Charges payable by Parking Unit Owners for any period to reflect actual operating costs for such period. In addition to basing charges on Common Interests, the Residential Board may also make allocations and assessments of Parking Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of Law. The Residential Board shall advise all Parking Unit Owners promptly in writing of the amount of Parking Common Charges payable by each of them and shall furnish copies of each annual budget to al Parking Unit Owners and Permitted Mortgagees thereof. In the event that the annual receipts collected from Unit Owners during the first year of Condominium operation commencing on the date of First Unit Closing exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis by an amount in excess of $100,000, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Condominium Board in proportion to each Unit's percentage of Common Interest (except as otherwise provided in the Declaration or in these By-Laws). Rebates, if any, attributable to Units purchased from Declarant during the first year of condominium operation will be distributed by the Condominium Board to Declarant and the Parking Unit Owner(s) in proportion to the amount of time Declarant and each Parking Unit Owner owned such Unit.

6.1.5 The excess of all rents, profits and revenues derived from the rental or use of any space or facility forming part of or included in any General Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by the Condominium Board as agent for and on behalf of the Unit Owners, or forming a part of or included in any Residential or Commercial Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by (i) the Residential Board if a Residential Common Element is involved, as agent for and on behalf of the Residential Unit Owners or (ii) the Commercial Board if a Commercial Common

Element is involved, as agent for and on behalf of the Commercial Unit Owner. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, in no event shall any rent, profit or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

6.1.6 Common Expenses shall include real estate taxes and other taxes and assessments on the Property until the Units are separately assessed.

6.1.7 Notwithstanding anything to the contrary herein, no part of the net earnings of the Condominium may inure (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any Unit Owner or individual.

6.1.8 The Board shall have the right, subject in all respects to the provisions of Section 2.2.7 hereof, to levy Special Assessments to meet Common Expenses. All Special Assessments relative to the Common Elements shall be levied against all Unit Owners in proportion to their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws). Special Assessments 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 purpose 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.

6.1.9 The Board of Managers shall deliver a copy of the annual financial report for the prior fiscal year to all Unit Owners, in accordance with Article 5 of these By-Laws, by March 15 of each calendar year.

6.1.10 Real Property Law Section 339-kk shall apply in the event that Declarant or any other non-occupant Unit Owner fails to timely pay Common Charges in accordance with these By-Laws.

6.1.11 In accordance with Section 339-m of the Real Property Law and these By-Laws, the Board of Managers shall have the right to impose Common Charges based on factors other than a Unit's percentage of Common Interest, as required.

6.2 Insurance.

6.2.1 The Condominium Board shall be required to obtain and maintain to the extent obtainable the following insurance: (a) fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements and increased cost of construction endorsements, insuring the entire Building, together with all service machinery contained therein and covering the interests of the Condominium, each of the Boards and all Unit Owners and their Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings), said policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that

the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject however, to the loss payment provisions hereinafter set forth; (b)rent insurance in an amount equal to Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Condominium Board; (f) water damage insurance to the extent, if any, determined by the Condominium Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering all Boards and all officers, directors, managing agents and employees of the Condominium, the Residential Section, and the Commercial Section; (i) directors and officers liability insurance; and (j) such other insurance as the Condominium Board may determine. For so long as the Unsold Residential Units and Commercial Units are owned by Declarant, the Condominium Board shall also maintain war risk insurance, to the extent obtainable from the United States of America or any agency thereof at reasonable rates, flood insurance and insurance against loss or damages from leakage of sprinkler systems, steam boilers, air conditioning equipment, pressure vessels or similar apparatus or such other insurance as may be required by any Permitted Mortgagee holding a mortgage on the Unsold Units. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a General Common Expense and shall be borne by the Residential Unit Owners and the Commercial Unit Owners in such proportions between them, with due consideration to their respective risks, liabilities and replacement values, as are equitable (as determined by the respective insurance carriers thereof or their agents, brokers or other such parties designated by the Condominium Board). If any such insurance carrier, agent, broker or other party fails to make such determination and the Residential Board and the Commercial Board fail to agree on a determination or if either disagrees with any such determination made by such insurance carrier, agent, broker or other party or if there is any other dispute under this Subsection 6.2.1, the matter shall be determined by Arbitration.

6.2.2 All such policies shall provide that adjustment of loss shall be made exclusively by (a) the Residential Board if the loss involves only the Residential Section, (b) the Commercial Board if the loss involves only the Commercial Section, (c) the Condominium Board if the loss involves both the Residential Section and the Commercial Section, or the General Common Elements. Insurance proceeds with respect to any loss shall be payable to the Board entitled to adjust such loss, as aforesaid, except that the proceeds of all policies of physical damage insurance, if in excess of $1,000,000, shall be payable to a New York City bank or trust company designated by the Condominium Board as Insurance Trustee (as hereinafter defined) pursuant to the provisions of Section 12.5. Any dispute between or among the Boards under this Subsection 6.2.2 shall be determined by Arbitration.

6.2.3 All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten days' prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees. The Condominium Board shall provide copies of insurance certificates to any Permitted Mortgagee upon request. Further, all Permitted Mortgagees shall be notified in writing within ten (10) days of the lapse of any insurance policy maintained by the Board of Managers.

6.2.4 The Condominium Board shall also be required to obtain and maintain, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as such Board may from time to time determine, covering (i) each Board, the managing agent or agents thereof, each Board member, and each officer and employee of the Condominium and Residential and Commercial Sections, (ii) the Commercial Unit Owners, and their managing agent or agents, (iii) Declarant and its members and the officers of its members, and (iv) Residential Unit Owner, except that such policy will not cover liability of a Residential Unit Owner arising from occurrences within such Residential Unit Owner's own Unit or within the Limited Common Elements, if any, appurtenant to such Residential Unit Owner's Unit. The Condominium Board shall review such limits once each year. The insurance required in accordance with this Subsection 6.2.4 shall also cover cross-liability claims of one insured against another.

6.2.5 Any insurance maintained by the Condominium Board may provide for such deductible amounts as such Board determines.

6.2.6 The Condominium Board is not required to obtain or maintain any insurance with respect to any personal property contained in a Unit. Each Unit Owner shall, at such Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any part thereof, with minimum combined single limits of liability of $500,000 for bodily injury or death arising out of any one occurrence including $500,000 for damage to property and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the apartment or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage). The limits of liability set forth in (a) and (b) above may be increased by the Condominium Board from time to time. The insurance required above shall be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies of recognized standing, admitted to do business in the State of New York. Upon ten (10) days' written notice from the Condominium Board or the Managing Agent, the Unit Owner shall deliver to the Condominium Board a duplicate original of the aforesaid policies, certificates evidencing such insurance or such other confirmation satisfactory to the Condominium Board. To the extent either party is insured for loss or damage to property, each party will look to their own insurance policies for recovery.

6.3 Repair or Reconstruction after Fire or Other Casualty.

6.3.1 In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty (unless 75% or more of the Building is destroyed or substantially damaged and 75% of all Unit Owners, as well as Permitted Mortgagees which represent at least 51% of the Units encumbered by a Permitted Mortgage, in number and Common Interest, affirmatively resolve not to proceed with repair or restoration), the Residential Board with respect to any damage to or destruction of the Residential Section, the Commercial Board with respect to any damage to or destruction of the Commercial Section, and the Condominium Board with respect to any damage to or destruction of the General Common Elements, will arrange for the prompt repair and restoration thereof and the applicable Board or the Insurance Trustee, as the case may

be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. With respect to the immediately preceding sentence, for so long as the BOA Mortgage is outstanding, Declarant's Construction Lender must be among those Permitted Mortgagees which affirmatively resolve not to proceed with such repair or restoration in order for such resolution to be effective. If only the Commercial Section (including the Commercial Common Elements) is destroyed or damaged by fire or other casualty and if the net insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the Commercial Unit Owners, in proportion to their respective Common Interests, will bear the entire amount of the deficit as a Commercial Common Expense, or shall receive all of the surplus, as the case may be. Similarly, if only the Residential Section (including the Residential Units, Residential Common Elements and/or the Residential Limited Common Elements) is damaged or destroyed by fire or other casualty and the insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be borne as a Residential Common Expense or profit, respectively, and shared entirely by all Residential Unit Owners in proportion to their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws). If said damage or destruction by fire or other casualty affects the Commercial Section, the Residential Section and the General Common Elements, or any combination of two thereof, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests in the proportion that the cost of repairing the damage or destruction to the Residential Section, Commercial Section and General Common Elements, as the case may be, bears to the total cost of repairing all damage or destruction. However, the Commercial Board shall still have the right to make all arrangements for the prompt repair and restoration of the Commercial Units to the extent they are affected by such damage or destruction (except as otherwise provided in the Declaration or in these By-Laws). If said damage or destruction, however, affects only the General Common Elements, then any deficit or surplus in insurance proceeds shall be borne as a General Common Expense or profit, respectively, as provided in 6.1.1 or shared by all Unit Owners in proportion to their Common Interests. Any surplus payable to any Unit Owner pursuant to this Subsection 6.3.1 shall be lessened by such amounts as may be required to reduce unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order or priority of such liens. Notwithstanding the foregoing, if only the Parking Units and Parking Common Elements) are damaged or destroyed by fire or other casualty and the insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be borne as a Parking Common Expense or profit, respectively, and shared entirely by all Parking Unit Owners in proportion to their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws).

6.3.2 Unless the Unit Owners and Permitted Mortgagees (including Declarant's Construction Lender for so long as the BOA Mortgage is outstanding) have elected not to restore the Building as provided in Subsection 6.3.3., damage or destruction to a Unit or a Limited Common Element as a result of fire or other casualty shall be promptly repaired and reconstructed by the Owner of the affected Unit(s) where such repair or reconstruction does not involve the Common Elements for which the repair or reconstruction is the obligation of the Condominium Board, the Residential Board or the Commercial Board as provided in Subsection 6.3.1. If a Unit Owner fails to repair or reconstruct such Unit Owner's Unit, the Board of

Managers may cause the Unit to be repaired or reconstructed and the costs incurred in connection therewith shall be a charged to the defaulting Unit Owner as a Special Assessment.

6.3.3 If 75% or more of the Building is destroyed or substantially damaged and if 75% of all Unit Owners, as well as Permitted Mortgagees which represent at least 51%, in number and Common Interest of Units encumbered by a Permitted Mortgage, affirmatively resolve not to proceed with the repair or restoration thereof, the Building will not be repaired and the Property shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws); provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such funds, such amounts as may be necessary to discharge or reduce all unpaid liens on such Unit Owner's Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens. With respect to the immediately preceding sentence, for so long as the BOA Mortgage is outstanding, Declarant's Construction Lender must be among those Permitted Mortgagees which affirmatively resolve not to proceed with such repair or restoration in order for such resolution to be effective. As used in this Section 6.3, the words "promptly repaired and reconstructed" mean resolve as promptly as practical under the circumstances but in any event, not more than 60 days from the date of such damage or destruction.

6.3.4 Any dispute between or among any Boards arising under this Section 6.3 shall be determined by Arbitration.

6.3.5 In the event that a material portion of the Building or a Unit which secures a Permitted Mortgage is damaged or destroyed by fire or other casualty, the Board shall send notice to such affected Permitted Mortgagee (if the Board has been given the name and address of such Permitted Mortgagee) within thirty (30) days from the day that such damage or destruction occurred.

6.4 Payment of Common Charges.

6.4.1 The Residential Unit Owners and the Commercial Unit Owners shall be obligated to pay to the Condominium Board the General Common Charges assessed to them by the Condominium Board pursuant to the provisions of Section 6.1 at such time or times as the Condominium Board determines. All Residential Unit Owners and all Commercial Unit Owners shall be obligated to pay Residential or Commercial Common Charges, as the case may be, assessed by the Residential and Commercial Boards pursuant to the provisions of Section 6 at such time or times as such Boards determine. The Boards may jointly determine to cause the Condominium Board to act as their respective agent to collect Residential Common Charges and Commercial Common Charges as applicable. Unless otherwise determined by the Board to which they are payable, Common Charges shall be payable monthly, in advance, on the first day of each month.

6.4.2 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against such Unit Owner's Unit subsequent to a sale or other conveyance by

him (made in accordance with these By-Laws) of such Unit together with its appurtenant Common Interests. Any Unit Owner may, subject to the terms and conditions of these By-Laws and provided that (a) such Unit is free and clear of liens and encumbrances other than Permitted Mortgages and the statutory lien for unpaid Common Charges which have become due and payable, and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then exists with respect to such Unit, convey for no consideration such Unit together with its appurtenant Common Interests, to the Residential or Commercial Board or the Condominium Board or their designees, corporate or otherwise, and in such event (except as hereinafter set forth), be exempt from Residential or Commercial Common Charges or General Common Charges, as the case may be, thereafter accruing. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by him of such Unit, except that, to the extent permitted by Law, a Permitted Mortgagee who purchases a Unit at a foreclosure sale of a Permitted Mortgage shall not be liable for, and such Unit shall not be subject to, a lien for the payment of more than six (6) months of unpaid Common Charges accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. However, in the event of a foreclosure sale of a Unit by a Permitted Mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale. Except to the extent prohibited by Law, the Residential Board, on behalf of all Residential Unit Owners, shall have a lien on each Residential Unit for unpaid Residential Common Charges, together with interest thereon, assessed against such Unit. Except to the extent prohibited by Law, the Commercial Board, on behalf of the Commercial Unit Owners, shall have a lien on the Commercial Units for unpaid Commercial Common Charges, together with interest thereon, assessed against such Unit. In addition, except to the extent prohibited by Law, the Condominium Board, on behalf of all Unit Owners, shall have a lien for General Common Charges unpaid to it by (i) the Residential Unit Owners, together with interest thereon, on all Residential Units, in proportion to their respective Common Interests, and (ii) the Commercial Unit Owners, together with interest thereon, on the Commercial Units, in proportion to its respective Common Interests.

6.4.3 All liens provided for in Subsection 6.4.2, to the extent permitted by applicable Law, shall be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the Unit.

6.4.4 Notwithstanding Subsection 6.4.2, neither the seller nor the purchaser of a Residential Unit shall be liable for, nor shall the Residential Unit be conveyed subject to a lien for, any unpaid Common Charges against such Residential Unit accrued prior to such conveyance in excess of the amount set forth in a written statement from the Residential Board.

6.4.5 In the event that prior to the Units being separately assessed for real estate tax purposes, a Board pays real estate taxes on behalf of a Unit Owner, the amount of such real estate taxes shall be deemed to be Common Charges, and such Board shall have a lien (as provided in Subsection 6.4.2) for any such accrued and unpaid amounts.

6.5 Collection of Common Charges. Each Board shall take prompt action to collect any Common Charges due to such Board which remain unpaid for more than thirty days after the due date for payment thereof. In the event that any Board fails to take such action, another Board in its own name, or, if necessary, in the name of the Board to which such charges are due, may take

any action for the collection of such charges which the Board to which such charges are due may have taken, including, without limitation, the institution of such actions and the recovery of interest and expenses as provided in this Article 6.

6.6 Default in Payment of Common Charges. In the event that a Unit Owner is delinquent in the payment of Common Charges, or any other assessment or charges levied by the Board for sixty (60) days or more, the Board shall promptly notify the Unit Owner's Permitted Mortgagee of such delinquency in writing. In the event any Unit Owner fails to make payment of Common Charges when due, such Unit Owner shall be obligated to pay (a) a "late charge" equal to the greater of $150.00 or one (1%) percent of such amounts which remain unpaid for more than ten days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid), and (b) interest at the rate of 1.5% per month (but in no event in excess of the maximum rate permitted by Law) on such unpaid amounts computed from the due date, thereof, together with all costs and expenses, including, without limitation, attorneys' fees paid or incurred by any Board or by any managing agent in any proceeding brought to collect such unpaid Common Charges or in any action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by Law. All such "late charges", interest, costs and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner. Notwithstanding the foregoing, each Board may establish its own alternate fees or interest rate for late payments, whether such fees or interest rate are more or less than the charges set forth herein.

6.7 Foreclosure of Liens for Unpaid Common Charges. In any action brought by any Board to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner of such Unit shall be required to pay a reasonable rental for the use and occupancy of such Unit Owner's Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Board, acting on behalf of all Unit Owners represented by such Board, shall have the power to purchase any such foreclosed Unit, and to acquire, hold, lease, mortgage, convey or otherwise deal with such Unit or portion thereof (but not to vote the votes appurtenant to such Unit or portion thereof). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit. Notwithstanding anything to the contrary set forth above, the Condominium Board, the Residential Board and the Commercial Board, at the request of Declarant or Commercial Unit Owner, will enter into a non-disturbance agreement with any tenant with which Declarant or Commercial Unit Owner has entered into a lease for any of the Commercial Units. Under the terms of the non-disturbance agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Boards will agree that so long as there is no event of default under said lease, as would entitle the Declarant, the Commercial Unit Owners or any successor landlord under the lease to terminate the lease or dispossess the tenant thereunder, the tenant shall not be named or joined in any action or proceeding to foreclose the Board's lien on a Commercial Unit for Common Charges or any other sums of any sort, and the Boards shall agree that the lease shall not be terminated nor shall the tenant's use, possession, or enjoyment of the Commercial Unit in question be interfered

with, nor shall the leasehold estate granted by the lease be affected in any manner, nor shall any of the rights of the tenant granted under the lease be affected in any manner, in any foreclosure or other action or proceeding instituted under or in connection with such lien or in the exercise of any rights of the Boards, or, in case any Board takes possession of the Commercial Units pursuant to any provision of the Declaration or By-Laws, or otherwise; provided however that if any Board or any other party succeeds to the interests of the Declarant or Commercial Unit Owners under the lease the tenant will agree to be bound to such Board or party under all of the terms, covenants and conditions of the lease and the tenant will attorn to such Board or party as its landlord.

6.8 Statement of Common Charges. Each Board shall promptly provide the other Boards and any Unit Owner who so requests, with a written statement of all unpaid Common Charges due to it from Unit Owners.

6.9 Maintenance and Repairs.

6.9.1 Except as otherwise provided in the Declaration or these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, (a) in or to any Unit (excluding Common Elements included therein except as otherwise provided in these By-Laws) shall be made by the owner of such Unit at such Unit Owner's sole cost and expense, and shall conform to standards established by the Board of Managers, (b) in or to the General Common Elements shall be made by the Condominium Board and, except as otherwise provided herein, the cost and expense thereof shall be charged to the Residential Unit Owners and the Commercial Unit Owners as a General Common Expense, (c) in or to the Residential Common Elements or the Residential Limited Common Elements shall be made by the Residential Board and, except as otherwise provided herein, the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense, (d) in or to the Commercial Common Elements shall be made by the Commercial Board and, except as otherwise provided herein, the cost and expense thereof shall be charged to the Commercial Unit Owners as a Commercial Common Expense, and (e) in or to the Parking Common Elements shall be made by the Residential Board and, except as otherwise provided herein, the cost and expense thereof shall be charged to all Parking Unit Owners as a Parking Common Expense.

6.9.1.1 Notwithstanding that operational windows (including frames) located in Residential Units are Residential Common Elements, in the event that one or more such windows and/or window frames is damaged the Residential Board shall repair or replace such window and/or window frame and the cost of such repair or replacement shall be borne by such Residential Unit Owner. It shall be the responsibility of the Residential Board to ensure that replacement Residential Unit windows contain safety "stops" designed specifically to prevent a child from falling out of the window.

6.9.1.2 In the event that the New York City Building Code in effect requires some or all of the Lot-Line Window openings to be closed, the work to close such window openings shall be performed by the Board and the cost shall be borne by all Residential Unit Owners of the Condominium as a Residential Common Expense. However, any and all work required or desired to be undertaken inside the Unit (such as,

but not limited to, drywall installation and repair, painting and woodwork) shall be performed by the Unit Owner at such Unit Owner's sole cost and expense.

6.9.2 Notwithstanding the provisions of Subsection 6.9.1:

6.9.2.1 In the event that any painting, decorating, maintenance, repairs or replacements to the Property or any part thereof is necessitated by the negligence, misuse or neglect of (a) any Unit Owner or any guest, agent, licensee, tenant or invitee of a Unit Owner, the entire cost thereof shall be borne by such Unit Owner, (b) the Condominium Board, the entire cost thereof shall be charged to the Residential Unit Owners, Parking Unit Owners, and the Commercial Unit Owners as a General Common Expense, (c) the Commercial Board, the entire cost thereof shall be charged to the Commercial Unit Owners as a Commercial Common Expense, or (d) the Residential Board, the entire cost thereof shall be charged to all Residential Unit Owners, and Parking Unit Owners as a Residential Common Expense, and Parking Common Expense, except in all such cases to the extent such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof.

6.9.2.2 The interior and exterior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and no neon or colored lights may emanate therefrom and neither the windows, window frames nor mullions may be modified, altered or replaced without the consent of the Residential Board.

6.9.2.3 Residential Unit Owners with a terrace appurtenant to their Residential Unit shall be responsible for all normal maintenance of such terrace at such Residential Unit Owner's sole cost and expense. The replacement of the pavers or other exterior walkable surface that was installed by Declarant with an alternate surface shall be subject to the approval of the Residential Board. The repair and replacement of the exterior walkable surface of terraces shall at all times be performed by the Residential Board and charged to the Residential Unit Owner having exclusive use of such terrace. However, any structural or extraordinary repairs (non-recurring repair which requires more than the usual annual expense for ordinary wear) or replacements to such terrace (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to the same) shall be made by the Residential Board and the cost and expense thereof shall be charged to all Unit Owners as a Common Expense. Residential Unit Owners with a balcony appurtenant to their Residential Units shall be responsible for all normal maintenance of such balcony at the Residential Unit Owner's sole cost and expense. Structural and nonstructural repairs and replacements to any balcony shall be made by the Residential Board, at the Residential Board's discretion, and charged to such Residential Unit Owner. The Residential Board may require a Residential Unit Owner to remove plants and other installations placed on terraces or balconies by said Residential Unit Owners if the Residential Board determines, in its reasonable discretion, that such plants and other installations adversely affect the integrity of the terraces or balconies or any part of the Building appurtenant thereto. Further, the Residential Board may direct a Residential Unit Owner to remove all personal items from a terrace or balcony for maintenance, repairs and replacements thereto. The Residential Board may establish such other rules and regulations it deems necessary to protect the Residential Common

Elements and the Residential Units and the Condominium Board may establish such rules and regulations as it deems necessary to protect the health and safety of the occupants.

6.9.2.4 The exterior surface of all windows in the Residential Section if so determined by the Residential Board, shall be washed and cleaned by such Board and the cost and expense thereof shall be a Residential Common Expense. Otherwise, the exterior of all windows in the Residential Section shall be washed or cleaned at the cost and expense of the Residential Unit Owner. The interior glass surfaces of all windows located in any Unit and the exterior glass surfaces of all windows located in the Commercial Units shall be washed and cleaned by the Commercial Unit Owners or occupant thereof at such Commercial Unit Owners' sole cost and expense. No Unit Owner or occupant shall clean or permit to be cleaned any window or require, permit or allow it to be cleaned, from the outside, in violation of Section 202 of the Labor Law of the State of New York, or any future Law of like import, or (if applicable) in violation of the rules of the Board of Standards and Appeals of the City of New York or any other governmental authority having jurisdiction over the Land or the Building. Each Unit Owner shall indemnify the Condominium Board and the other Unit Owners, and their respect agents and employees, for all losses, damages, or fines suffered by any of them as a result of a violation of the aforesaid, Laws, ordinances, regulations or rules.

6.9.2.5 The exterior of all front doors of Residential Units shall not be painted or decorated other than with the consent of the Residential Board.

6.9.2.6 Any repairs or maintenance work performed with respect to the individual HVAC units in each Residential Unit shall only be performed by a company or individual previously approved by the Residential Board.

6.9.2.7 It shall be the obligation of the Condominium Board to clean the sidewalks surrounding the Building and to remove the snow therefrom, and to maintain, repair and replace the sidewalks per the requirements of applicable Law. The cost of maintaining, repairing and replacing the sidewalks shall be a General Common Expense. Notwithstanding the foregoing, (i) the cost of cleaning the sidewalks adjacent to the Commercial Units shall be borne by the Commercial Unit Owners as a Commercial Common Expense and (ii) the cost of cleaning the sidewalks adjacent to the entrances to the Residential Section shall be borne by the Residential Unit Owners as a Residential Common Expense.

6.9.3 Each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any terrace, roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, repairs and replacements necessary in connection therewith. In addition, the public areas of the Building and the Common Elements shall be kept in good, clean and neat appearance, m conformity with the dignity and character of the Building, by (a) each Board with respect to such parts of the Building required to be maintained by it, and (b) each Residential Unit Owner with respect to the windows and shades, Venetian or other blinds, drapes, curtains or

other window decorations in or appurtenant to such Unit Owner's Unit. Nothing contained herein shall be deemed to limit, in any way, the Commercial Unit Owners with respect to window treatments or entranceways into such Units or the use of windows and shades, Venetian or other blinds, drapes, curtains or other window decorations in their respective Commercial Units.

6.9.4 Notwithstanding anything to the contrary set forth in this Declaration or the By-Laws, the Condominium Board shall not, without the consent of the Declarant and the Commercial Unit Owners, decrease the level of services available to the Commercial Units as of the date of the filing of the Declaration, including, but not limited to, heat and cooling which shall be made available to the Commercial Units 365 days a year (or 366 in a leap year), 24 hours a day.

6.9.5 In the event of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building or other persons, or required to avoid the suspension of any necessary service in the Building) (i) affecting the Residential Section, Commercial Section employees will assist Residential Section employees, and (ii) affecting the Commercial Section, Residential Section employees will assist Commercial Section employees and the costs thereof shall be appropriately allocated to the Section receiving the benefit of such assistance.

6.9.6 The Storage Bins shall be maintained, repaired and replaced as deemed necessary by the Residential Board. The cost of maintaining repairing and replacing the Storage Bins shall be charged to the Residential Unit Owner(s) who hold(s) the license to use such Storage Bin(s).

6.9.7 Two or more Storage Bins may be combined by the Residential Board, provided that such connection does not interfere with the safety, integrity or operation of the Storage Bins being joined, of other Storage Bins in the resident storage room, or of or to the Building. If the connection of Storage Bins is performed at the request of a Residential Unit Owner, as the licensee thereof, then the Board shall cause the Storage Bins to be connected at the sole cost and expense of the Residential Unit Owner who holds the license to use such Storage Bins.

6.10 Violations of Maintenance Obligations.

6.10.1 In the event that any Residential Unit Owner fails to perform any of its obligations with respect to the painting, decorating, maintenance, repair or replacement of its Unit as provided in this Article 6 or of any Limited Common Element for which such Unit Owner is responsible under the Declaration or these By-Laws, the Residential Board may, but shall not be obligated to, perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Residential Unit Owner, within thirty (30) days after receiving notice of such default from the Residential Board (or sooner, and without the need to give notice, in the case of emergency), cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement by the Residential Board, together with 10% for overhead and interest thereon at the rate of 2% per month from the date on which such Board first incurs any cost or

expense (but in no event in excess of the maximum rate permitted by Law), shall be immediately payable by such Residential Unit Owner to such Board and shall, for all purposes hereunder, constitute Common Charges payable by such Residential Unit Owner.

6.10.2 In the event that any of the Commercial Unit Owners fail or neglect in any way to perform any obligation with respect to the maintenance, repair or replacement of such Unit Owner's portion of the Commercial Unit, the Commercial Board may, but shall not be obligated to, perform or cause to be performed any such painting, decorating, maintenance, repair or replacement provided that (a) the Commercial Board gives the Commercial Unit Owner written notice that such repair or replacement is necessary (except in the case of an emergency, in which case no notice shall be required) and that the Commercial Board will complete such repair or replacement in the event the Commercial Unit Owner does not promptly act or complete the repair or replacement, and (b) the Commercial Unit Owner, within thirty (30) days after receiving such notice, fails to cure its default, or in the case of a default not reasonably susceptible to cure within such period, fails to commence and to thereafter prosecute to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement by the Commercial Board, together with 10% for overhead, interest thereon at the rate of 2% per month from the date on which the Commercial Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by Law) shall be payable by such Commercial Unit Owner to the Commercial Board and shall, for all purposes hereunder, constitute Commercial Common Charges payable by such Commercial Unit Owner. The Commercial Board shall have the right, in the event that the Commercial Unit Owner disputes the amount of such payment or whether the Commercial Unit Owner is obligated to pay the same, to submit such dispute to Arbitration. The Commercial Unit Owner shall pay the cost of such repair or replacement only after a determination by Arbitration (or by a court) to the effect that (i) the repair or replacement was required to be performed by the Commercial Unit Owner, (ii) the Commercial Unit Owner failed to perform such repair or replacement, and (iii) the cost of such repair or replacement by the Commercial Board was reasonable. Any repair or replacement performed by the Commercial Board in accordance with the terms of this Subsection 6.10.2 shall be its sole responsibility with respect to the quality of such repair or replacement and the proper completion thereof. The Commercial Board shall indemnify the Commercial Unit Owner and hold it harmless from and against any claims, costs, expenses or liabilities whatsoever, including reasonable counsel fees, in any way incurred by the Commercial Unit Owner, in connection with the manner of completion of such painting, decorating, maintenance, repair or replacement by the Commercial Board of any defect described herein (but not for the existence of the condition requiring such repair or replacement).

6.11 Alterations, Additions, Improvements and Repairs of Units.

6.11.1 No Residential Unit Owner shall make any structural, addition, improvement or repair in or to such Residential Unit Owner's Residential Unit without the prior written approval of the Residential Board which shall not be unreasonably withheld or delayed. No Commercial Unit Owner shall make any structural alteration, addition, improvement or repair in or to such Unit Owner's Unit without the prior written approval of the Commercial Board, which shall not be unreasonably withheld or delayed. Such Boards shall have the obligation to answer any written request by their respective Unit Owners for approval of a proposed structural alteration,

addition, improvement or repair in or to such Unit Owner's Unit within 45 days after such request is received, and the failure to do so within the stipulated time shall constitute such Board's consent to the proposed alteration, addition, improvement or repair. Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Unit, each Board may exercise the right to reasonably approve the Unit Owner's contractors and suppliers, and may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to such Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done. A Board may impose fees upon a Unit Owner to reimburse the Board for its costs incurred in reviewing or supervising the aforesaid work. Notwithstanding anything to the contrary contained in this Subsection 6.11.1, neither Declarant or its designee nor a Permitted Mortgagee of Declarant or its designee or assignee, nor the owner of any Unsold Residential Unit shall be required to obtain the approval of any Board or any Unit Owner for any alteration, addition, improvement or repair, whether structural or non-structural, in or to Unsold Units including without limitation the installation of mezzanines in Unsold Residential Units, to the extent permitted by Law and applicable governmental regulations, or to enter into any alteration agreement with respect thereto. In addition, for so long as Declarant or its designee owns at least one (1) Unsold Unit, any structural alteration, modification, addition or improvement to the Commercial Units, and any alteration, modification, addition or improvement to the façade and exterior portion of the Commercial Units, shall require the prior written consent of Declarant or its designee.

6.11.2 All alterations, additions, improvements and repairs by any Board or Unit Owners shall be made in compliance with all Laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof. A Unit Owner making or causing to be made any alteration, addition, improvement or repair shall agree, and shall be deemed to have agreed, to hold each Board and all other Unit Owners harmless from any costs or liability arising therefrom.

6.11.3 Any application to any department of The City of New York or to any other governmental authority having jurisdiction thereof for a permit to make a structural alteration, addition, improvement or repair in or to any Unit so approved by the appropriate Board (if such approval is required) shall, if required by Law or such department or authority, be executed by said Board or, if required, by the Condominium Board, provided that no Board shall incur any liability, cost or expense in connection with such application or to any contractor, subcontractor, material man, architect or engineer on account of such alteration, addition, improvement or repair or to any person having any claim for injury to person or damage to property arising therefrom. Notwithstanding anything to the contrary set forth above, Declarant is hereby authorized on behalf of the Boards to execute such applications, permits or other documents as may be required to undertake, perform and complete such work to the Unsold Units, Commercial Units and Common Elements as Declarant is entitled to perform in accordance with the terms of the Declaration and these By-Laws and to obtain such certificates of completion as may then be required by Law (collectively the "Required Documentation") and, the appropriate Board, if requested by Declarant, shall execute the Required Documentation.

6.11.4 In the event that any alterations, additions, improvements or repairs made by any Residential Unit Owner shall materially delay, prevent or adversely affect, or create a significant risk of materially delaying, preventing or adversely affecting, whether directly or indirectly, the

issuance or reissuance of a temporary or permanent certificate of occupancy for other Units or the Building, then upon the written request of Declarant, the Condominium Board or any other Board whose Unit Owners are affected, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously restoring the Unit within fifteen (15) days of receipt of the written request, then the Declarant or the Board, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in these By-Laws.

6.11.5 No Board or Unit Owner shall use or suffer to be used in any part of the Building any labor forces incompatible with the labor forces which are completing any construction of the Building on behalf of Declarant. In addition, the prosecution of the work necessary to obtain an amended or final Certificate of Occupancy for the Building as set forth in the Plan, including the completion of "punch list" work by or on behalf of Declarant, shall take precedence over the prosecution of any other work at the Building.

6.11.6 The Residential Board shall have the authority to establish rules for any alterations, additions, improvements or repairs made by any Residential Unit Owner to such Residential Unit Owner's Residential Unit, except for Unsold Residential Units owned by Declarant, Declarant's designee, or a Permitted Mortgagee of Declarant for its designee or assignee.

6.12 Alterations, Additions, Improvements or Repairs to Common Elements. Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions, improvements or repairs in or to any General or Limited Common Element shall be made by the Board or Unit Owner(s) required to maintain such General or Limited Common Element and the cost and expense thereof shall be charged to the Residential Unit Owners and the Commercial Unit Owners as a General Common Expense, to all Residential Unit Owners or the Commercial Unit Owners as Residential or Commercial Common Expense, or to the Unit Owner(s) responsible therefor, as the case may be. Whenever in the judgment of the Residential Board, the Commercial Board or the Condominium Board, as the case may be, the cost of any alteration, addition, improvement or repair would exceed $200,000 in the aggregate in any calendar year (except if such alteration, addition, improvement or repair is provided for in a duly approved budget), then such proposed alteration, addition, improvement or repair shall not be made unless first approved by a majority of Residential Unit Owners, Commercial Unit Owners, or a majority of Unit Owners, as the case may be, who shall be required to bear the cost and expense thereof as aforesaid and by Declarant's Construction Lender (for so long as the BOA Mortgage is outstanding) and the other Residential Mortgage Representatives (as hereinafter defined), if any, with respect to alterations, additions, improvements or repairs made by the Residential Board and, with respect to alterations made by the Commercial Board, with the consent of each Permitted Mortgagee holding a mortgage on a Commercial Unit. Except as otherwise provided in the Declaration or these By-Laws, all such alterations, additions, improvements or repairs costing in the aggregate $200,000 or less in any calendar year may be made as aforesaid without the approval of the Unit Owners or said Mortgage Representatives, or said Permitted Mortgagees. As used in this section 6.12, the term "majority" shall mean more than fifty percent (50%) in the aggregate in both Common Interest and in number of Units.

6.13 Alterations of Certain Common Elements.

6.13.1 In the event that pursuant to any of the provisions of these By-Laws, any consent by any Board, Mortgage Representative or Unit Owner is required as a condition precedent to any alteration, addition or improvement to any Common Element (sometimes collectively referred to in this Section 6.13 as an "Alteration"), proposed to be made by Declarant or its designee, Unit Owners or any Board (sometimes collectively referred to herein as the "Proponent"), such consent shall not be unreasonably withheld or delayed by such Board, Mortgage Representative or Unit Owner (referred to in this Section 6.13 as the "Opposing Party") whose consent is so required. The Proponent shall give to the Opposing Party notice setting forth in reasonable detail the material aspects of such proposed Alteration. If the Opposing Party does not give notice of any objection to the Proponent within 30 days after the Proponent gives its notice, then the Opposing Party shall be deemed to have consented to the making of the proposed Alteration. If the Opposing Party does give notice of objection (which notice of objection shall set forth in reasonable detail the specific objection(s) of the Opposing Party) within such 30-day period and the Proponent considers such objection unreasonable, then the Proponent may submit to Arbitration the question of whether or not the Opposing Party unreasonably withheld its consent. If in such Arbitration it is determined that the Opposing Party unreasonably withheld its consent, the Proponent, as its sole remedy, may make the proposed Alteration. In no event shall any arbitrator in such Arbitration determine that the Opposing Party reasonably withheld its consent to such proposal if (a) the Proponent makes or causes to be made reasonable provisions providing (i) for the costs and expenses of the Alteration to be paid by it, and (ii) that all costs and expenses for maintaining and repairing such Alteration after its completion will not be charged to Unit Owners represented by the Opposing Party as Common Expenses (b) the proposed Alteration would not materially interfere with the use and enjoyment of the owners, tenants and occupants of those Units represented by the Opposing Party; and (c) the proposed Alteration would not materially adversely affect the structure of the Building or be in violation of the provisions of the Declaration or these By-Laws or with any Laws.

6.13.2 Nothing contained in Subsection 6.13.1 shall in any way be deemed to limit (a) the Proponent's right to modify any proposal made by it thereunder in such a manner as such Proponent believes will meet the objections of the Opposing Party or of any arbitrator, or (b) any party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration, to make any Alteration to a Common Element without the Opposing Party's approval.

6.13.3 Commercial Unit Owners shall be entitled, at its sole cost and expense, to make any alteration, addition, improvement or repair in or to the Commercial Common Elements, or the exterior facade of the Building adjacent to such Unit Owner's Unit at such Unit Owner's cost and expense, with the prior written approval of the Commercial Board, which shall not be unreasonably withheld, and, provided that Declarant or its designee owns at least one (1) Unsold Unit, with the prior written approval of Declarant or its designee. Declarant shall have the right to make any alteration, addition, improvement or repair in or to the Commercial Common Elements, or the exterior facade of the Building adjacent to the Commercial Units, as well as the replacement of canopies and awnings thereon, without the consent of any Board or Unit Owner.

6.14 Restrictions on Use of Units.

6.14.1 In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, each Residential Unit shall be used only for residential purposes and for any home occupation uses to the extent permitted under applicable zoning Law and ordinances and other applicable governmental Laws and regulations, but in no event for commercial use and not for any use otherwise herein expressly prohibited by the Declaration or these By-Laws.

6.14.1.1 The Residential Board, may, in its discretion, grant permission for the use of a Residential Unit for any other purpose (but not for retail use), provided such use (1) is permitted by Law, (2) does not violate the then existing certificate of occupancy for such Residential Unit, (3) does not adversely affect the use and enjoyment of neighboring or adjacent Residential Units for residential purposes, and (4) complies with all applicable governmental regulations. Such permission by the Residential Board shall be in writing and shall be personal to the Residential Unit Owner to which such permission is given, and may be limited in duration and subject to such terms and conditions as the Residential Board may require. Any successor in title to such Residential Unit shall be required to obtain the prior written approval of the Residential Board before using such Residential Unit for any purpose other than stated in Subsection 6.14.1.

6.14.1.2 No portion of a Residential Unit (other than the entire Unit) may be sold, conveyed, leased or subleased, and no transient occupant (other than a guest permitted under this Subsection 6.14.1) may be accommodated therein.

6.14.2 Notwithstanding the provisions of Subsection 6.14.1, Declarant or its designee may, without the permission of the Residential Board, (a) grant permission for the use of any Unsold Residential Unit for any purpose, provided such use is permitted by Law, does not violate the then existing certificate of occupancy for such Residential Unit and the user of such Unit complies with all applicable governmental regulations, (b) use any Unsold Residential Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to the provisions of the Declaration and these By-Laws and in compliance with applicable governmental Laws and regulations, and (c) use, or grant permission for the use of, the Common Elements, during regular business hours, for the purpose of advertising or otherwise promoting (i) the Building (ii) the sale or rental of any Unsold Units which Declarant or its designee owns and (iii) the commercial interests of Declarant or any of its affiliates or subsidiaries.

6.14.3 No Residential Unit Owner or tenant thereof shall use, store, generate, treat, transport, handle or dispose of within its Unit or elsewhere in the Building any Hazardous Substances, other than ordinary cleaning fluids which are used, stored, generated, treated, transported, handled and disposed of by an occupant in strict compliance with applicable Law. No Commercial Unit Owner shall use, store, generate, treat, transport, handle or dispose of within its Unit or elsewhere in the Building any Hazardous Substances, except in strict compliance with applicable Law. "Hazardous Substances" means any pollutants, contaminants, toxic or hazardous substances, materials, wastes, constituents, compounds or chemicals (including, without limitation, petroleum or any by-products or fractions thereof, any form of natural gas, lead, asbestos and asbestos-containing materials, building construction materials and debris, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon and other

radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, infectious, carcinogenic, mutagenic, or etiologic agents, pesticides, defoliants, explosives, flammables, corrosives and urea formaldehyde foam insulation) that are regulated by, or may now or in the future form the basis of liability under, any Law.

6.14.4 As more particularly set forth and described in the By-Laws, except as otherwise expressly provided herein or in the By-Laws, Storage Bins may only be used for the personal storage of Residential Unit Owners or the bona fide lessee thereof.

6.14.5 Except for Parking Units Owned by Declarant or its designee, Parking Units shall only be sold by the Parking Unit Owner to a Residential Unit Owner. Parking Units shall only be leased by a Parking Unit Owner to a Residential Unit Owner or to a bona fide lessee of a Residential Unit Owner.

6.14.5.1 No Residential Unit Owner, other than Declarant, shall own more than two (2) Parking Units at a time without the express written consent of the Residential Board.

6.14.6 As more particularly set forth and described in the By-Laws, except as otherwise expressly provided herein or in the By-Laws, Parking Units may only be used for parking the motor vehicles of Residential Unit Owners or the bona fide lessee thereof.

6.14.7 The Commercial Unit may be used for any lawful purposes, including, without limitation, department and other retail stores and outlets, storage, theaters, banks, restaurants and commercial and professional offices and studios.

6.14.8 Handicapped Use of Parking Unit 6

6.14.8.1 In the event that a Residential Unit Owner in the Building owns a non-handicapped Parking Unit; is or becomes handicapped, or has a family member, domestic partner or tenant who resides in the Residential Unit and is or becomes handicapped (each party a "Handicapped Party"); and the Handicapped Party obtains government-issued license plates or a permit which would legally allow such Handicapped Party to park in a designated "handicapped" parking space, such Residential Unit Owner shall have the right to demand, in writing, that the fee owner of Parking Unit 6 convey title to Parking Unit 6 to such Residential Unit Owner in exchange for the deed to the non-handicapped Parking Unit;

6.14.8.2 In the event that the condition set forth in Section 6.14.8.1 occurs, but the Residential Unit Owner in the Building does not own a non-handicapped Parking Unit and is or becomes handicapped, or has a family member, domestic partner or tenant who is or becomes handicapped, the Residential Unit Owner (on behalf of himself or such Residential Unit Owner's handicapped family member, domestic partner or tenant, as the case may be) shall have the right to compel the fee owner of Parking Unit 6 to lease Parking Unit 6 at fair market value for use by such handicapped party;

6.14.8.3 Notice hereunder shall be by certified mail, return receipt requested, or by personal delivery, or by nationally recognized overnight courier. The owner of Parking Unit 6 shall comply with a written demand for Parking Unit 6 in accordance with

the terms hereof within thirty-five (35) days after the postmark date of such demand if such demand is by mail (certified mail, return receipt requested) or thirty (30) days after delivery if such demand is by personal delivery or by a nationally recognized overnight courier.

6.14.8.4 In the event that the parties cannot agree on the fair market value of leasing Parking Unit 6 within time frame specified in Section 6.14.9.3 hereof, then that matter shall be resolved by binding arbitration in accordance with Article 11 hereto.

6.14.8.5 All costs and expenses entailed in the transfer of title to, or leasing of, Parking Unit 6, as the case may be, pursuant to the provisions hereof shall be borne solely by the party requesting the transfer of title or leasehold interest. Such costs shall include, but shall not be limited to, title insurance fees, recording fees, New York State and New York City transfer taxes, attorney's fees for both parties, fees levied by the Condominium, and any fee charged by a mortgage lender for release of Parking Unit 6 and/or for substitution of collateral.

6.15 Use of Common Elements.

6.15.1 Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.15.2 No furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators or any other parts of the General or Limited Common Elements other than in (a) Residential Limited Common Elements for the exclusive use of a particular Residential Unit Owner or (b) in the areas designated as storage, without the prior consent of the Residential Board as to the Residential Common Elements, the Commercial Board as to Commercial Common Elements or the Condominium Board as to General Common Elements. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them.

6.15.3 Residential Unit Owners shall require their tradesmen to utilize exclusively the elevator designated by the Residential Board, if any, for transporting packages, merchandise or other objects.

6.15.4 In the event that the Condominium Board erects a sidewalk bridge or other scaffolding at the Building, the Condominium Board shall give due regard to the use of the Commercial Units at the time in question and shall use best efforts to (i) minimize any disruption to the use of and interference with the visibility of such Commercial Unit and (ii) not restrict ingress or egress through the exterior doorways to the Commercial Units. In furtherance thereof, the Condominium Board agrees to consult with the Commercial Unit Owners prior to the installation of such sidewalk bridge or other scaffolding and to permit the Commercial Unit Owners to install, as a General Common Expense, signs upon the sidewalk bridge and scaffolding. Any sidewalk bridge or other scaffolding installed shall be a "two-story" structure with adequate lighting.

6.15.5 Except pursuant to the terms and provisions of the Declaration and these By-Laws, in no event shall the Condominium Board or Unit Owners impair, restrict or impede the

use of the General Common Elements described in the Declaration, by the Commercial Unit Owners or anyone claiming by, through or under the Commercial Unit Owners including, but not limited to, the tenants and occupants of any portion of the Commercial Units or their respective licensees or invitees.

6.15.6 The owner of any two or more Residential Units, which Units are serviced or benefited by any Common Element adjacent or appurtenant to such Units (for example, that portion at the end of any residential hallway which is directly adjacent to any such Units located on opposite sides of such hallway) shall, to the extent permitted by Law and with the consent of the Residential Board (which consent shall not be unreasonably withheld or delayed), have the exclusive right of use of such Common Element as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion) and no amendment to the Declaration nor reallocation of Common Interests shall be made, provided such owner agrees, at its sole cost and expense, to (a) be responsible for the operation, maintenance and repair of such Common Element for so long as such owner exercises such exclusive right of use, and (b) restore such Common Element to its original condition, reasonable wear and tear excepted, after such owner ceases to exercise such exclusive right of use. The owner of any such Units which are Unsold Residential Units shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board. Notwithstanding the above, if an owner transfers or conveys its Residential Units to a successor owner, the transferor need not comply with (b) above provided that the transferee agrees to abide by (a) and (b) above.

6.16 Other Provisions as to Use.

6.16.1 No nuisance shall be allowed in the Residential Section nor shall any use or practice be allowed in the Residential Section which is a source of annoyance to the residents or occupants of the Property or which interferes with the peaceful possession or proper use of the Property by its residents or occupants. No nuisance, immoral, improper or offensive use (whether or not unlawful) and no unlawful use shall be allowed in the Residential Section or any portion thereof. All valid Laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property shall be complied with at the full expense of the respective Unit Owners or the Boards, whoever shall have the obligation to maintain or repair such part of the Property.

6.16.2 The resident storage room located in a portion of the amenities level of the Building is designated as a Residential Common Element. Pursuant to section 8.5.5.1 of the Declaration, Declarant shall have the sole and exclusive right to the proceeds from the initial licensing by the Residential Board of any Storage Bin located within the resident storage room. Residential Unit Owners or lessees of Residential Unit Owners (the "Storage Bin Licensees") who have entered into a Storage Bin License Agreement with the Residential Board shall have the exclusive right to use a designated Storage Bin. A Storage Bin License shall be assigned or sub-licensed exclusively to a Residential Unit Owner or to a lessee thereof, in accordance with Article 8 of these By-Laws. In the event that a Residential Unit Owner elects to terminate his Storage Bin License and does not transfer it to another Residential Unit Owner, all rights and interests with respect to such Storage Bin will revert to the Residential Board, which shall have the authority to issue a Storage Bin License to another Residential Unit Owner, or to a lessee thereof, in its sole discretion.

6.16.2.1 No Person, other than Declarant, shall license or sub-license more than two (2) Storage Bins at a time without the consent of the Residential Board of Managers or, with respect to initial licensing, Declarant.

6.16.3 The Commercial Unit Owner shall, without the consent of the Condominium Board or the Residential Board and subject to Sections 6.16.3.1 through 6.16.3.4, to the extent permitted by Law, have the right to erect, maintain, repair and replace, from time to time, one or more signs ("Signage") in accordance with, and on the areas specified on, the schematic attached to the Declaration and made a part thereof as **Exhibit F** or the purposes of advertising (i) the sale or lease of all or any portion of any Commercial Unit and (ii) the operation of any business of a tenant or occupant of all or any portion of any Commercial Unit. All costs for such Signage, and the installation thereof, and any permits or other governmental approvals therefor shall be the sole responsibility of the Commercial Unit Owner.

6.16.3.1 All Signage shall be maintained in good order, repair, and appearance at the sole cost and expense of the Commercial Unit Owner.

6.16.3.2 The content and style of all Signage which is erected in the areas specified on **Exhibit F** to the Declaration shall be in keeping with the style, design and color palette of the Building and shall not detract from the character or appearance of the Building.

6.16.3.3 All Signage shall be installed, operated, maintained, repaired and replaced in compliance with applicable Law.

6.16.3.4 Notwithstanding anything to the contrary in these By-Laws or in the Declaration, the installation of neon, flashing, or blinking lights shall be absolutely prohibited.

6.16.4 No lighting that is installed on the Commercial Unit's storefront, or in the area adjacent to the Commercial Unit, shall be installed on any of the Building's brick facade, nor shall any lighting or Signage be installed so as to shine or reflect upward or otherwise unreasonably interfere with the use of any Residential Unit. All lighting shall be operated, installed, maintained, repaired, and replaced in compliance with applicable Law.

6.17 Right of Access.

6.17.1 Each Residential Unit Owner grants a right of access to such Unit Owner's Unit to each of the Boards, the managing agents, managers, superintendents and/or any other person authorized by any of the foregoing. The Commercial Unit Owners, upon the same terms and conditions as set forth in Subsection 6.23.1, and the Residential Unit Owners grant a right of access to their respective Units to each of the Boards, the managing agents, managers, superintendents and/or any other person authorized by any of the foregoing for the purpose of making inspections of, or for the purpose of removing violations noted or issued by any governmental authority against, the General or Limited Common Elements or any other part of the Property, or for the purpose of curing defaults hereunder or under the Declaration or Rules and Regulations by such Unit Owner or correcting any conditions originating in such Unit Owner's Unit and threatening another Unit or all or any part of the General or Limited Common

Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other portions of the General or Limited Common Elements within such Unit Owner's Unit or elsewhere in the Building, or for the purpose of reading, maintaining or replacing utility meters relating to the General or Limited Common Elements, Unit or any other Unit in the Building or to correct any condition which violates the provisions of any Permitted Mortgage covering another Unit, provided that requests for such entry are made not less than three (3) days in advance and that any such right shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business by the tenants and occupants of the Commercial Units or with the use of the Residential Units for their permitted purposes. In case of an emergency, such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present.

6.17.2 Each Unit Owner grants a right of access to such Unit Owner's Unit, and the Boards shall grant rights of access to the General Common Elements and the respective Limited Common Elements to Declarant and its contractors, subcontractors, architects, engineers, agents and employees, for the completion of the Building and any punch list work therein, provided that access thereto shall be exercised upon reasonable notice during reasonable hours in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

6.18 Rules and Regulations. Annexed hereto as Schedule A and made a part hereof are rules and regulations (the "Rules and Regulations") concerning the use of the Residential Common Elements and the Residential Limited Common Elements. The Residential Board may from time to time, modify, amend or add to the Rules and Regulations except that a Majority of Residential Unit Owners may overrule such Board with respect to any such modification, amendment or addition. The Residential Board shall also have the authority to promulgate special rules and regulations concerning the use of Storage Bins and Parking Units in the Building. The Commercial Board may adopt and from time to time, modify, amend or add to reasonable rules and regulations as they concern the use of the Commercial Units and the Commercial Common Elements. The Condominium Board may adopt and from time to time, modify, amend or add to the Rules and Regulations concerning the use of the General Common Elements, except that a Majority of Unit Owners may overrule said Board with respect to any such adoption, modification, amendment or addition. Copies of any newly adopted Rules and Regulations, or any modifications, amendments or additions thereto, shall be furnished by the Board responsible therefor to each affected Unit Owner not less than 30 days prior to the effective date thereof.

6.19 Real Estate Taxes, Water Charges and Sewer Rents. Water and sewer services shall be supplied to and for all of the Units and the Limited Common Elements through one or more building systems by the City of New York or such other utility servicing the Unit. Except to the extent Unit Owners are billed directly by the City Collector, the Condominium Board shall pay all such charges, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. The Commercial Board shall collect such charges from the Commercial Unit Owners which may be based on separate submetering of such Unit, and will remit such amount to the Condominium Board. The remaining costs for the Building will be paid by the Residential Unit Owners and included in Residential Common Charges. In the alternative, the Commercial Board may require the Commercial Unit Owners to install a separate water meter. Until the Units are separately assessed for real estate tax purposes, the Residential and Commercial Unit Owners shall pay their respective pro rata share of all real estate taxes with

respect to the Property (in the proportion that the Common Interest that each Residential Unit or Commercial Unit, as the case may be, bears to the Common Interests of all Units) to the Condominium Board as Common Charges, which will in turn pay such taxes to the proper authorities of The City of New York. In the event of a proposed sale of any Residential Unit, the Residential Board, on request of the selling Residential Unit Owner, shall execute and deliver to the purchaser of such Unit or to such purchaser's title insurance company, a letter agreeing to pay all charges for water, sewer rents and real estate taxes (so long as such Board is still collecting and paying such charges) affecting such owner's Unit to the date of the closing of title to such Unit, promptly after such charges have been billed by the proper authorities; provided that such Unit Owner is not delinquent in the payment of Common Charges or Special Assessments.

6.20 Electricity. Electricity for each Unit shall be separately metered or sub-metered for each Unit (or portion thereof). Each Unit Owner shall be required to pay the bills for electricity consumed or used in such Unit Owner's Unit (or portion thereof) and the Limited Common Elements to which such Unit has exclusive access, directly to the utility company as directed by the Board except that in the event that the Units are sub-metered, such Unit Owner shall be required to pay bills for electricity consumed or used in such Unit Owner's Unit either to the Board or to the utility company or company engaged by the Board to perform such services as directed by the Board. The Common Expenses shall include fees for administering and servicing the sub-meters. In the event that a Unit Owner fails to pay for its sub-metered electricity, such electricity charges shall be deemed Common Charges allocable to the defaulting Unit Owner for which the Board shall have a lien as provided in Section 6.6. hereof. Electricity for the Residential Common Elements and Commercial Common Elements shall be supplied through separate master meters. The cost of master metered electricity which serves the Residential Common Elements shall be paid by the Residential Board and shall be borne by the Residential Unit Owners as Residential Common Charges. The cost of master metered electricity which serves the Commercial Common Elements shall be paid by the Commercial Board and shall be borne by the Commercial Unit Owners as Commercial Common Charges.

6.21 Gas. Except for Unit PHE, which shall be separately metered for gas, all gas for the Residential Section will be supplied by the utility company servicing the gas distribution system and charges therefor shall be paid by the Residential Board and borne all Residential Unit owners as a Residential Common Expense. The Commercial Board of Managers reserves the right to install gas submeters or to require the Commercial Unit Owners to install separate gas meters.

6.22 Utilities Serving the General Common Elements. Except as otherwise provided in this Article 6, the cost and expense of water, sewer facilities, steam, electricity and gas serving or benefiting any General Common Element shall be (a) considered part of the expense of maintaining such General Common Element, (b) determined by the Condominium Board, and (c) charged to the Residential Unit Owners and the Commercial Unit Owners as a General Common Expense. Any dispute as to the amount of such cost or expense shall be determined by Arbitration.

6.23 Abatement and Enjoinment of Violations by Unit Owners.

6.23.1 The violation of any of the Rules and Regulations or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give (a) the Condominium Board with respect to matters affecting the General Common Elements, (b) the Residential Board with respect to matters affecting the Residential Section, and (c) the Commercial Board with respect to matters affecting the Commercial Section, the right, in addition to such other rights set forth in these By-Laws, (i) to enter any Residential Unit or any Commercial Unit or General or Limited Common Element in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and such Board shall not thereby be deemed guilty or liable in any manner of trespass, or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at Law or in equity, the continuance of any such violation or breach.

6.23.2 The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Declarant or its designee shall give to Declarant and its designee the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either at Law or in equity, the continuance of any such violation or breach.

ARTICLE 7

MORTGAGES

7.1 Notice to Boards. A Unit Owner who mortgages such Unit Owner's Unit, or the holder of any mortgage encumbering such Unit, shall notify the Residential Board in the case of a Residential Unit or the Commercial Board in the case of all or a portion of a Commercial Unit, of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with such Board. Such Unit Owner shall, prior to making such mortgage, satisfy all unpaid liens against such Unit Owner's Unit other than Permitted Mortgages. A Unit Owner who satisfies a mortgage or causes the assignment of a mortgage covering such Unit Owner's Unit shall so notify the applicable Board and shall file a conformed copy of the satisfaction or assignment of such mortgage with such Board. Each of such Boards shall maintain such information in a book entitled "Mortgages of Units".

7.2 Notice of Default and Unpaid Common Charges. Whenever so requested in writing by a Permitted Mortgagee, the Residential Board with respect to Permitted Mortgagees of Residential Units and the Commercial Board with respect to Permitted Mortgagees of Commercial Units, shall promptly report to such Permitted Mortgagee any default in the payment of Residential Common Charges or Commercial Common Charges, as the case may be, or any other default by the Unit Owner of such Unit under the provisions of the Declaration or these By-Laws of which such Board may have received notice. Each Board, when giving notice to a Unit Owner of any such default, shall, if requested, also send a copy of such notice to any Permitted Mortgagee thereof. Any Permitted Mortgagee holding a mortgage on an Unsold

Residential Unit or a Commercial Unit shall be deemed to have requested the notice referenced in the first and second sentence of this Section.

7.3 Performance by Permitted Mortgagees. The Residential Board, Commercial Board or Condominium Board, as the case may be, shall accept, by any Permitted Mortgagee of a Unit Owner, payment of any sum or performance of any act required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations, with the same force and effect as though paid or performed by such Unit Owner, in which event the Permitted Mortgagee shall be subrogated to the rights and interests of the Condominium Board, the Residential Board or the Commercial Board as the case may be upon such payment or performance.

7.4 Examination of Books. Each Unit Owner and its Permitted Mortgagee shall be permitted to examine the books of account of the Condominium (including, in the case of Residential or Commercial Unit Owners and Permitted Mortgagees thereof, the books of account of the Residential Section or the Commercial Section, as the case may be) at reasonable times, upon reasonable prior written notice to the applicable Board, on business days, but not more than once a month.

7.5 Representatives of Mortgagees.

7.5.1 In the manner more particularly set forth in Subsection 7.5.2, the holders of Institutional Residential Mortgages (as hereinafter defined) on any Residential Unit may, at their election, designate one or more (but not more than three) representatives ("Residential Mortgage Representatives") who shall be empowered to act on behalf of all holders of Institutional Residential Mortgages, with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. For so long as Declarant's Construction Lender is a Permitted Mortgagee, Declarant's Construction Lender shall be a Residential Mortgage Representative. If any Residential Mortgage Representatives are so designated and notice thereof is given to the Residential 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 Institutional Residential Mortgages. As used herein, the term "Institutional Residential Mortgage" means an Institutional Mortgage (defined below) covering a Residential Unit or Units. For so long as Declarant's Construction Lender is a Permitted Mortgagee, any mortgage of Declarant's Construction Lender with respect to any Unsold Residential Unit shall be an Institutional Residential Mortgage. As used herein the terms "Permitted Mortgage" and "Institutional Mortgage" means any first mortgage covering a Unit or Units, the initial holder of which is (i) Declarant or its designee, (ii) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, investment or finance company, mortgage trust or entity which is in the business of providing loans secured by condominium units, or (iii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

7.5.2 Any designation of a Residential Mortgage Representative made in writing by the holders of Institutional Residential Mortgages on any Residential Unit, constituting a majority in principal amount of all Institutional Residential Mortgages shall be binding upon the holders of all Institutional Residential Mortgages. Any such designation of any Residential Mortgage

Representative shall remain effective until (a) any subsequent designation thereof is made pursuant to the provisions hereof, and (b) notice of such subsequent designation is given to the appropriate Board. Unless otherwise required by Law, all Permitted Mortgagees holding mortgages on Residential Units, other than holders of Institutional Residential Mortgages, shall have no right to participate in the selection of Residential Mortgage Representatives, but such Permitted Mortgagees shall be subject to all determinations made by such Residential Mortgage Representatives pursuant to the Declaration or these By-Laws.

7.5.3 In the manner more particularly set forth in Subsection 7.5.4, the holders of Institutional Commercial Mortgages (as hereinafter defined) may, at their election, designate one or more (but not more than three) representatives ("Commercial Mortgage Representatives") who shall be empowered to act on behalf of all holders of Institutional Commercial Mortgages, with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. For so long as Declarant's Construction Lender is a Permitted Mortgagee, Declarant's Construction Lender shall be a Commercial Mortgage Representative. If any Commercial Mortgage Representatives are so designated and notice thereof is given to the Commercial 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 Institutional Commercial Mortgages. As used herein, the term "Institutional Commercial Mortgage" means an Institutional Mortgage (defined above) covering a Commercial Unit or Units. For so long as Declarant's Construction Lender is a Permitted Mortgagee, any mortgage of Declarant's Construction Lender with respect to any Commercial Unit shall be an Institutional Commercial Mortgage.

7.5.4 Any designation of a Commercial Mortgage Representative made by the holders of Institutional Commercial Mortgages, constituting a majority in principal amount of all Institutional Commercial Mortgages shall be binding upon the holders of all Institutional Commercial Mortgages. Any such designation of any Commercial Mortgage Representative shall remain effective until (a) any subsequent designation thereof is made pursuant to the provisions hereof, and (b) notice of such subsequent designation is given to the appropriate Board. Unless otherwise required by Law, all Permitted Mortgagees of the Commercial Units, other than holders of Institutional Commercial Mortgages, shall have no right to participate in the selection of Commercial Mortgage Representatives, but such Permitted Mortgagees shall be subject to all determinations made by such Commercial Mortgage Representatives pursuant to the Declaration or these By-Laws.

7.6 Consent of Mortgagees. Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of any Board, officer or Unit Owner; provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against its mortgagor.

ARTICLE 8

SELLING, LEASING AND MORTGAGING OF UNITS

8.1 Selling and Leasing. No Residential Unit Owner, other than Declarant or its designee, shall sell or lease such Residential Unit Owner's Residential Unit, except by complying with the following provisions.

8.1.1 Any Residential Unit Owner who receives a bona fide offer to (a) purchase such Unit Owner's Residential Unit together with its appurtenant Common Interest, or (b) lease such Unit Owner's Residential Unit (such offer to purchase or lease a Residential Unit, as the case may be, is called an "Outside Offer", the party making any such Outside Offer is called an "Outside Offeror", and the Residential Unit Owner to whom the Outside Offer is made is called an "Offeree Unit Owner"), which the Offeree Unit Owner intends to accept, shall give notice by certified or registered mail, return receipt requested, to the Residential Board of the receipt of such Outside Offer. Said notice shall include the name and address of the Outside Offeror, the terms of the proposed transaction (including, but not limited to, the intended closing date in the event of a purchase or intended occupancy date in the event of a lease) and such other information as the Residential Board may reasonably require. The giving of such notice to the Residential Board, on behalf of all the Unit Owners represented by the Residential Board, shall constitute an offer by the Offeree Unit Owner to sell such Unit Owner's Residential Unit together with its appurtenant Common Interest or to lease such Unit Owner's Residential Unit to the Residential Board, or its designee, corporate or otherwise, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a representation and warranty by the Offeree Unit Owner to the Residential Board acting on behalf of all Residential Unit Owners that the Offeree Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect thereto as the Residential Board may reasonably request. Not later than twenty (20) days after receipt of such notice together with such information as may have been requested by the Residential Board, the Residential Board may elect, by sending written notice to such Offeree Unit Owner before the expiration of said twenty (20) day period, by hand delivery or by certified or registered mail, return receipt requested, to purchase such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all Unit Owners represented by the Residential Board, upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Unit Owner. However, if there is any inconsistency between such terms and conditions and the terms of this Article 8, the terms and conditions of this Article 8 shall prevail and shall be controlling.

8.1.2 In the event the Residential Board shall timely elect to purchase a Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit or to cause the same to be purchased or leased by its designee, corporate or otherwise, then (a) with respect to a purchase, the Residential Board shall, upon the closing of title to such Unit, pay over the entire purchase price of such Residential Unit to the Offeree Unit Owner (without providing such Offeree Unit Owner with a deposit or down payment) and title shall close at the office of the attorneys for the Residential Board, in accordance with the terms of the Outside Offer, within the later of (i) 60 days after the giving of notice by the Residential Board of its election to accept

such offer and (ii) the closing date specified in the Outside Offer and (b) with respect to a lease, the lease, upon the terms set forth in the Outside Offer, shall be executed within ten (10) days after the Residential Board elects to accept such offer. If pursuant to such Outside Offer, the Outside Offeror was to assume or take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Residential Board may purchase the Residential Unit and assume or take title to the Residential Unit subject to said existing mortgage or mortgages, as the case may be and the Residential Board shall receive a credit against the purchase price for the entire principal balance of said mortgage(s). At the closing, the Offeree Unit Owner, if such Residential Unit together with its appurtenant Common Interest is to be sold, shall convey the same to the Residential Board, or to its designee, corporate or otherwise, on behalf of all 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 tax and/or documentary stamps affixed at the expense of such Offeree Unit Owner, who shall also pay all other taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interest, if any, and Common Charges shall be apportioned between the Offeree Unit Owner and the Residential Board, or its designee, corporate or otherwise, as of the closing date. In the event such Residential Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Residential Board, or to its designee, corporate or otherwise, a lease between the Offeree Unit Owner, as landlord, and the Residential Board, or its designee, corporate or otherwise, as tenant, covering such Residential Unit, for the rental and term contained in such Outside Offer.

8.1.3 In the event the Residential Board or its designee shall fail to accept such offer within 20 days after receipt of notice, as aforesaid, the Offeree Unit Owner shall have an additional 60 days to accept the Outside Offer by executing and delivering a contract or lease, as the case may be. In the event the Offeree Unit Owner shall not, within such 60-day period, accept in writing the Outside Offer, or if the Offeree Unit Owner shall accept the Outside Offer within such 60-day period but such sale or lease, as the case may be, shall not be consummated within an additional 60 days following the expiration of such 60-day period, then, should such Offeree Unit Owner thereafter elect to sell such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be, the Offeree Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1. Notwithstanding the foregoing, the Residential Board, in its discretion, may waive the Offeree Unit Owner's obligation to comply with either or both of the 60 day periods described herein or may extend either or both such periods, provided that such waiver or extension shall only be effective if in writing.

8.1.4 Any deed to an Outside Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, these By-Laws and the Rules and Regulations, as the same may be amended from time to time.

8.1.5 Any lease executed in connection with the acceptance of any Outside Offer to lease a Residential Unit shall be consistent with these By-Laws and shall provide that it may not be materially modified, amended or extended without the prior consent in writing of the Residential Board, that the tenant shall not assign such Unit Owner's interest in such lease or sublet the demised premises or any part thereof without the prior consent in writing of the Residential Board and that the Residential Board, if permitted by applicable Law, shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the

name of the landlord thereunder, in the event of (i) a default by the tenant in the performance of its obligations under such lease, or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

8.1.6 Except as hereinbefore set forth, the form of any such lease executed by the Residential Board or an Outside Offeror shall be a printed, reasonably applicable form of Residential lease which is generally approved by the Residential Board which governs the Unit to be leased and is accepted in New York City, such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, and shall contain such modifications as shall be approved in writing by the Residential Board. Any lease executed by the Residential Board, as tenant, shall provide that the tenant thereunder may freely assign said lease or sublet all or part of the premises demised thereunder without the consent of the landlord.

8.1.7 The foregoing restrictions of this Section 8.1 shall also apply to the sale or lease of Storage Bins and Parking Units.

8.1.8 The foregoing restrictions of this Section 8.1 shall not apply to Unsold Residential Units (including the lease of or by a Residential Unit to Declarant or its designee or a lease by Declarant or its designee) or the Commercial Units (or any commercial condominium units into which the Commercial Units may hereafter be divided). Declarant or its designee, and the Commercial Unit Owners shall have the right to freely sell their respective Units, or to freely lease all or any part of the Unsold Residential Units or the Commercial Units as the case may be, without having to first offer the same for sale or lease to any Board.

8.2 Consent of Residential Unit Owners to Purchase or Lease of Residential Units and Parking Units by Residential Board. The Residential Board shall not exercise any option hereinabove set forth to purchase or lease any Residential Unit and/or Parking Unit without the prior approval of a Majority of Residential Unit Owners. However, the Residential Board shall have the right to release or waive such option without the prior approval of a majority of Residential Unit Owners.

8.3 No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to such Unit Owner's Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the Common Interest appurtenant to any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interest is appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests of all Units. Nothing in this Section 8.3 shall permit the lease of any Unit without the simultaneous lease of its appurtenant Common Interest.

8.4 Release by Residential Board of Right of First Refusal. The right of first refusal contained in Section 8.1 may be released or waived by the Residential Board only in the manner provided in Section 8.5. In the event the Residential Board shall release or waive its right of first refusal as to any Residential Unit, such Residential Unit together with its appurtenant Common

Interest may be sold, conveyed or leased, free and clear of the provisions of Subsections 8.1 .1 and 8.1.2, provided that such sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3.

8.5 Certificate of Termination of Right of First Refusal. A certificate executed by an officer of the Residential Section stating that the provisions of Subsection 8.1.1 have been met by a Residential Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the Residential Board, and that as a result thereof the rights of the Residential Board thereunder have terminated (provided that any sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3), shall be conclusive upon the Residential Board and the Residential Unit Owners in favor of all persons who rely on such certificate in good faith. The Residential Board shall furnish such certificate upon request to any Residential Unit Owner with respect to whom the provisions of Subsection 8.1.1 have, in fact, terminated.

8.6 Financing of Purchase of Residential Units and/or Parking Units by Residential Board. The purchase of any Residential Unit and/or Parking Unit by the Residential Board or its designee, on behalf of all Residential Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Residential Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Residential Board may levy an Special Assessment against each Residential Unit Owner in proportion to such Unit Owner's respective Common Interest (except as otherwise provided in the Declaration or in these By-Laws), as a Common Charge, and/or the Residential Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased (plus any other Units that then owned by the Residential Board together with its (their) appurtenant Common Interest(s).

8.7 Exceptions. The provisions of Section 8.1 shall not apply with respect to any lease, sale or conveyance of any Residential Unit or Parking Unit together with its appurtenant Common Interest, or the initial licensing, assignment, or sub-licensing of a Storage Bin License Agreement by (a) the Unit Owner thereof to such Unit Owner's spouse, domestic partner, adult children or grandchildren, parents, grandparents, adult siblings or to any one or more of them or to any affiliate of the Unit Owner thereof, (b) Declarant or its designee, (c) the Residential Board, (d) the sale of a Residential Unit and/or Parking Unit in connection with the foreclosure of a mortgage or other lien covering such Residential Unit and/or Parking Unit or giving of a deed in lieu of such foreclosure, provided that such lien is not held by the Unit Owner or spouse, domestic partner, adult children or grandchildren, parents, grandparents, adult siblings or to any one or more of them or to any affiliate of the Unit Owner thereof, or (e) a Permitted Mortgagee or such Permitted Mortgagee's nominee, who has acquired title to any Residential Unit and/or Parking Unit at any foreclosure sale of such Unit Owner's Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Unit Owner's Residential Unit and/or Parking Unit subject to, the provisions of this Article 8. In addition, the provisions of Section 8.1 shall not apply to any lease, sale or conveyance of the Commercial Units or any part thereof. The term "affiliate" shall be deemed to be an individual or entity which owns more than 50% of the

beneficial interest of such Unit Owner, or an entity with respect to which such Unit Owner owns more than 50% of the legal and beneficial interest.

8.8 Gifts and Devises, etc. Any Residential Unit Owner shall be free to convey or transfer such Unit Owner's Residential Unit by gift, or may devise such Unit Owner's Residential Unit by will or have such Unit Owner's Residential Unit pass by intestacy, without being subject to the restrictions of Section 8.1; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Unit Owner's Residential Unit shall remain subject to, the provisions of this Article 8. Parking Units and Storage Bins shall only be gifted, devised, or passed by intestacy by a Parking Unit Owner or Storage Bin licensee, as the case may be, to a Residential Unit Owner without being subject to the restrictions of Section 8.1 hereof; provided, however, that each succeeding Parking Unit Owner or Storage Bin licensee, as the case may be, shall be bound by, and such Unit Owner's Parking Unit or Storage Bin license, as the case may be, shall remain subject to, the provisions of this Article 8.

8.9 Unauthorized Sales or Leases of Residential Units Parking Units. Any purported sale or lease of a Residential Unit or Parking Unit consummated in violation of Sections 8.1 or 8.3 shall be voidable at the election of the Residential Board and if the Residential Board shall so elect, the Residential Unit Owner or Parking Unit Owner shall be deemed to have authorized and empowered the Residential Board to institute legal proceedings to eject the purported purchaser (in case of an unauthorized sale) or to evict the purported tenant (in case of an unauthorized leasing), in the name of the said Residential Unit Owner or Parking Unit Owner, as the case may be, as the owner or landlord. Said Residential Unit Owner or Parking Unit Owner, as the case may be, shall reimburse the Residential Board for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

8.10 Charges Imposed on Sale or Lease of Residential Units or Parking Units. If permitted by law, the Residential Board shall be entitled to fix by resolution and collect, before any sale or lease of a Residential Unit or Parking Units is consummated, a reasonable charge to cover its expenses, and any fees due the Managing Agent or any attorney retained by the Residential Board, in connection with the sale or lease. If such charge is adopted, it shall be added to, and constitute a portion of, Common Charges payable by the selling or leasing Unit Owner. The aforementioned charge shall not apply to the lease of a Residential Unit or Parking Unit to Declarant or its designee, to the sale or lease of Unsold Units by Declarant or its designee, or to the sale or lease of Unsold Units by a Permitted Mortgagee of Declarant that acquires title to Unsold Units.

8.11 Power of Attorney. At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and make arrangements for recording in the City Register's Office, the Power of Attorney required by Article 17 of the Declaration.

8.12 Notices Concerning Residential Unit Occupancy. Within five (5) days following acquisition of a Residential Unit or the commencement of a lease relating thereto, the new Unit Owner or lessor, as the case may be, shall notify the Managing Agent of the Unit involved, the name of the purchaser or lessee and the names of the individuals, as permitted by the By-Laws, who will be using or occupying the Unit. The individuals so designated may be changed by the purchaser or lessor, from time to time, by further notice to the Managing Agent.

8.13 Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common. In the event that any Unit shall be acquired by the Residential Board or the Residential Board, or their respective designees, corporate or otherwise, on behalf of all Residential Unit Owners or all Residential Unit Owners, as the case may be, as tenants in-common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit as herein provided.

8.14 Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate or lease such Unit Owner's Unit unless and until the Unit Owner shall have paid in full to the appropriate Board all unpaid Common Charges theretofore assessed by said Board against such Unit and until such Unit Owner shall have satisfied all unpaid liens against such Unit Owner's Unit other than Permitted Mortgages.

8.15 Mortgage of Units. Subject to Article 7 and Section 8.14, each Unit Owner shall have the right to mortgage such Unit Owner's Unit to a Permitted Mortgagee, provided that, with respect to any mortgage covering a Unit, the Unit Owner making such mortgage shall notify in writing the appropriate Board of the making of such mortgage.

8.16 Lease or Purchase of Residential Unit or Other Apartment for Superintendent's Residence. The Residential Board or the Condominium Board shall have the right to lease or purchase a Residential Unit or other apartment for the residence of the superintendent and shall have the right to amend, modify, extend, renew and otherwise deal in any way with respect to any such lease all without the approval of any of the Unit Owners.

ARTICLE 9

CONDEMNATION

In the event of the taking in condemnation or by eminent domain of all or any part of the General or Limited Common Elements, each Board, subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the General or Limited Common Elements so taken which, pursuant to the provisions of these By-Laws, are required to be maintained by such Board. The award made for any such taking shall be payable to the Board responsible for the repair and restoration thereof, as aforesaid; provided, however, that if any such award exceeds $1,000,000, such award shall be payable to the Insurance Trustee and shall be disbursed to the contractors engaged in such repair and restoration, if any, in appropriate progress payments. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed the cost of any repairs and restorations, the deficit or surplus, as the case may be, will be (a) borne and shared by all Unit Owners with respect to any taking of the General Common Elements pro rata, as follows: first, to the Residential Unit Owners and the Commercial Unit Owners in accordance with their respective Common Interests; thereafter, each Board shall allocate such deficit or surplus, as the case may be, pro rata, to the Residential Unit Owners and to the Commercial Unit Owners, respectively, in accordance with its Common Interests; (b) borne and shared by all Residential Unit Owners with respect to any taking of the Residential Common Elements pro rata in accordance with their Common Interests; and (c) borne and shared by all Residential Unit Owners having exclusive access to the Residential Limited Common Elements pro rata in accordance with their respective interest in such Residential Limited

Common Interests; and (d) borne and shared by the Commercial Unit Owners with respect to any taking of the Commercial Common Elements pro rata in accordance with their Common Interests. Notwithstanding any provisions contained herein to the contrary, in the event that (1) 75% or more of all Unit Owners, as well as Permitted Mortgagees which represent at least 51%, in number and Common Interest of Units which are encumbered by a Permitted Mortgage, affirmatively resolve not to proceed with such repair or restoration of their respective Limited Common Elements, or (2) 75% or more of all Unit Owners, as well as Permitted Mortgagees which represent at least 51%, in number and Common Interest, affirmatively resolve not to proceed with such repair and restoration of the General Common Elements, then such repairs or restorations of the Limited Common Elements and/or General Common Elements shall not be made and the net proceeds of any such award with respect thereto shall be divided among the Unit Owners pro rata in the same manner as is set forth above, after first paying out of the share of each Unit Owner the amount of any unpaid liens on such Units other than mortgages which are not Permitted Mortgages. With respect to the immediately preceding sentence, for so long as the BOA Mortgage is outstanding, Declarant's Construction Lender must be among those Permitted Mortgagees which affirmatively resolve not to proceed with such repair or restoration in order for such resolution to be effective. Any dispute between any Boards under this Article 9 shall be settled by Arbitration. In the event of the taking in condemnation or by eminent domain of all or any part of the Common Elements or Limited Common Elements, the Board shall notify all Permitted Mortgagees in writing within thirty (30) days from the day of such condemnation.

ARTICLE 10

RECORDS AND AUDITS

10.1 Records. Each Board or the managing agent for that Board, if any, shall keep detailed records of the actions of such Board, minutes of the meetings of such Board, minutes of the meetings of the Unit Owners for whom such Board serves and financial records and books of account with respect to the activities of such Board, including a listing of all receipts and expenditures. In addition, the Residential Board shall keep a separate account for each Residential Unit, which, among other things, shall contain the amount of each assessment of Common Charges made by the Residential Board against each such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

10.2 Audits. Within four months after the end of each fiscal year, an annual report of receipts and expenditures prepared and certified by an independent certified public accountant shall be submitted by (a) the Residential Board to all Residential Unit Owners, (b) the Commercial Board to Commercial Unit Owners, and (c) the Condominium Board to the Residential Board and the Commercial Board, and, if so requested, to any Permitted Mortgagee, as the case may be. The cost of such report submitted by (1) the Residential Board, shall be paid by the Residential Unit Owners and Parking Unit Owners as a Residential Common Expense and Parking Common Expense, (2) the Commercial Board, shall be paid by the Commercial Unit Owners as a Commercial Common Expense, and (3) the Condominium Board shall be paid by the Residential Board and the Commercial Board as a General Common Expense.

10.3 Availability of Documents. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be

maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

ARTICLE 11

ARBITRATION

11.1 General Procedure. Any arbitration provided for in these By-Laws shall be conducted before one arbitrator in New York City by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. In the event that the American Arbitration Association is not then in existence and has no successor, any arbitration hereunder shall be conducted in New York City before one arbitrator appointed, on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of New York having jurisdiction over the matter. The decision of the arbitrator so chosen shall be given within 10 days after such arbitrator's appointment. Any arbitrator appointed or selected in connection with any arbitration under this Article 11 shall be a lawyer or real estate owner, developer, or manager familiar with condominium properties and having general legal or real estate experience, as the case may be, of not less than fifteen years.

11.2 Costs and Expenses. The fees, costs and expenses of the arbitrator will be borne by the losing party in the arbitration or, if the position of neither party to the dispute will be substantially upheld by the arbitrator, such fees, costs and expenses will be borne equally by the disputants unless otherwise set by the arbitrator. Each disputant will also bear the fees and expenses of such disputant's counsel and expert witnesses. All costs and expenses paid or incurred by the Condominium Board, the Residential Board or the Commercial Board, as the case may be, in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, will constitute General Common Expenses, Residential Common Expenses, Parking Common Expenses, or Commercial Common Expenses, as the case may be.

11.3 Agreement by Parties. The parties to any dispute required or permitted to be submitted to arbitration hereunder may, by mutual agreement between them, vary any of the provisions of Section 11.1 with respect to the arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Court Determination of Disputes".

ARTICLE 12

MISCELLANEOUS

12.1 Waiver. No provision contained in these By-Laws or the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

12.2 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws nor the intent of any provision hereof.

12.3 Certain References.

12.3.1 A reference in these By-Laws to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

12.3.2 The terms "herein", "hereof" or "hereunder" or similar terms used in these By-Laws refer to these entire By-Laws and not to the particular provision in which the terms are used, unless the context otherwise requires.

12.3.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

12.4 Severability. Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law. In the event any provision of these By-Laws or the Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

12.5 Insurance Trustee. The Insurance Trustee shall be a bank or trust company in The City of New York, designated by the Condominium Board and having a capital surplus and undivided profits of $500,000,000 or more. In the event the Insurance Trustee resigns or the Condominium Board wishes to replace it, the Condominium Board shall promptly appoint a new Insurance Trustee. The Condominium Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a General Common Expense. The Insurance Trustee shall hold all such proceeds in accordance with Section 254(4) of the Real Property Law of the State of New York. Declarant's Construction Lender shall be the Insurance Trustee until its release of all Units from the lien of its mortgage. Additionally, after Declarant's Construction Lender has released all Units from the lien of its mortgage, if required by any subsequent permanent lender of Declarant, such lender or its designee shall be the Insurance Trustee until its release of all Units from the lien of its mortgage.

12.6 Successors and Assigns. Except as set forth herein or in the Declaration to the contrary, the rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or its designee or, with the written consent of Declarant or its designee, any transferee of some or all then Unsold Residential Units then owned by Declarant or its designee, as the case may be (but not to Purchasers of Residential Units pursuant to the Plan). The rights and/or obligations of the Commercial Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Commercial Unit Owners. Subject to the foregoing, Declarant, its designee, and/or the Commercial Unit Owners, as the case may be, shall have the right, at any

time in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

12.7 Covenant of Further Assurances.

12.7.1 Any party who or which is subject to the terms of these By-Laws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of any Board, or otherwise, shall, upon prior reasonable written request at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of these By-Laws or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

12.7.2 If any Unit Owner (other than Declarant or its designee), any Board or any other Person or party (other than Declarant or its designee), which is subject to the terms of these By-Laws fails, within 10 days after request therefor, to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board, Person, or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of any Board, then such Board is hereby authorized as attorney-in-fact for such Unit Owner, Board, Person, or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner, Board, Person or party and such document or action shall be binding on such Unit Owner, Board, Person or party.

12.7.3 If any Unit Owner, Board or other party which is subject to the terms of these By-Laws fails, within ten days after request therefor to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Declarant or its designee, then Declarant or Declarant's designee are hereby authorized, as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party' as the case may be.

12.7.4 The foregoing provisions of Sections 12.7.1 and 12.7.2 (i) shall not apply to the holder of any Permitted Mortgage of any Unit, and (ii) shall not be enforced against, but shall be enforced by, Declarant or its designee.

12.7.5 Any conflict between these By-Laws and the Declaration shall be resolved in favor of the Declaration.

ARTICLE 13

AMENDMENT TO BY-LAWS

13.1 Amendments by Unit Owners. Except as specifically provided herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Residential Units, or the Commercial Units or the

Commercial Unit Owners, (a) any provision of these By-Laws may be added to, amended, modified or deleted by the vote of at least 80% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of these By-Laws, provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners directly affected, (b) any provision of these By-Laws benefiting, protecting or otherwise affecting only the Residential Section or the Residential Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 66-2/3% in number and in Common Interest of all Residential Unit Owners taken in accordance with the provisions of these By-Laws and (c) any provision of these By-Laws benefiting, protecting or otherwise affecting only the Commercial Section or the Commercial Unit Owners may be amended, modified, added to or deleted by affirmative determination of the affected Commercial Unit Owners taken in accordance with the provisions of these By-Laws. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, Permitted Mortgagees, any Unsold Residential Units, the Commercial Section or the Commercial Unit Owners, any such amendment, modification, addition or deletion shall be executed by (1) the Residential Board, as attorney-in-fact for the Residential Unit Owners, coupled with an interest, which Residential Board is hereby authorized by such Residential Unit Owners so to act as their attorney-in-fact or (2) the Commercial Board, as attorney-in-fact for the Commercial Unit Owners, coupled with an interest, which Commercial Board is hereby authorized by such Commercial Unit Owners to act as their attorney-in-fact or (3) the Condominium Board, as attorney-in-fact for all Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Notwithstanding the foregoing and subject to the provisions contained herein or in the Declaration with respect to amendments affecting Declarant or its designee, any Unsold Residential Units, the Commercial Section, or the Commercial Unit Owners, (i)(x) the written consent of the Residential Mortgage Representatives, if any, to an amendment, modification, addition or deletion with respect to clause (a) above shall not be required unless such amendment, modification, addition or deletion materially impairs the value of the security interest of one or more Permitted Mortgagees, in which case such written consent shall not be unreasonably withheld or delayed and (y) with respect to clause (a) above, the Commercial Unit Owners may grant to any Permitted Mortgagee the right to consent to any amendment, modification, addition or deletion to these By-Laws to the extent of any mortgage which encumbers the Commercial Units for so long as such mortgage is on record; (ii) the written consent of the Residential Mortgage Representatives, if any, to an amendment, modification, addition or deletion with respect to clause (b) above shall not be required unless such amendment, modification, addition or deletion materially impairs the value of the security interest of one or more Permitted Mortgagees holding Permitted Mortgages on Residential Unit(s), in which case such written consent shall not be unreasonably withheld or delayed; and (iii) with respect to clause (c) above the Commercial Unit Owners may grant to any Permitted Mortgagee the right to consent to any amendment, modification, addition or deletion to these By-Laws which affects the Commercial Units to the extent of any mortgage which encumbers the Commercial Units for so long as such mortgage is on record; (iv) the provisions of this Section 13.1 may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Residential Mortgage Representatives and Commercial Mortgage Representatives, as the case may be), eighty percent (80%) in Common Interest of all Unit

Owners affected thereby approve such amendment, modification, deletion or addition in the manner set forth above.

13.2 Amendments Affecting Declarant or its Designee or Commercial Unit Owners. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, the Declaration, or the Rules and Regulations shall be effective in any respect (a) without the prior written consent of the affected Commercial Unit Owner(s) with respect to any amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Commercial Units or affecting the rights, privileges, easements, licenses or exemptions granted to the Commercial Unit Owners, (b) against Declarant or its designee without the prior written consent of Declarant or its designee or the owner of any Unsold Residential Unit, as the case may be, or (c) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Residential Unit or Commercial Unit, with respect to any amendment, modification, addition or deletion of or to these By-Laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Residential Unit or Residential Unit, or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Residential Unit or Commercial Unit.

13.3 Amendments Affecting Permitted Mortgagees. Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to Article 7 or Sections 6.1, 6.2, 6.4.2, 6.4.3, 8.7(d) or (e), or 8.10 shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

13.4 Amendments of a Material Adverse Nature to Permitted Mortgagees. Notwithstanding any provision contained herein to the contrary, any amendment to the By-Laws of a material adverse nature to Permitted Mortgagees of Residential Units (except for Permitted Mortgagees of any Unsold Residential Unit) shall require the written consent of at least 51%, in number and in Common Interest, of such affected Permitted Mortgagees. Such consent shall be deemed granted if the affected Permitted Mortgagee fails to respond to any written proposal for an amendment to these By-Laws within sixty (60) days from receipt of the notice of the proposed amendment; provided that notice of such amendment is delivered to the Permitted Mortgagee by certified or registered mail, return receipt requested.

13.5 Amendments Requiring Declarant's Construction Lender's Consent. Notwithstanding anything to the contrary contained in this Article 13, no provision of the By-Laws that would materially and adversely affect Declarant's Construction Lender's security interest in the Unsold Units may be added to, amended, modified or deleted without the prior written consent of Declarant's Construction Lender for so long as Declarant's Construction Lender has a lien on any Unsold Unit.

ARTICLE 14

AMENDMENTS CONCERNING COMMERCIAL SECTION

Amendments, modifications, additions or deletions of or to the Declaration, these By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Section or the subdivision of the Commercial Units into separate Commercial condominium units and/or the offering for sale or lease of all or any portion of the Commercial Units and it is contemplated that in connection therewith the Commercial Board will cause the Declaration, these By-Laws and the Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provisions thereof may be similar or dissimilar to those affecting the Commercial Section and the Commercial Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the Residential Section, or any Residential Unit Owners, the Commercial Board shall be the attorney-in-fact for the Residential Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion.

SCHEDULE A

RULES AND REGULATIONS OF THE RESIDENTIAL SECTION

1. The sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of the Residential Section shall not be obstructed or used for any other purpose than ingress to and egress from the Residential Units.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the passages, public halls, vestibules, corridors, stairways or fire tower landings of the Residential Section, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows or roofs or placed upon the window sills of the Residential Section.

3. Neither occupants nor their guests shall play in the entrances, passages, public halls, elevators, vestibules, corridors, stairways or fire towers of the Residential Section.

4. No public hall or public elevator vestibule of the Residential Section shall be decorated or furnished by any Residential Unit Owner in any manner.

5. Each Residential Unit Owner shall keep such Residential Unit Owner's Residential Unit and any Limited Common Elements appurtenant thereto (including the surface and drains of any terrace appurtenant to a Residential Unit) in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance. Any determination as to what constitutes a good state of preservation and cleanliness for any Residential Unit Owner's terrace shall be within the sole but reasonable discretion of the Residential Board.

6. No window guards shall be used in or about any Residential Unit, unless otherwise required by Law, except such as shall have been approved in writing by the Residential Board or the managing agent of the Residential Section. No clothes, sheets, blankets, laundry or other articles of any kind shall be hung on or out of a Unit or its appurtenant Limited Common Elements. No window frames or mullions may be removed, altered or replaced without the written consent of the Residential Board.

7. No radio, television aerial, satellite dish or similar device shall be attached to or hung from the exterior of the Residential Section and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any door or window or other part of the Residential Section except such as are permitted pursuant to the Declaration or the By-Laws or shall have been approved in writing by the Residential Board or the managing agent of the Residential Section, nor shall anything be projected from any door or window of the Residential Section without similar approval, except as may otherwise be required by Law.

8. No heat, ventilator or air conditioning device or window fan shall be installed in any Residential Unit without the prior written approval of the Residential Board, which approval may be granted or refused in the sole discretion of the Residential Board.

9. All radio, television or other electrical equipment of any kind or nature installed or used in each Residential 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 Residential Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Residential Unit Owner's Unit.

10. No velocipedes, bicycles, scooters or similar vehicles shall be allowed in any of the elevators other than the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, and no baby carriages or any of the above-mentioned vehicles or other equipment, furniture or other personal articles shall be allowed to stand in the passages, public halls, vestibules, corridors or other public areas of the Residential Section.

11. No Residential Unit Owner shall make or permit any disturbing noises or activity in the Residential Section, or do or permit anything to be done therein, which will interfere with the rights, comfort or convenience of other Unit Owners or the tenants or occupants of the Residential Section. No Residential Unit Owner shall play or suffer to be played any musical instrument, or practice or suffer to be practiced vocal music, or operate or permit to be operated a phonograph, radio, television computer, stereo or other loud speaker in such Unit Owner's Unit between 11:00 P.M. and the following 7:00 A.M., if the same shall disturb or annoy other occupants of the Building, unless the same shall have the prior written consent of the Residential Board. No construction or repair work or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency or unless such work is performed by Declarant.

12. No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition), shall be permitted, kept or harbored in a Residential Unit without the same in each instance having been expressly permitted in writing by the Residential Board or the managing agent of the Residential Section and such consent, if given, shall be revocable by the Residential Board in its sole discretion, at any time. In no event shall any Residential Unit Owner maintain more than two (2) pets in a Residential Unit (other than fish) without the consent of the Residential Board nor shall any bird, reptile, or other animal be permitted in any public elevator in the Residential Section, other than the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, or in any of the public portions of the Residential Section, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Residential Section or on the sidewalk or street adjacent to the Building. Each Residential Unit Owner who keeps any type of pet in such Unit Owner's Residential Unit may be required to enter into an agreement with the Residential Board setting forth such other rules regarding pets as the Residential Board shall deem suitable and indemnifying and holding harmless the Condominium, all Unit Owners and the managing agent from all claims and expenses resulting from acts of such pet. The Board of Managers shall have the right to prohibit an animal from residing or visiting the Building if, in the Board's judgment, such animal creates a nuisance, health hazard or an unsanitary condition.

13. Servants, messengers and tradespeople visiting or residing in the Residential Section may be required to use the elevators designated by the Residential Board or the managing agent of the

Residential Section for that purpose, for ingress and egress. and shall not use any of the other elevators for any purpose, except that nurses in the employ of Residential Unit Owners or their guests or tenants may use any of the other elevators when accompanying said Unit Owners, guests or tenants. However, a guest or visitor of a Residential Unit Owner may use any of the elevators freely, if authorized by such Unit Owner.

14. All service and delivery persons may be required to use the service entrance unless otherwise directed. All packages, whenever feasible, will be required to be delivered by outside personnel to the package room in the lobby where such packages will be held for pick-up by Residential Unit Owners. Deliveries, if made, will be made from the package room to individual Residential Units only by building personnel or as otherwise directed by building personnel. Such deliveries will be made only at such times as a Unit is occupied by the resident thereof or an authorized person and said resident or authorized person is willing to accept delivery. If the Residential Unit is not so occupied or delivery is declined, the package will be held in the package room until the resident or authorized person returns or requests delivery. In the case of packages containing perishable food items, service or delivery persons who are registered with building personnel will be permitted to make deliveries directly to individual Residential Units after such service or delivery persons have received approval for such delivery from the Residential Unit Owner.

15. Trunks and heavy baggage shall be taken in or out of the Residential Section by the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, and through a designated entrance only.

16. No Unit Owner or any visitor, guest, patient, employee or any client of a Unit Owner shall be allowed in the heating, electrical or mechanical equipment areas without the express permission of the Board of Managers.

17. All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.

18. No refuse from the Residential Units shall be sent to the below grade levels of the Building except at such times and in such manner as the Residential Board or the managing agent of the Residential Section may direct.

19. Water-closets and other water apparatus in the Residential Section shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Residential Unit shall be repaired and paid for by the Owner of such Unit.

20. No occupant of the Residential Section shall send any employee of the Residential Section or of the managing agent thereof out of the Building on any private business.

21. The agents of the Residential Board or the managing agent, and any contractor or worker authorized by the Residential Board or the managing agent of the Residential Section, may enter any room or Residential Unit at any reasonable hour of the day, on at least one day's Prior written notice to the Residential Unit Owner, for the purpose of inspecting such Residential Unit

for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

22. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

23. The Residential Board or the managing agent of the Residential Section may retain a passkey to each Residential Unit. If any lock is altered or a new lock is installed, the Resident Board or the managing agent of the Residential Section shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit an entry to such Unit Owner's 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 such Board or such managing agent, then the Residential Board or such managing agent or their agents (but, except in an emergency, only when specifically authorized by an officer of such Board or an officer of the managing agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if during such entry reasonable care under the circumstances is given to such Unit Owner's property).

24. No vehicle belonging to a Residential Unit Owner or to a member of the family guest, tenant or employee of a Residential Unit Owner shall be parked in such manner as to or prevent ready access to any entrance to or exit from the Building by another vehicle.

25. Complaints regarding the services of the Residential Section shall be writing to the Residential Board or to the managing agent of the Residential Section.

26. Any consent or approval given under these Residential Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Residential Board at any time by resolution of the Residential Board. Further, any such consent or approval of the discretion of the Residential Board, be conditional.

27. Residential Unit Owners will faithfully observe the following procedures with respect to the use of the compactor: (a) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush into tight bundles all papers before placing the same in the hopper door; (e) deposit all bundles of waste into the hopper(f) refrain from depositing waste of an explosive nature therein; (g) observe all Laws regarding recycling of refuse then imposed by governmental agencies having jurisdiction thereover and (h) observe any additional recycling rules established by the Condominium Board or the Residential Board.

28. Except as permitted under the Declaration and By-Laws, Residential Unit Owners, their families, guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.

29. Residential Unit Owners, their guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Units or any public portions of the Building.

30. No Residential Unit Owner or any of such Unit Owner's agents, servants, employees, licensees, tenants, sublessees or visitors shall at any time bring into or keep in such Unit Owner's Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

31. If any key or keys are entrusted by a Residential Unit Owner or by any member of such Unit Owner's family or by such Unit Owner's agent, servant, employee, tenant, sublessee, licensee or visitor to an employee of the Residential Board or the managing agent of the Residential Section, whether for such Unit Owner's Unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Residential Board nor the managing agent of the Residential Section shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

32. Nothing shall be done or kept in any Residential Unit, or in the General, Residential or Limited Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Condominium Board. No Residential Unit Owner shall permit anything to be done or kept in such Unit Owner's Unit or in the General, Residential or Limited Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any Law. No waste shall be committed in the General, Residential or Limited Common Elements.

33. The Boards shall have the right from time to time to relocate any portion of the Common Elements devoted to storage or service purposes.

34. No group tour or exhibition of any Residential Unit or its contents shall be conducted, except group tours or exhibitions of any Unsold Residential Units owned by Declarant or its designee, nor shall any auction sale be held in any Residential Unit, except Unsold Residential Units without the prior consent of Residential Board or the managing agent of the Residential Section.

35. In the event that any Residential Unit is used for home occupation purposes which are permitted by Law and the By-Laws, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

36. Unless expressly authorized by the Residential Board in each case, at least 80% of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting or equally effective noise-reducing material.

37. There will be no barbecuing on Residential Limited Common Elements, or on the General Common Elements, except as specifically designated by the Residential Board.

38. The Residential Board reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Residential Section when,

in the reasonable judgment of the Residential Board, the Residential Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Residential Section, or the preservation of good order therein, or the operation or maintenance of the Residential Section, or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Residential Section. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Residential Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Residential Unit Owner or other occupant.

39. No article, including, but not limited to, bicycles and similar vehicles, shall be stored or allowed to stand on terraces, other than furniture of the kind usually maintained in outdoor areas.

40. Plantings on any terrace shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches from the terrace surface, and, if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace, but shall stand on supports at least two inches above the surface. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings. No planter shall be placed on any private terrace area or balcony if it exceeds a capacity of 2 cubic feet or if it imposes a load exceeding 60 pounds per square foot, without the express written consent of the Board and, if required, the New York City Department of Buildings. No installation of any planters shall be permitted on the roofs of any penthouse bulkheads.

41. No Residential Unit Owner or any of his family members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his Unit or Residential Limited Common Elements any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or Residential Limited Common Elements.

42. All Unit Owners shall be obligated to install white or off-white curtains, drapes, shades or blinds ("Window Treatments") in each Unit which are visible from the exterior of the Building in order to give the Building a uniform exterior appearance. Such Window Treatments shall be hung from each such window within sixty (60) days of the Closing Date, unless otherwise provided by the Board in writing. Notwithstanding the foregoing under no circumstances shall newspapers, blankets bed sheets, clothes or other articles of any kind be hung in the windows in lieu of Window Treatments and no personal property shall be stored in any window bay, except behind the Window Treatments.

43. The fitness room hours of operation shall 5 am to 11 pm, daily.

CERTIFICATION OF SPONSOR AND PRINCIPALS OF SPONSOR PURSUANT TO PART 20 OF THE REGULATIONS ISSUED UNDER GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

Attention: Investment Protection Bureau

Re: Condominium Offering Plan
The 438 East 12th Street Condominium
438 East 12th Street
New York, New York 10009

Gentlemen:

The undersigned certify as follows:

We are the Sponsor and the principals of the Sponsor of the Condominium Offering Plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the 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:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons 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:

181 Avenue A, LLC

By: 200 Laurel Associates, L.L.C.,
Its Sole Member

By: _____
Douglas C. Steiner
Manager

Sworn to before me this
20 day of August, 2015

_____
Notary Public

ALICE KUMARIE MOHAN
Notary Public, State of New York
No. 02MO6291462
Qualified in Queens County
Commission Expires Oct. 15, 2017

PRINCIPALS OF SPONSOR:

By: _____
Douglas C. Steiner

Sworn to before me this
20 day of August, 2015

_____
Notary Public

ALICE KUMARIE MOHAN
Notary Public, State of New York
No. 02MO6291462
Qualified in Queens County
Commission Expires Oct. 15, 2017

By: _____
David S. Steiner

Sworn to before me this
20 day of August, 2015

_____
Notary Public

ALICE KUMARIE MOHAN
Notary Public, State of New York
No. 02MO6291462
Qualified in Queens County
Commission Expires Oct. 15, 2017

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RKT 08/19/15 7:38pm

CERTIFICATION OF SPONSOR'S ARCHITECT / ENGINEER PURSUANT TO PART 20 OF THE REGULATIONS ISSUED UNDER GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

Attention: Real Estate Finance Bureau

Re: Condominium Offering Plan
438 East 12th Street Condominium
438 East 12th Street, New York, New York 10009

Gentlemen:

The Sponsor of the offering to convert the captioned property (the "Property") to condominium ownership retained our firm to prepare a report describing the construction and renovation of the Property (the "Report"). We examined the building plans and specifications that were prepared by our office, dated May 29, 2015, and prepared the Report, dated 27 August, 2015, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

The undersigned is an architect registered in New York State.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

(i) sets forth in narrative form the physical condition of the entire Property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we have examined;

(ii) in our professional opinion, affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the Property as it will exist upon completion of construction, provided that

construction is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor and that our compensation for preparing the 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.

[EXECUTION ON THE FOLLOWING PAGE]

S9 Architecture & Engineering, PC

Name: Navid Maqami, AIA
Title: Principal

(Architect's Seal)

REGISTERED ARCHITECT
NAVID QAIM MAQAMI
No. 022311-1
STATE OF NEW YORK

Sworn to before me this
27 26 day of August, 2015

Notary Public

MELODY RAMOS
Notary Public - State of New York
NO. 01RA6092867
Qualified In Kings County
My Commission Expires 5/21/2019

FirstService
RESIDENTIAL

**CERTIFICATION BY SPONSOR'S EXPERT
AS TO ADEQUACY OF BUDGET
PURSUANT TO PART 20 OF THE REGULATIONS ISSUED
UNDER GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED**

August 24, 2015

The New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

Attention: Investment Protection Bureau

**Re: Condominium Offering Plan
438 East 12th Street Condominium
438 East 12th Street
New York, New York 10009**

Gentlemen:

The sponsor of the condominium offering plan for the captioned property retained our firm, FirstService Residential New York, Inc., to prepare **Schedule B** to the Offering Plan, containing projections of income and expenses for the first year of condominium operation.

FirstService Residential New York, Inc. is a licensed real estate brokerage/management firm in the State of New York. FirstService Residential New York, Inc. has been engaged in the management of over 250 condominium, cooperative and residential rental properties over the course of twenty-five years.

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** and investigated the facts set forth in **Schedule B** and the facts underlying them with due diligence in order to form a basis for this certification. We have also relied upon our firm's experience in managing residential buildings.

We certify that the projections in **Schedule B** 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 **Schedule B**:

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

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium 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 statements made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the 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
25 day of August, 2015

_____
Notary Public

CHRISTOPHER L. LUCIANO
Notary Public, State of New York
No. 01LU6280584
Qualified in Dutchess County
Commission Expires May 6, 2017

FirstService
RESIDENTIAL

FirstService
RESIDENTIAL

CERTIFICATION BY AN EXPERT ON THE ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNER PURSUANT TO PART 20 OF THE REGULATIONS ISSUED UNDER GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

August 24, 2015

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

Attention: Investment Protection Bureau

Re: Condominium Offering Plan
438 East 12th Street Condominium
438 East 12th Street
New York, New York 10009

Gentlemen:

The undersigned certify as follows:

The sponsor of the condominium offering plan for the captioned property retained our firm, FirstService Residential New York, Inc., to prepare **Schedule B**. FirstService Residential New York, Inc., a licensed real estate brokerage/management firm in the State of New York, has been engaged in the management of over 250 condominium, cooperative and residential rental properties, many of which contain commercial property, over the course of twenty-five years.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the commercial unit listed in **Schedule B**.

We have reviewed **Schedule B** as it impacts upon the commercial units and investigated the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in **Schedule B** for common charges payable by the owner of the commercial units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial units for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial units also reflects special or exclusive use or availability or exclusive control of particular common areas.

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

We certify that the estimates in **Schedule B** for the common charges payable by the owner of the commercial units:

(i) set forth in detail the projected common charges for the commercial units for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owner of the commercial units;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial units for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

FirstService Residential New York, Inc.

By:

Name: Marc Kotler
Title: Senior Vice President
New Development Group

FirstService
RESIDENTIAL

Sworn to before me this
25 day of August, 2015

Notary Public

CHRISTOPHER L. LUCIANO
Notary Public, State of New York
No. 01LU6280584
Qualified in Dutchess County
Commission Expires May 6, 2017