CONDOMINIUM OFFERING PLAN

THE HENDRIK CONDOMINIUM
509 PACIFIC STREET
BROOKLYN, NEW YORK 11217
COUNTY OF KINGS

33 Residential Units:	**$83,830,000**
1 Retail Unit	**$44,000,000**
12 Parking Spaces	**$1,800,000**
Total Offering Amount	**$129,630,000**

SPONSOR:	**SALES OFFICE:**	**SELLING AGENT:**
522-528 LLC **12 West 23rd Street** **New York, New York 10010**	**416 Atlantic Avenue** **Brooklyn, New York 11217**	**Halstead Property Development Marketing, LLC** **445 Park Avenue, 12th Floor** **New York, New York 10022** **(212) 381-4203**

Filing Date of this Offering Plan: _____, 201___. This Offering Plan may not be used after _____, 201___, unless this Offering Plan is extended by amendment.

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

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

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

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PART I

CONDOMINIUM OFFERING PLAN

THE HENDRIK CONDOMINIUM
509 PACIFIC STREET
BROOKLYN, NEW YORK 11217

SPECIAL RISKS

Sponsor Control of the Condominium Board

1. (a) Sponsor will have voting control over the Condominium Board until the earlier of: (i) the fifth anniversary of the First Closing; (ii) the Closing of Title to all Units (including the Retail Unit); or (iii) the date on which Sponsor otherwise exercises its right to relinquish voting control of the Condominium Board ("Sponsor Control Period"). Notwithstanding the relinquishment of control by Sponsor, the Condominium Board cannot take any action whatsoever which would interfere to any degree with Sponsor's rights under the Plan or Sponsor's ability to meet its obligations under the Plan, including without limitation Sponsor's obligation to procure a PCO for the Building.

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

(c) During the Sponsor Control Period, Sponsor will designate a majority of the Residential Members and shall have voting control of the Condominium Board. Therefore, Sponsor will have control of the maintenance and operation of, and the services to be provided by, the Condominium, and will determine the Common Charges to be paid by all Unit Owners. Sponsor may continue to exercise veto power over certain actions of, or contemplated by, the Condominium Board after the Sponsor Control Period. For so long as Sponsor shall continue to own Unsold Residential Units representing at least 25% in number of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, or (b) assess any Common Charges or Special Assessment for the creation of, addition to or replacement of all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change the kind of, employees from those described in the First Year's Budget, or (d) enter into any service or maintenance contracts for work or otherwise contract for work or otherwise provide services in excess of those described in the First Year's Budget, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business, or (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that (x) Sponsor may not diminish or eliminate services, facilities or any line items described in the First Year's Budget; and (y) Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer; or (iv) ensure the health and safety of the occupants of the Condominium.

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

Purchase of a Condominium Unit

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

(b) At the time Purchaser executes a Purchase Agreement, Purchaser will be required to deliver an Initial Deposit in an amount equal to 10% of the Purchase Price. At the earlier to occur of (i) 6

months after the date the Purchase Agreement is fully executed; or (ii) 15 days after the Presentation Date of an amendment declaring the Plan effective, Purchaser will be required to deliver an Additional Deposit in an amount equal to 5% of the Purchase Price. Notwithstanding the foregoing, a Purchaser executing a Purchase Agreement on or after the date the Plan is declared effective is required to deliver the full Deposit in an amount equal to 15% of the Purchase Price.

(c) In the event a Purchaser defaults under the Purchase Agreement, time being of the essence with regard to the obligations of Purchaser under the Purchase Agreement, Sponsor, in its sole discretion, may elect by notice to Purchaser to either: (i) cancel the Purchase Agreement or (ii) seek specific performance. If Sponsor elects to cancel, Purchaser shall have 30 days from the giving of notice of cancellation to cure the specified default. If the default is not cured within such 30 days, TIME BEING OF THE ESSENCE, then the Purchase Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages, all Deposits and any interest earned thereon. Upon the cancellation of the Purchase Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though the Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale. If Sponsor elects to seek specific performance, then Purchaser shall have 30 days from the giving of notice of Sponsor's election to close title to the Unit in accordance with the Agreement, without prejudice to Sponsor's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled under the Purchase Agreement (including, but not limited to, attorneys' fees, disbursements and costs of collection). See the Section of the Plan entitled "Procedure to Purchase" for details.

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

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

(f) If a Purchaser fails for any reason to close title to the Residential Unit on the originally Scheduled Closing Date other than due to Sponsor's failure or inability to Close: (a) the Closing apportionments to be made at the Closing will be made as of midnight of the day preceding the Scheduled Closing Date, regardless of when the actual Closing occurs ("Actual Closing Date"), and (b) Purchaser will be required to pay to Sponsor an amount equal to 0.03% of the Purchase Price of the Residential Unit for each day commencing with the Scheduled Closing Date through the Actual Closing Date, as a reimbursement of Sponsor's increased carrying costs by virtue of the delay, in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

(g) The signing of the Purchase Agreement signifies Purchaser's acceptance of the condition of the Property (as represented by Sponsor in the Plan) including, but not limited to, the Unit, the Building, the Parking Spaces, and all other Common Elements contained in the Building. Sponsor has no

obligation to make any repairs, improvements or decorations in or to the Property, the Units, the Parking Spaces, the Building or the Common Elements, except as may otherwise be set forth in the Plan. (See the Sections of the Plan entitled "Procedure to Purchase" and "Rights and Obligations of Sponsor" for details.)

(h) A Residential Unit Owner who acquired title to the Residential Unit from Sponsor is prohibited under the Purchase Agreement for a period of twelve (12) months from the First Closing from taking any of the following actions without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed, in Sponsor's sole and absolute discretion: (i) listing such Residential Unit for sale with any broker, (ii) placing or authorizing any listing in any broker's listing system or other listing service, or (iii) advertising or otherwise offering, promoting or publicizing the availability of such Residential Unit for sale.

Conveyance of Title

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

Sponsor's Right to Rent Unsold Residential Units

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

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

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

Closing Fees

5. Purchasers shall be required to pay (i) certain closing fees to Attorneys for Sponsor at Closing, and (ii) all New York City Real Property Transfer Tax ("RPT Tax"), New York State Real Estate Transfer Tax ("State Transfer Tax") and New York State Additional Real Estate Transfer Tax, commonly referred to as the "Mansion Tax," imposed on their purchase. The New York City Department of Finance has taken the position that where the purchaser of property assumes the obligation for the payment of the State Transfer Tax and the RPT Tax, the amount of the tax which would otherwise be payable if the seller were to pay such taxes, will be treated as additional consideration for the transaction subject to tax. The State Transfer Tax is currently equal to $2 per $500 of the bulked up consideration and the RPT Tax is currently equal to 1% of the bulked up consideration where the bulked up consideration is $500,000 or less, and 1.425% where the bulked up consideration is greater than $500,000. See the Section of the Plan entitled "Closing Costs and Adjustments" for details.

Reserve Fund and Working Capital Fund

6. (a) Schedule B - First Year's Budget includes a line item for a Reserve Fund for the sole purpose of costs and expenses related to capital repairs, replacements and improvements. The Reserve Fund amount was the product of a Reserve Fund Study undertaken by Sponsor. For so long as Sponsor continues to own at least 1 Unsold Residential Unit, the Condominium Board must maintain the Reserve Fund and any change in the amount of the Reserve Fund shall be made only with Sponsor's prior written consent. Sponsor makes no representation that the Reserve Fund will satisfy the requirements of a Purchaser's lender. Because the Building will be entirely new construction, Sponsor does not anticipate the imminent need for such capital repairs, replacements or improvements. However, no representation is given that such needs will not arise in the future. Unit Owners will be obligated to pay their share of the cost of repairs, replacements and/or improvements to the Common Elements as the need for such arises.

(b) The contingency line item provided for in Schedule B – First Year's Budget is intended to provide a fund for unanticipated expenses not included in the First Year's Budget and for possible increases in operating expenses above the amounts projected if the Working Capital Fund is not sufficient to cover such costs. The contingency line item is not intended, and may not be sufficient, to meet the cost of any major capital repairs or replacements which may be required. If additional funds are required to meet such costs, it may be necessary for the Condominium Board to increase Common Charges or impose Special Assessments.

(c) Each Purchaser of a Residential Unit will be required to make a non-refundable contribution to the Working Capital Fund of the Condominium at Closing, in an amount equal to 2 months' Common Charges with respect to the Residential Unit based on the Condominium budget in effect as of the Closing Date. The payment of the Working Capital Fund shall be required of all Purchasers of Residential Units, whether purchased from Sponsor or purchased from a Residential Unit Owner on a resale.

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

Foreign Government Purchaser

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

connected with the Purchase Agreement or the Condominium Documents. Any Foreign Government Purchaser shall designate and authorize a lawful agent to receive process for and on behalf of the Foreign Government Purchaser in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. A Foreign Government Purchaser will be required to deposit with the Condominium at Closing an amount equal to 1 year Common Charges with respect to the Residential Unit based on the Condominium budget in effect as of the Closing Date of the Residential Unit which will be in addition to the required contribution to the Working Capital Fund. Such amount shall increase from time to time as such Common Charges increase, together with the full amount of any Special Assessment levied against, or allocable to, such Unit, as security for the faithful observance by such Unit Owner of the terms, provisions and conditions of the By-Laws of the Condominium. In the event that such Foreign Government Unit Owner defaults in respect of the terms, provisions and conditions of the By-Laws, the Condominium Board may use, apply or retain the whole or any part of the security so deposited, to the extent required for the payment of any Common Charges or any other sum to which such Foreign Government Unit Owner is in default. Thereafter, the Foreign Government Unit Owner shall deposit with the Condominium Board the amount so applied or retained so that such Condominium Board has the full amount of said security on hand at all times. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

Parking Space Licenses

8. (a) Sponsor is offering Purchasers of Residential Units the opportunity to purchase certain Parking Spaces pursuant to the terms of a license ("Parking Space License") for the exclusive use of Purchaser for so long as Purchaser owns a Residential Unit in the Building, the form of which is set forth in Part II of the Plan. Although the Parking Space Area is a Residential Common Element, the Condominium Board has granted Sponsor the exclusive right, without charge, to sell Parking Spaces located therein and retain all proceeds of such sale. The Condominium will not be entitled to any of the proceeds from the sale of the Parking Spaces.

(b) Based upon market conditions, until such time as Sponsor has entered into a Purchase Agreement with respect to the sale of a Parking Space, Sponsor reserves the right to withdraw the offering of the Parking Space and/or to reduce the number of Parking Spaces offered. After such time that Sponsor has entered into a Purchase Agreement with respect to the sale of a Parking Space, Sponsor may withdraw or reduce the offering of any Parking Spaces but only to the extent that such withdrawal or reduction does not affect any Parking Spaces already under contract. If, subject to the foregoing limitations, Sponsor elects to withdraw or reduce the offering of any Parking Spaces, then such withdrawal or reduction shall be disclosed by Sponsor in an amendment to the Plan, and Sponsor shall have the right to utilize such Parking Space Area for any use as determined by Sponsor in its sole discretion. Furthermore, in the event of such withdrawal or reduction, with respect only to Purchasers (i) who have not entered into Purchase Agreements for Parking Spaces and (ii) who have entered into Purchase Agreements for Parking Spaces unaffected by the withdrawal or reduction, such Purchasers shall not be relieved of any of their obligations under their respective Purchase Agreements as a result of such withdrawal or reduction, including, without limitation, the obligation to purchase the Residential Unit.

(c) The Parking Spaces and the Parking Space Area will not be serviced by an emergency generator. In the event of a power outage, any resulting loss or damage will be at the sole cost of the Parking Space Licensee. The Condominium Board, its agents and employees, and Sponsor shall not be liable for any loss or damage caused by power outages, temperature fluctuations or other causes in the Parking Space Area.

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

Non-Resident Building Manager

9. The Condominium Board will employ a building manager for the Condominium who will not reside in the Building and will engage a person or agency to perform janitorial services on a 24-hour-a-day basis. (See the Section of the Plan entitled "Description of Property.")

No Bond or Other Security Posted

10. As of the Filing Date of the Plan, Sponsor has sufficient resources to fund its obligations set forth in the Plan. No bond or other security has been posted by Sponsor to secure Sponsor's obligation under the Plan. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

Services and Facilities

11. (a) Purchasers are advised that some of the services and facilities described in the Plan (such as a full staff of Building personnel and usage of certain amenity areas) may not be available until approximately 12 months after the First Closing. Purchasers should also be aware that the hours and dates for move-ins, move-outs and/or alterations, as well as the use of the passenger and/or service elevators, will be restricted during the period that Sponsor is performing work in the Building. Additionally, until certain occupancy levels in the Building are achieved, the hours and duties of the Building staff may be reduced. However, at all times after the First Closing of a Residential Unit, the residential lobby will be attended by a part-time doorman.

(b) Purchasers will not be entitled to any credit or abatement against the Purchase Price or Common Charges if any services and/or facilities are not available for use on or after Purchaser's Closing. The Condominium Board shall have the right, but not the obligation, in its sole and absolute discretion, to adjust the First Year's Budget to reduce Common Charges for the period in which such services and/or facilities are not available.

(c) See the Section of the Plan entitled "Description of Property and Improvements" subsection "Services and Facilities" for details.

Temporary Certificate of Occupancy

12. (a) Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a permanent certificate of occupancy ("PCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and PCOs are issued by the Buildings Department. A TCO is intended to indicate that the property is safe for occupancy, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a PCO. Sponsor anticipates this scenario will occur. No Closing of a Residential Unit will occur prior to the issuance of a TCO for the particular Residential Unit. Sponsor will undertake the responsibility for extending each TCO prior to its expiration, and ultimately for obtaining a PCO covering the entire Building within 2 years from the date of the issuance of the first TCO, subject, however, to (i) Force Majeure, (ii) actions by Unit Owners or tenants of Unit Owners, (iii) work undertaken in a Unit by a Unit Owner, except in instances where Sponsor or Sponsor-controlled Condominium Board have given its consent to a Unit Owner to perform

alterations, (iv) work undertaken in Common Elements by the Condominium Board after Sponsor no longer controls the Condominium Board or (v) any other cause over which Sponsor has no control. Sponsor does not make any representation that the Buildings Department will issue the PCO within such 2 year period. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the PCO for the Building, and shall exercise best efforts to obtain the PCO within such 2 year period while keeping the TCO current. Unit Owners and the Condominium Board shall be obligated to cooperate with, and refrain from obstructing, Sponsor in these undertakings.

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

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

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

(c) Notwithstanding anything to the contrary, Purchasers will be required to consummate the purchase of the Residential Unit and the Parking Space simultaneously at Closing even if a TCO has not been issued for the Parking Space Area. In such event, Purchasers will not be able to access or use the Parking Space until such time as a TCO has been issued for the Parking Space Area. Additionally, the proceeds from the sale of the Parking Space will be held in escrow ("Parking Space Escrow") by Escrow Agent until such time as a TCO has been issued for the Parking Space Area. The Parking Space Escrow will not be held in an interest bearing escrow account, and, therefore, Purchaser will earn no interest on the Parking Space Escrow.

On-Going Construction

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

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

(c) No assurance can be given with regard to the accuracy of any projected completion dates set forth in the Plan. It is anticipated that during the first few years of Condominium operation, construction workers and related personnel will be at the Building from time to time, completing construction of the Building, making adjustments and corrections and performing various tasks relating to the completion of construction. During this period, various building systems, including but not limited to, water supply, air conditioning, heating, cooling, ventilating and elevators, may require substantial time to complete and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems may require substantial time to be completed after the First Closing. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party, nor will Purchaser be entitled to any credit, offset or reduction in the Purchase Price of the Residential Unit or otherwise be relieved from any obligation under the Purchase Agreement: (i) as a result of any of the conditions described above; (ii) in the event of non-completion of any item of construction on any projected date; or (iii) compensation for the presence of scaffolding on any portion of the Building or any interruption of services in the Building. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

(d) The Building will contain certain major mechanical equipment, including, but not limited to, elevator machine rooms, fans, pumps, domestic water tanks, chillers, packaged units and cooling towers (collectively, "Equipment") located in the cellar and on the bulkhead which may cause noise and vibration throughout the Building. While Sponsor will endeavor to reduce excessive noise and vibration emanating from the Equipment, it may be impossible to eliminate such noise and vibration entirely. As a result, Residential Units and amenity areas in close proximity may be affected. In no event, however, shall any noise emanating from the Equipment be in violation of Law, including applicable NYC noise ordinances.

(e) As is typical and customary in newly constructed or renovated buildings, the Building will be subject to normal settling, deflection, expansion and shifting. Sponsor will not be obligated to correct, and will not be liable to the Condominium Board or any Unit Owner for any cracks in the crown molding, minor gapping in the flooring, uneven ceilings or floors, floor buckling or other conditions resulting from such settling, deflection, expansion or shifting (if any). Additionally, Purchasers should note that since the ceramic, marble, stone and wood finishing installed throughout the Units (in areas including, but not limited to, flooring, walls, countertops, backsplash and vanity tops) are cut from different slabs and are comprised of natural materials, there will be variations in the tone and color of such finishes. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

(f) In the event that the Building will be occupied by tenants and/or Unit Owners prior to the issuance of a PCO for the Building, a tenant protection plan will be created and distributed to each occupant who will be occupying any dwelling units in the Building during construction, to the extent required by the Buildings Department.

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

Retail Unit

14. (a) The Condominium will contain 1 Retail Unit. The Retail Unit is being offered for sale at this time.

(b) No representation is made (i) with respect to the future ownership or tenancies of any portion of the Retail Unit and (ii) that the owners, tenants, occupants, or other users of the Retail Unit will be agreeable to Residential Unit Owners, their Permitted Users, or any other parties. No representation is made with respect to the uses to which any portion of the Retail Unit may be put at any time, except that the Retail Unit may be used for any purpose permitted by Law. The uses of the Retail Unit may generate noise, traffic, fumes, odors, vibrations, or other disturbances over which the Condominium Board and the Residential Unit Owners will have no control. Residential Unit Owners will not have any interest in the rents, profits or revenues generated from the business, rental, or other use of any space in the Retail Unit.

(c) The Retail Unit Owner and its Permitted Users shall have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any and without amendment to the Plan, to (i) subdivide and/or combine the Retail Unit and/or (ii) change the Retail Unit in size by relocating a boundary wall between retail units. In the event of a subdivision, combination, and/or change in size of the Retail Unit, the Retail Unit Owner shall additionally have the right to reapportion among the Retail Unit their respective Common Interests. Any additional condominium units created as a result of a subdivision of the Retail Unit will retain the same rights, privileges, and benefits afforded the original Retail Unit Owner and will be subject to the same obligations imposed on the original Retail Unit Owner, as set forth in the Condominium Documents. Notwithstanding the foregoing, in the event of a subdivision of the Retail Unit, the resulting Unit Owners of the subdivided Retail Unit shall have the right to collectively designate only 1 member to the Condominium Board.

(d) The Retail Unit Owner and its Permitted Users shall have an easement in, over, under, through or upon the Common Elements (i) for the purpose of accessing the Retail Unit or any portion of the Building servicing the Retail Unit, (ii) for the purpose of exiting the Building in the event of an emergency, and (iii) to install, operate, maintain, repair, alter, rebuild, restore and replace any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or Facilities forming a part of or servicing the Retail Unit.

(e) In addition to the foregoing, the Retail Unit Owner and its Permitted Users shall have the right and an easement, as applicable, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any:

(1) to erect, maintain, repair and replace one or more signs and lighting, of such size and content as the Retail Unit Owner shall determine in the windows of the Retail Unit, including, without limitation, any storefronts of the Retail Unit, for the purposes of advertising (a) the sale or rental of all or any portion of the Retail Unit or (b) the operation of any business for which the Retail Unit is used.

(2) subject only to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit, to (i) alter, modify, and/or restore the exterior façade and/or the windows of the Retail Unit, including, without limitation, any storefronts, and (ii) create additional means of egress and ingress to the Retail Unit.

(3) to use the sidewalk adjacent to the Retail Unit for any purposes permitted by Law, including, without limitation, food and beverage services and the placement of outdoor seating, tables, lighting and signage on such sidewalk, provided that the entrances to the Building are not impeded by such use. In the event the Retail Unit Owner utilizes a sidewalk adjacent to the Retail Unit, the maintenance, replacement, and repair of the sidewalk during the period of use,

together with all costs and expenses associated therewith, shall be the responsibility of the Retail Unit Owner.

(f) See the Section of the Plan entitled "Retail Unit" for details.

Special Allocation of Certain Common Expenses

15. Each Unit Owner must pay Common Charges to cover the cost of the operation and maintenance of the Condominium and Building in accordance with the New York Condominium Act (Real Property Law §§339(i)1(iv) and 339(m)). These costs, including those directly attributable to the Units and an allocated share of expenses attributable to the Condominium as a whole, will generally be borne by the Unit Owners in proportion to their respective Common Interests. However, certain budgeted items are allocated between the Residential Units and the Retail Unit on a special basis which reflects actual benefit and/or use associated with that particular item of expense or exclusive control of particular Common Elements, which may not be modified without the consent of the Retail Unit Owner. (See the Section of the Plan entitled "Schedule B – Budget for First Year of Condominium Operation" and Section 6.2 of the By-Laws for details.)

Apportionments with the Condominium

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

Window Treatments

17. In order to preserve the architectural harmony of the Building, the By-Laws provide that all Residential Unit Owners shall be obligated, regardless of the type of window treatment they use, to provide for a white backing on the window treatment so that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners" for details.)

Effectiveness of the Plan

18. Pursuant to Law, Sponsor may declare the Plan effective by entering into Purchase Agreements for the sale of a minimum of 15% of the Units offered for sale (i.e. 6 Units based on 34 Units offered for sale). Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to create a Condominium with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately close title to their Units. In the event that all Purchase Agreements are rescinded or terminated prior to the date of the First Closing, Sponsor will re-declare the Plan effective by submission of an amendment to the Department of Law, regardless whether the Declaration has been recorded. (See the Section of the Plan entitled "Effective Date" for details.)

Purchase Agreement Not Contingent on Financing

19. (a) Although a Purchaser may obtain financing from any lending institution or other source, Purchaser's obligation to purchase a Residential Unit is not contingent on Purchaser obtaining financing. In the event a Purchaser defaults under a Purchase Agreement beyond all applicable cure

periods as a result of inability to obtain financing, Sponsor shall be entitled to exercise any remedies provided under the Purchase Agreement, including the right to retain the Deposit as liquidated damages. Neither Sponsor nor Selling Agent makes any representation as to the availability or terms of any form of financing. Purchasers may want to consult with a lending institution and/or finalize their financing arrangements before signing a Purchase Agreement. While the First Closing is projected to occur on or around December 1, 2017, neither Sponsor nor Selling Agent makes any representation as to the actual closing date for any particular Unit. In addition, as set forth in the Plan and the Purchase Agreement, Sponsor has the right to adjourn the Closing Date from time to time and Purchasers should be aware that if the Closing Date is adjourned, Purchaser's financing terms may be adversely affected, the interest rate may increase and the loan commitment could expire. Sponsor shall have no liability as a result of any scheduling or adjournment of Closing beyond the expiration of a loan commitment. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

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

(c) Even after the Building has been submitted to a condominium regime, lenders may still impose minimum sales and/or owner-occupancy requirements before granting a loan. It then may be difficult for a Purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum sales and/or owner-occupancy requirements.

Special Rights of Sponsor

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

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

(c) During the Sponsor Control Period, the Condominium Board shall have the right, in its sole discretion, to waive Unit Owner obligations to pay Common Charges from the First Closing for a period to be determined by the Condominium Board, provided the basic operating costs of the Condominium

(inclusive of insurance premiums and reserves required by lenders) are paid by Sponsor. If the Condominium Board elects to waive payment of Common Charges, Sponsor shall disclose such waiver of Common Charges and the expected period of time of such waiver of Common Charges ("Waiver Period") in the 30 day closing notice to Purchasers and in the post-closing amendment to the Plan. In the event the Condominium Board elects to extend the Waiver Period, Sponsor will amend the Plan to disclose the extended Waiver Period. In the event that the term of the Waiver Period has not already been disclosed, Sponsor shall additionally file an amendment to the Plan disclosing the expiration of the Waiver Period and notify all Unit Owners in writing at least thirty (30) days prior to such expiration. Upon commencement of collection of Common Charges from all Unit Owners, there will not be a Special Assessment for any expense set forth in the approved budget for which Common Charges were not collected during the Waiver Period. The Condominium Board shall remain obligated to update the budget in accordance with the terms of the Plan. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners," subsection "Common Charges: Determination and Assessment" for details.)

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

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

Future Construction

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

Unit Measurements

22. (a) Floor Plans depicting proposed layouts of Units and the Parking Spaces appear in Part II of the Plan. For measurement purposes, the approximate square foot area of each Unit (within reasonable tolerances) is measured horizontally on each of one or more floors from the exterior side of the glass or the exterior walls of the Building to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the midpoint of the interior walls and partitions separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or to the opposite exterior side of the glass or the exterior walls of the Building, as the case may be, however, columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits in all Units are not deducted from measurement of each Unit. Measured vertically, each Unit will consist of the volume from the top of the floor slab (located under the finished flooring and sub-floor materials) to the underside of the floor slab above.

(b) As is customary in New York, these square footages exceed the usable floor area of each Unit. See the Footnotes to Schedule A in Part I of the Plan and the "Description of Property and Improvements" set forth in Part II of the Plan for details.

Window Guards / Legally Compliant Window Stops

23. Any installations, replacements, and/or repairs in connection with legally-compliant window guards and/or window stops in any Residential Unit shall be performed at the direction of the Managing Agent and all costs associated therewith shall be borne by the Residential Unit Owner. It is the responsibility of each Residential Unit Owner to (i) notify the Managing Agent in writing if any child under the age of eleven (11) years resides (even temporarily) in the Residential Unit, (ii) make the necessary arrangements with respect to the installation, repair, replacement, operation, and/or maintenance of legally-compliant window guards and/or window stops in the Residential Unit and/or any additional equipment as required by Law, and (iii) otherwise ensure that all operable windows located in the Residential Unit comply with Laws relating to window guards and/or window stops. Sponsor makes no representation whether or not Residential Unit Owners will comply with the foregoing obligations. (See the Section of the Plan entitled "Terms of Sale" for further details.)

Marketing Materials

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

Wood Products

25. Purchasers should note that wood products have certain inherent risks. Risks associated with all wood products (including, without limitation, wood flooring, furniture, cabinetry, and molding) include, but are not limited to, the following: cracks between the floor boards, squeaks, cupping, knots, mineral streaks, warping, splitting, denting, and/or delamination. The foregoing items may affect light-colored wood more noticeably. Additionally, wood products are subject to variations (i) in color (including possibly white, red, black, or even green shades), (ii) in the pattern and/or texture of wood grain, and (iii) in the appearance of finishes (including wood staining, gloss, and/or matte finishes). These variations may occur between wood products located in the same area of the Residential Unit. Wood products can also be affected by exposure to light and may darken, lighten, fade, and otherwise change with use and age. Protective felt pads and protective sheeting (such as plywood or masonite) should always be used on wood flooring when placing furniture or appliances avoid denting. As recommended by the National Wood Flooring Association, Unit Owners are advised to be very cautious about washing wood products with a wet mop or otherwise with water, since contact with standing water can cause cupping, swelling, and subsequent gapping. For more information about the effect of water on wood flooring, Purchasers should make reference to the National Wood Flooring Association, available at http://www.nwfa.org/. All wood products should be maintained in accordance with the

manufacturer's recommendations. All references in the Plan to wood products shall be deemed references to engineered wood products unless otherwise specified. (See the Section of the Plan entitled "Rights and Obligations Unit Owners" for further details.)

Resale Fee

26. Each Residential Unit Owner who acquired a Residential Unit from Sponsor ("Sponsor Sale") and subsequently enters into an agreement ("Resale Agreement") to sell such Residential Unit prior to the first anniversary of the First Closing ("Resale") shall be obligated to pay to Sponsor a portion of the proceeds of the Resale ("Resale Fee"). Such Residential Unit Owner will be required to provide Sponsor with Notice of the Resale Agreement within ten (10) days after entering into the Resale Agreement. The Resale Fee paid to Sponsor at the closing of the Resale shall be equal to 50% of the "Gross Profit," i.e. the difference between (A) the "Net Profit," i.e. the sales price of the Residential Unit set forth in the Resale Agreement less the following expenses actually paid by the Residential Unit Owner (to the extent applicable): (1) brokerage commissions not exceeding 6% in the aggregate; (2) transfer taxes imposed by Law, if paid for by the Residential Unit Owner, and (3) actual legal fees not exceeding $5,000, and (B) the "Sponsor Sale Price," i.e. the Purchase Price paid to Sponsor in connection with the Sponsor Sale. At such time as Sponsor no longer owns any Unsold Residential Units, the obligation to pay the Resale Fee shall no longer be applicable. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners" for further details.)

Principals of Sponsor Have Executed the Certification of Sponsor and Principals for Compliance with the Martin Act and Governing Regulations

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

Insurance

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

(b) Sponsor does not make any representation that the insurance limits set forth in Schedule B will meet the requirements of a lender who finances the purchase of a Unit. If Purchaser's lender requires additional insurance, Purchaser will be obligated to obtain such supplemental insurance at Purchaser's sole cost and expense.

Roof Terraces

29. Any Residential Unit Owner whose Residential Unit has an appurtenant Terrace shall neither install nor permit to be installed any improvement, fixture, or other additions which exceed a maximum load of 100 lbs./square foot, unless such Residential Unit Owner (i) first obtains approval by the Condominium Board to increase the load-bearing capacity of the Terrace and complies with any

reasonable requests by the Condominium Board for copies of certificates of insurance, permits, authorizations, approvals, and/or certificates required for such work, and (ii) engages a professional structural engineer having at least ten (10) years' experience in structural engineering to design additional support to increase the load-bearing capacity of the Terrace and performs all such work in conformity therewith.

ICAP Real Estate Tax Benefits

30. Sponsor has applied for partial exemption from real estate taxes attributable to the Retail Unit pursuant to the Industrial and Commercial Incentive Program ("ICAP Program") pursuant to Title II, Chapter 2 of the New York City Administrative Code ("ICAP Benefits"). Sponsor shall not be obligated to incur any extraordinary expenses (beyond the customary expenses associated with such approvals) or commence any litigation to obtain such approval. Sponsor anticipates but does not guarantee that such approval will be obtained. If such approval is not obtained, a Purchaser of the Retail Unit has no right to rescind the Purchase Agreement, even though ICAP Benefits would not be available to the Retail Unit. If granted, the ICAP Benefits are expected to be in effect for a period of 15-25 years, depending on the determination by the Department of Finance. Neither Sponsor, Attorneys for Sponsor, Income Tax Counsel, Metropolitan Valuation Services, Seiden & Schein, P.C., Selling Agent, Managing Agent, nor any other person makes any representation that the partial exemption from real estate taxes under the ICAP Program will be granted in whole or in part, or if granted, will not be later reduced or revoked, or as to the amount of the tax which will be assessed against Retail Unit or the amount of real estate taxes payable at any time by the Retail Unit Owner. (See the Sections of the Plan entitled "Projected ICAP Real Estate Tax Benefits" in Part I, "Real Estate Tax Projection Opinion" in Part II, and "ICAP Benefits Opinion" also in Part II for more details.)

Quality Housing Program

31. The Building is required to comply with the Quality Housing Program. The Quality Housing Program is a mandatory program in certain zoning districts, whose purpose is encourage development consistent with the character of the established neighborhood. For Buildings that participate in this program, typical effects of the Quality Housing Program can include height limits, special allowances for high lot coverage buildings that are set near or at the street line, and requirements for amenities relating to interior space, recreation areas, and landscaping. For more information about the Quality Housing Program, including its specific requirements for each zoning district, please refer to the following website: http://www.nyc.gov/html/dcp/pdf/zone/art02c08.pdf. In this case, the design of the Building, as described under the terms of this Offering Plan, complies with all mandatory requirements. (See the Section of the Plan entitled "Description of Property and Improvements" set forth in Part II of the Plan for details.)

Marketing Floors

32. Two different methods exist for numbering the floors in the Building, as reflected in the schedule of floor numberings provided in the "Description of Property and Improvements" set forth in Part II of the Plan. For purposes of marketing, the floors in the Building will be designated 1st through 7th and will skip a 2nd floor. Unless specifically provided otherwise, all references to floors and unit designations in the Plan will be consistent with the marketing floor and unit numbering system. (See the Section of the Plan entitled "Description of Property and Improvements" set forth in Part II of the Plan for details.)

Alternative Floor Plans for Residential Units 3B, 4B, 3E, 4E, and 5D

33. While Sponsor is offering Residential Units 3B, 4B, 3E, 4E, and 5D as three-bedroom units, the Floor Plans additionally include alternative floor plans for these Residential Units with four-bedroom designs ("Alternative Floor Plans"). Upon the request of Purchaser, Sponsor may, in its sole discretion, elect to deliver the Residential Unit in accordance with the Alternative Floor Plan instead of the original three-bedroom layout. Any extra costs and expenses associated with constructing the Residential Unit in accordance with the Alternative Floor Plan shall be at the sole cost and expense of Purchaser. Any Residential Unit constructed pursuant to an Alternative Unit Floor Plan will contain the same square footage and Offering Price as set forth on the Schedule A. (See the Section located in Part I of the Plan entitled "Description of Property and Improvements" and the Section located in Part II of the Plan entitled "Floor Plans" for more details.)

Non-Accessible Roof Terrace

34. (a) There will be a portion of the roof that will be vacant and/or containing mechanical equipment ("Non-Accessible Roof Area"). Despite being a Common Element, the Non-Accessible Roof Area shall not be accessible to any Residential Unit Owner or the public, although the Condominium Board and the Building staff shall have access for maintenance purposes.

(b) It is presently contemplated, but in no way guaranteed, that Sponsor may redesign the Non-Accessible Roof Area in the future by sectioning the Non-Accessible Roof Area into one or more private terraces or cabanas ("Redesign") that can be offered for sale by Sponsor to Residential Unit Owners pursuant to licensing arrangements. If the Non-Accessible Roof Area is redesigned in the future, (a) such Redesign shall be disclosed in a duly filed amendment to the Plan and (b) the rights and obligations of Residential Unit Owners with respect to their respective Residential Units shall not be adversely affected as a result of such Redesign.

(c) See the Section of the Plan entitled "Description of Property and Improvements."

Inconsistencies between the Floor Plans in Part II and the Plans and Specifications

35. (a) Purchasers are advised that the Plans and Specifications are currently inconsistent in some respects with the Floor Plans contained in Part II of the Plan due to recent reconfigurations of certain areas of the Building. Sponsor is in the process of amending the Plans and Specifications to resolve these inconsistencies such that the Plans and Specifications will be updated to match the Floor Plans and the Description of the Property and Improvements set forth in Part II of the Plan. Please refer to Exhibit "A" of the architect's report (set forth in Part II of the Plan in the section entitled "Description of Property and Improvements") for a summary of these inconsistencies. The Floor Plans set forth in Part II of the Plan already contain all updates and therefore should be relied on by Purchasers for the most current information. (See the Section of the Plan entitled "Description of Property and Improvements.")

(b) In the event that the Buildings Department requires Sponsor to change the design of a Unit as a prerequisite to approving the amended Plans and Specifications, and that such change would be inconsistent with the Floor Plans or Description of Property and Improvements set forth in Part II and would materially and adversely affect any Unit Owner or Purchaser or increase any obligation of a Unit Owner or Purchaser to any adverse and material degree ("Material and Adverse"), then (i) such change will be reflected in a duly filed amendment to the Plan and (ii) in such amendment, Sponsor will offer affected Purchasers the right for 15 days from the Presentation Date of the amendment to rescind their Purchase Agreements and receive a refund of their Deposits, together with all interest earned thereon, except for any Special Work Funds to the extent that such Special Work Funds have been expended. With respect to any Purchaser who is unaffected by the change (or any Purchaser who is affected by a change to their Unit but the change is not

Material and Adverse), such Purchaser will not be excused from purchasing the Unit and will not have any claim against Sponsor as a result of any such change and such change will not affect the Purchaser's obligations under the Purchase Agreement or the Plan. (See the Section of the Plan entitled "Changes in Prices and Units" for more details.)

INTRODUCTION

Nature of the Transaction

522-528 LLC ("Sponsor") is a limited liability company organized and existing under the laws of the State of New York. Sponsor acquired the Property on December 15, 2014 from H&L New York LLC.

Sponsor presents this offering plan, as the same may be amended from time to time ("Plan") for the establishment of condominium ownership of the Land and Building pursuant to the Condominium Act. The Condominium will be known as The Hendrik Condominium and located at 509 Pacific Street, Brooklyn, New York 11217 ("Property").

The principal (as such term is defined in the Attorney General's regulations) of Sponsor is Jeffrey Gershon. (See the Sections of the Plan entitled "Identity of Parties" and the "Certification of Sponsor and Principals" in Part II of the Plan for details.)

The Condominium will consist of: (a) 33 Residential Units, (b) 1 Retail Unit, and (c) 12 Parking Spaces. The Residential Units and the Retail Unit are collectively referred to as the "Units."

The Offering Plan

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

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

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

In addition, Sponsor has filed with the Department of Law, Exhibits to the Plan which, along with the Plan, constitute the entire offer of Sponsor. Copies of the Plan and all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the Plan shall be available for inspection by Purchasers and their attorneys without charge and for copying at a reasonable charge by any Person who shall have purchased a Unit offered by the Plan at the Sales Office and available for inspection and copying at the office of the Department of Law. A prospective Purchaser may borrow the Plan upon payment of a $300 deposit, which amount will be fully refunded upon either (i) the prompt return of the Plan in good condition or (ii) the execution by the prospective Purchaser of a Purchase Agreement subsequently accepted by Sponsor. Purchasers are also advised to consult with their own attorneys or other advisers before agreeing to purchase. All documents are important and should be read carefully by Purchasers.

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

The Property

The Building will be newly constructed. Based upon the current construction schedule, Sponsor contemplates that, unless delayed by Force Majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about December 1, 2017. Purchasers should note however that: (i) Residential Units will be completed at different times over a period that may begin

prior to and/or extend significantly beyond such projected date, and (ii) Residential Units on higher floors generally close later than Residential Units on lower floors. Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to any credit, offset or reduction in the Purchase Price or otherwise be relieved from any obligations under the Purchase Agreement, if the First Closing occurs earlier or later than the projected date, or the time to complete or to close title to any Residential Unit is delayed or postponed by Sponsor. Sponsor has the right to change the projected First Year of Condominium Operation from time to time by an amendment to the Plan. If the First Closing does not occur within 12 months after the date set forth in Schedule B for the First Year of Condominium Operation in effect on the date a Purchaser and Sponsor entered into a Purchase Agreement, Sponsor will offer those affected Purchasers only a right to rescind their Purchase Agreements for 15 days from the Presentation Date of the amendment disclosing Sponsor's failure to close within such time frame. Any Purchasers electing rescission will have their Deposits returned together with any interest earned thereon.

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

Offering of Residential Units for Sale

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

Offering of Retail Unit for Sale

Sponsor hereby offers the Retail Unit for sale pursuant to the Plan. The Purchase Prices for the Retail Unit are listed in the Section of the Plan entitled "Schedule A - Purchase Prices and Related Information" ("Schedule A"). THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY. All terms of sale with respect to the Retail Unit are freely negotiable without resort to the form Purchase Agreement set forth in Part II of the Plan, including, but not limited to, the amount of the Deposits, payment of use and occupancy fees from the date of Closing until the Condominium Board's imposition of Common Charges, terms of sale and insurance coverage requirements.

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

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

Offering of Parking Spaces for Sale

Sponsor hereby offers the Parking Spaces for sale pursuant to the Plan. The Parking Spaces will be conveyed pursuant to a license agreement, the form of which is set forth in Part II of the plan ("Parking Space License"). A Parking Space may only be purchased by a Purchaser of a Residential Unit. The Purchase Price for each of the Parking Spaces is listed in Schedule "A." THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY. The Condominium Board has the right to impose monthly license fees and Special Assessments in connection with the Parking Space Licenses.

Although the Parking Space Area is a Residential Common Element, the Condominium Board has granted Sponsor the exclusive right, without charge, to sell the Parking Spaces located therein and retain all proceeds of such sale. The Condominium will not be entitled to any of the proceeds from the sale of the Parking Spaces.

Sponsor reserves the right to offer as many Parking Spaces as it determines and to withhold one or more for future sale. In addition, Sponsor has the right to limit the number of Parking Spaces sold to any single Purchaser of a Residential Unit or to make bulk sales, as it deems fit.

Based upon market conditions, until such time as Sponsor has entered into a Purchase Agreement with respect to the sale of a Parking Space, Sponsor reserves the right to withdraw the offering of Parking Spaces and/or to reduce the number of Parking Spaces offered. After such time that Sponsor has entered into a Purchase Agreement with respect to the sale of a Parking Space, Sponsor may withdraw or reduce the offering of any Parking Spaces but only to the extent that such withdrawal or reduction does not affect any Parking Spaces already under contract. If, subject to the foregoing limitations, Sponsor elects to withdraw or reduce the offering of any Parking Spaces, then such withdrawal or reduction shall be disclosed by Sponsor in an amendment to the Plan, and Sponsor shall have the right to utilize such Parking Space Area for any use as determined by Sponsor in its sole discretion. Furthermore, in the event of such withdrawal or reduction, with respect only to Purchasers (i) who have not entered into Purchase Agreements for Parking Spaces and (ii) who have entered into Purchase Agreements for Parking Spaces unaffected by the withdrawal or reduction, such Purchasers shall not be relieved of any of their obligations under their respective Purchase Agreements as a result of such withdrawal or reduction, including, without limitation, the obligation to purchase the Residential Unit.

Conveyance of Title

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

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

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

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

of Residential Unit Owners who are not occupants. It is possible that Residential Unit Owners who occupy Residential Units may have different interests than those Residential Unit Owners who do not occupy Residential Units.

Sponsor reserves the right to offer the Residential Units in such order of priority as it may determine, and to withhold one or more Residential Units for future sale or rental. In addition, Sponsor has the right to limit the number of Residential Units sold to any Purchaser and to make Bulk Sales of Residential Units. The Purchaser of such Residential Units shall be bound by Sponsor's representations in the Plan with regard to Sponsor's commitment to sell Residential Units.

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

Basic Aspects of Condominium Ownership

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

Subject to certain conditions contained in the By-Laws, each Unit Owner may mortgage the Unit with such lender and in such amount as the Unit Owner chooses. However, Sponsor does not make any representations about the financeability of any Unit. There are no limitations or restrictions upon the rights of Sponsor to mortgage Unsold Residential Units or the rights of Retail Unit Owner to mortgage Retail Unit. Each Unit is separate and will not be subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

Operation of the Condominium will be vested in a Condominium Board, the members of whom will be elected by the Residential Unit Owners, subject to the rights of Sponsor and the Retail Unit Owner to designate members of the Condominium Board, as set forth in the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws." When voting for members of the Condominium Board, each Residential Unit Owner shall be entitled to cast one vote for each .0001% of Common Interest attributable to the Residential Unit per Residential Member to be elected.

A Unit Owner may decorate and construct the interior of the Unit in any way the Unit Owner desires, subject to compliance with the Condominium Documents and Law, and will be solely responsible for the cost of maintenance and interior repairs to the Unit after Closing.

Each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes assessed against any other Unit. In the opinion of Tax Counsel to Sponsor, which opinion is set forth in full in Part II of the Plan, a Residential Unit Owner who itemizes deductions may be eligible, under current Law, to deduct from income for income tax purposes, real estate taxes and interest paid on the

Unit Owner's mortgage, subject to certain exceptions and limitations discussed in the "Attorney's Income Tax Opinion" set forth in Part II of the Plan. (See the Section of the Plan entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" for details.)

The cost of operating the Condominium will be borne entirely by the Unit Owners in accordance with allocations set forth in the "Schedule B – Projected Budget for First Year of Condominium Operation." As more particularly set forth in the By-Laws, the Condominium Board will determine the amount of Common Expenses. On a monthly basis or at such other times as the Condominium Board determines, the Condominium Board will assess Unit Owners for Common Charges to meet Common Expenses. Common Expenses shall be either General Common Expenses attributable to all Unit Owners or Residential Common Expenses attributable to Residential Unit Owners only. Common Charges will be assessed against Residential Unit Owners in the same proportion their respective Residential Units bears to the aggregate Common Interests of all Residential Units. The estimated Common Charges for each Unit for the First Year of Condominium Operation are set forth in Schedule A. Purchasers are obligated to pay monthly Common Charges pursuant to the Condominium Act (RPL Sections 339 (i) and (m)).

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

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

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

After the Closing of Title to a Unit, a Unit Owner will be solely responsible for maintaining casualty insurance with respect to the Unit, any Residential Limited Common Elements appurtenant thereto, and any Unit Owner Property, as well as liability insurance with respect to occurrences in or about the Unit and any Residential Limited Common Elements appurtenant thereto. The Condominium Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements (except for any Residential Limited Common Elements appurtenant to Units and any Unit Owner Property located in a Common Element), in accordance with the provisions of the By-Laws. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" for details.)

Each Purchaser of a Residential Unit will be required to make a non-refundable contribution to the Working Capital Fund of the Condominium at Closing, in an amount equal to 2 months' Common Charges with respect to the Residential Unit based on the Condominium budget in effect as of the Closing Date. The

payment of the Working Capital Fund shall be required of all Purchasers of Residential Units, whether purchased from Sponsor or purchased from a Residential Unit Owner on a resale.

In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes with respect to the Unit (both before and after such taxes are separately assessed and billed against the Unit by the City of New York), interest and amortization payments on any mortgage and charges for electricity consumed in the Unit.

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

A Parking Space may be used only for the parking of passenger automobiles and motorcycles. No representation is made as to the type or size of vehicles that can be accommodated in any particular Parking Space. A Parking Space may not be used for sleeping, dining or other occupancy uses (collectively, "Prohibited Uses"). The use of a Parking Space for a Prohibited Use can result in violations being posted against the Building. Any and all costs or expenses incurred by the Condominium or the other Unit Owners as a result of such Prohibited Use shall be borne by the Owner of the Residential Unit to which such Parking Space is appurtenant. Sponsor shall have the right to use any Parking Space for any purpose permitted by Law or to change the permitted use of such Parking Space subject to the provisions of the By-Laws.

Sponsor may, without the consent of either the Condominium Board or the Unit Owners, use any Unsold Parking Space for any purpose permitted by Law or to change the permitted use of an Unsold Parking Space, subject to the provisions of the By-Laws. Except for Sponsor and the Condominium Board, a Parking Space may not be licensed independently of a Residential Unit.

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

Each Residential Unit Owner has exclusive use, subject to any and all Residential Rules and Regulations implemented by the Condominium Board, of any Residential Limited Common Element appurtenant to such Residential Unit Owner's Residential Unit, as shown on the Floor Plans included in Part II of the Plan, and is responsible for all normal maintenance, repairs and replacements thereto. However, the costs and expenses of any structural or extraordinary repairs or replacements to any Residential Limited

Common Element (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to same) shall be charged to all Residential Unit Owners as a Residential Common Expense. The type, size, weight, location and quantity of plantings and other installations to be placed on Terraces shall be subject to the prior approval of the Condominium Board and shall be in compliance with Law.

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

The Interstate Land Sales Full Disclosure Act, 15 U.S.C. §§1701 et seq. ("Act") is a federal statute administered, as of July 21, 2011, by the Consumer Financial Protection Bureau ("CFPB") pursuant to the Dodd-Frank Act. The Act requires sponsors of certain new construction condominium projects to file a statement of record ("Statement") and property report ("Property Report") with CFPB and to provide a copy of the Property Report to purchasers before they sign a purchase agreement, unless the condominium project or sale is exempt from this filing requirement. On September 26, 2014, President Obama signed into law a bill amending the Act to exempt sponsors of new construction condominium projects from the obligation to file a Statement and Property Report. The law takes effect 180 days after its enactment, which is March 25, 2015. As of March 25, 2015 the registration and filing requirements of the Act are no longer applicable for condominium projects in New York.

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

DEFINITIONS

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

"Additional Deposit" shall mean a deposit in an amount equal to 5% of the Purchase Price required to be delivered by Purchaser before the earlier to occur of (i) 6 months after the date on which a Purchase Agreement is executed by Sponsor and Purchaser, or (ii) 15 days after the Presentation Date of an amendment declaring the Plan effective.

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

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

"Building" shall mean the building located at 509 Pacific Street, Brooklyn, New York 11217.

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

"Bulk Sales" shall mean the transfer of 10 or more Residential Units or 20% of the total number of Residential Units in the Condominium, whichever is less.

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

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

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

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

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

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

working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); and (iii) generally, the conduct of the affairs of the Condominium. Common Expenses shall be either General Common Expenses attributable to all Unit Owners or Residential Common Expenses attributable to Residential Unit Owners.

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

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

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

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

"Condominium Documents" shall mean the Declaration, the By-Laws, the Residential Rules and Regulations and the Tax Lot Drawings.

"Construction Lender" shall mean a Person, together with its respective successors and assigns, from whom Sponsor has procured, or will have procured, an agreement for financing the construction of the Building.

"Declarant" shall mean 522-528 LLC and its successors and assigns.

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

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

"Deposits" shall mean, collectively, all deposits, advances and payments delivered by a Purchaser prior to the Closing of a Unit, including, without limitation, the Initial Deposit and Additional Deposit.

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

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

"Equal or Better Quality" shall mean comparable or better quality as recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable.

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

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

"Family Members" shall mean the spouse, domestic partner, their children, stepchildren, grandchildren, siblings, stepsiblings, aunts, uncles, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Residential Unit Owner who reside in such Residential Unit Owner's Residential Unit.

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

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

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

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

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

"Floor Plans" shall mean the floor plans depicting the proposed layouts of the Units and the Parking Spaces that appear in Part II of the Plan.

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

"GBL" shall mean Section 352-e of the New York State General Business Law, as amended from time to time.

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

described in the Declaration and the Tax Lot Drawings except with respect to the Ancillary Amenities, which are available only for use by the licensee of the particular Ancillary Amenity.

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

"Initial Deposit" shall mean a deposit in an amount equal to 10% of the Purchase Price required to be delivered by Purchaser at the time Purchaser signs and delivers the Purchase Agreement.

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

"Institutional Mortgage" shall mean any Permitted Mortgage where the initial holder is either Sponsor or an Institutional Lender.

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

"Land" shall mean the land located in the Borough of Brooklyn on the Tax Map of the Division of Land Records of The City of New York as Block 186, Lot 1 and more particularly described in Exhibit A to the Declaration.

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

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

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

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

"Mortgage Representative" shall mean not more than three (3) representatives designated by the holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages, which Mortgage Representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or the By-Laws.

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

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

"Parking Space" shall mean any Parking Space located in the Parking Space Area. Each Parking Space is a Residential Common Element. Any reference in the Plan to "owning a Parking Space" means that the Residential Unit Owner has entered into a Parking Space License for the Parking Space.

"Parking Space Area" shall mean an attended area located in the ground floor of the Building containing the Parking Spaces. The Parking Space Area is a Residential Common Element.

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

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

"PCO" shall mean the permanent certificate of occupancy for the Building issued by the Buildings Department.

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

"Permitted Mortgage" shall mean a first mortgage permitted to be placed upon a Unit pursuant to the provisions of the By-Laws.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Special Assessment" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws), in accordance with the By-Laws of the Condominium.

"Sponsor" shall mean 522-528 LLC and its successors and assigns as well as any other Person(s) designated by Sponsor, in a writing to the Condominium Board or by amendment to the Plan, to retain Sponsor's rights under the Plan and the Condominium Documents.

"Sponsor Control Period" shall mean the period ending on the earlier to occur of: (i) the fifth anniversary of the First Closing; (ii) the Closing of Title to all Units (including the Retail Unit); or (iii) the date on which Sponsor otherwise exercises its right to relinquish voting control of the Condominium Board.

"Tax Lot Drawings" shall mean the floor plans of the Units certified by a professional engineer or licensed architect and filed in the Register's Office simultaneously with the recording of the Declaration, as the same may be supplemented and/or amended from time to time.

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

"Terrace" shall mean any terrace, balcony or garden which is appurtenant to a Residential Unit as a Residential Limited Common Element and shall include any pavers, decking and drains, hose bibs, electrical outlets, lighting and light fixtures, enclosures and dividers installed thereon. All such terraces, balconies or gardens are, collectively, referred to as the "Terraces."

"Title Company" shall mean New York Land Services: Commonwealth Land Title Insurance Company, having an office at 630 Third Avenue, 12th Floor, New York, New York 10017 (telephone: (212) 490-2277, facsimile: (212) 490-8012), or any successor Title Company at the time in question.

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

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

"Unit Owner Property" shall mean all appliances, equipment, flooring, fixtures, improvements, furniture, furnishings, decorations, belongings, and other personal property of any kind contained in a Unit, any Limited Common Elements appurtenant thereto, and any Parking Space.

"Unsold Residential Unit" shall mean any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained by Sponsor or a

principal of Sponsor at the time in question. All such Unsold Residential Units are, collectively, referred to as the "Unsold Residential Units."

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

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

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

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

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

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

Location

The Property is located at 509 Pacific Street in the Borough of Brooklyn, County of Kings, City and State of New York.

Improvements - General Description of Building

The Condominium will consist of Residential Units, Retail Unit and Parking Spaces located within a structure comprising six (6) above-grade construction stories, one (1) below-grade level, and one (1) roof level. Marketing floors are numbered 1 through 7, with no 2nd floor designation. Unless specifically provided otherwise, all references to floors and unit designations in the Plan will be consistent with the marketing floor and unit numbering system.

There will also be various amenities for the benefit of the Residential Unit Owners, including a common second floor terrace, a fitness center, a children's play room, and various utility and service areas located throughout the Building. (See the subsection entitled "Services and Facilities" for details.)

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

Purchasers are advised that the Plans and Specifications are currently inconsistent in some respects with the Floor Plans contained in Part II of the Plan due to recent reconfigurations of certain areas of the Building. Sponsor is in the process of amending the Plans and Specifications to resolve these inconsistencies such that the Plans and Specifications will be updated to match the Floor Plans and the Description of the Property and Improvements set forth in Part II of the Plan. Please refer to Exhibit "A" of the architect's report (set forth in Part II of the Plan in the section entitled "Description of Property and Improvements") for a summary of these inconsistencies. The Floor Plans set forth in Part II of the Plan already contain all updates and therefore should be relied on by Purchasers for the most current information. In the event that the Buildings Department requires Sponsor to change the design of a Unit as a prerequisite to approving the amended Plans and Specifications, and that such change would be inconsistent with the Floor Plans or Description of Property and Improvements set forth in Part II and would materially and adversely affect any Unit Owner or Purchaser or increase any obligation of a Unit Owner or Purchaser to any adverse and material degree ("Material and Adverse"), then (i) such change will be reflected in a duly filed amendment to the Plan and (ii) in such amendment, Sponsor will offer affected Purchasers the right for 15 days from the Presentation Date of the amendment to rescind their Purchase Agreements and receive a refund of their Deposits, together with all interest earned thereon, except for any Special Work Funds to the extent that such Special Work Funds have been expended. With respect to any Purchaser who is unaffected by the change (or any Purchaser who is affected by a change to their Unit but the change is not Material and Adverse), such Purchaser will not be excused from purchasing the Unit and will not have any claim against Sponsor as a result of any such change and such change will not affect the Purchaser's obligations under the Purchase Agreement or the Plan. (See the Section of the Plan entitled "Changes in Prices and Units" for more details.)

Residential Units

There will be 33 Residential Units located on floors 3-7, the square footages of which are set forth on Schedule A. Purchasers are urged to consult the Floor Plans and Description of Property and Improvements contained in Part II of the Plan for details regarding the Residential Units.

While Sponsor is offering Residential Units 3B, 4B, 3E, 4E, and 5D as three-bedroom units, the Floor Plans additionally include alternative floor plans for these Residential Units with four-bedroom designs ("Alternative Floor Plans"). Upon the request of Purchaser, Sponsor may, in its sole discretion, elect to deliver the Residential Unit in accordance with the Alternative Floor Plan instead of the original three-bedroom layout. Any extra costs and expenses associated with constructing the Residential Unit in accordance with the Alternative Floor Plan shall be at the sole cost and expense of Purchaser. Any Residential Unit constructed pursuant to an Alternative Unit Floor Plan will contain the same square footage and Offering Price as set forth on the Schedule A.

Retail Unit

The Condominium will contain a Retail Unit located on portions of the cellar and ground floor, the square footages of which are set forth on Schedule A. Purchasers should refer to the Section of the Plan entitled "Retail Unit" for a detailed description of the Retail Unit.

Parking Spaces

Parking Spaces will be located in the Parking Space Area of the Building, shown on the Floor Plans set forth in Part II of the Plan. The approximate square footages (within reasonable tolerances) and Purchase Prices of the Parking Spaces are set forth on Schedule A. A Parking Space License will not be attributable to any particular Parking Space, but will rather entitle such Licensee the right to park one vehicle in any available Parking Space in the Parking Space Area.

A Parking Space may be used only for the parking of passenger automobiles and motorcycles. No representation is made as to the type or size of vehicles that can be accommodated in any particular Parking Space. Notwithstanding anything to the contrary, Sponsor may, without the consent of either the Condominium Board or the Unit Owners, use any Unsold Parking Space for any purpose permitted by Law or to change the permitted use of an Unsold Parking Space, subject to the provisions of the By-Laws. Except for Sponsor and the Condominium Board, a Parking Space may not be licensed independently of a Residential Unit.

A Parking Space may not be used for sleeping, dining or other occupancy uses (collectively, "Prohibited Uses"). The use of a Parking Space for a Prohibited Use can result in violations being posted against the Building. Any and all costs or expenses incurred by the Condominium or the other Unit Owners as a result of such Prohibited Use shall be borne by the Residential Unit Owner of the Unit to which such Parking Space is appurtenant.

Although the Parking Space Area is a Residential Common Element, the Condominium Board has granted Sponsor the exclusive right, without charge, to sell Parking Spaces located therein and retain all proceeds of such sale. The Condominium will not be entitled to any of the proceeds from the sale of the Parking Spaces.

Based upon market conditions, until such time as Sponsor has entered into a Purchase Agreement with respect to the sale of a Parking Space, Sponsor reserves the right to withdraw the offering of any particular Parking Space and/or to reduce the number of Parking Spaces offered. After such time that Sponsor has entered into a Purchase Agreement with respect to the sale of a Parking Space, Sponsor may withdraw or reduce the offering of any Parking Spaces but only to the extent that such withdrawal or reduction does not affect any Parking Spaces already under contract. If, subject to the foregoing limitations,

Sponsor elects to withdraw or reduce the offering of any Parking Spaces, then such withdrawal or reduction shall be disclosed by Sponsor in an amendment to the Plan, and Sponsor shall have the right to utilize the Parking Space Area for any use as determined by Sponsor in its sole discretion. Furthermore, in the event of such withdrawal or reduction, with respect only to Purchasers (i) who have not entered into Purchase Agreements for Parking Spaces and (ii) who have entered into Purchase Agreements for Parking Spaces unaffected by the withdrawal or reduction, such Purchasers shall not be relieved of any of their obligations under their respective Purchase Agreements as a result of such withdrawal or reduction, including, without limitation, the obligation to purchase the Residential Unit.

The Parking Spaces and the Parking Space Area will not be serviced by an emergency generator. In the event of a power outage, any resulting loss or damage will be at the sole cost of the Parking Space Licensee. The Condominium Board, its agents and employees, and Sponsor shall not be liable for any loss or damage caused by power outages, temperature fluctuations or other causes in the Parking Space Area.

Purchasers should not purchase a Unit in reliance on the use or availability of any Parking Space and Sponsor does not make any representation of the availability of any particular Parking Space.

Construction Data for Units and Common Elements

Sponsor has engaged Beyer Blinder Belle as architect of record, GACE as structural engineer and ICOR Associates as mechanical engineer. The Plans and Specifications have been prepared by such architects and engineers. (See the Section of the Plan entitled "Identity of Parties" for further detail.)

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

Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by Force Majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about December 1, 2017. Purchasers will not be excused from paying their full Purchase Prices (without credit or set-off), and will have no claim against Sponsor for damages or losses, in the event that the First Closing occurs earlier or later than the projected date or the time to complete or to close title to any Residential Unit is delayed or postponed by Sponsor. Sponsor has the right to change the projected First Year of Condominium Operation from time to time by an amendment to the Plan. If the First Closing does not occur within 12 months after the date set forth in Schedule B for the First Year of Condominium Operation in effect on the date a Purchaser and Sponsor entered into a Purchase Agreement, Sponsor will offer those affected Purchasers only a right to rescind their Purchase Agreement for 15 days from the Presentation Date of the amendment disclosing Sponsor's failure to close within such time frame. Any Purchasers electing rescission will have their Deposits returned together with any interest earned thereon. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections. If the Common Charges in the amended budget exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all Purchasers the right, for 15 days, to rescind their Purchase Agreements and receive a refund of their

Deposits, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

Services and Facilities

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

(a) Residential Lobby

There will be a residential lobby located on the first floor of the Building for the use and enjoyment of the Residential Unit Owners. The residential lobby will contain furniture, furnishings, and a front desk reception area.

(b) Residential Lobby Attendants

A part-time doorman will be stationed in the residential lobby.

(c) Building Staff

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

(d) Residential Elevator Service

Purchasers should refer to the Description of Property and Improvements set forth in Part II for details concerning the elevators.

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

(e) 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.

(f) Mail

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

(g) Laundry Facilities

Each Residential Unit will contain a washing machine and dryer. There will not be a common laundry room located in the Building.

(h) Refuse Disposal

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

(i) Communication Facilities and Intercom System

Each Residential Unit will be equipped with an audio and video intercom system which will enable the occupants to view and communicate with the entrance to the residential lobby. Residential Unit Owners will also be able to program their personal mobile or LAN phone numbers into the intercom system for additional features. Sponsor reserves the right to substitute an alternate service to enable communication between the concierge and the residents.

(j) 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.

(k) Bicycle Storage

A bicycle storage area will be located in the cellar of the Building.

(l) Fitness Center and Children's Playroom

An unattended fitness center and children's play room will be located in the cellar of the Building.

(m) Common Terraces

The Residential Unit Owners will have shared access to (1) a common terrace located on the 3rd floor of the Building and (2) a common terrace located on the main roof of the Building (collectively, "Common Terraces"). The Common Terraces will include concrete pavers and landscaping installed by Sponsor. 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. While Sponsor will endeavor to reduce excessive noise and vibration emanating from the Equipment, it may be impossible to eliminate such noise and vibration entirely. As a result, Residential Units and amenity areas in close proximity may be affected. In no event, however, shall any noise emanating from the Equipment be in violation of Law, including applicable NYC noise ordinances.

(n) Non-Accessible Roof Terrace

There will be a portion of the roof that will be vacant and/or containing mechanical equipment ("Non-Accessible Roof Area"). Despite being a Common Element, the Non-Accessible Roof Area shall not be accessible to any Residential Unit Owner or the public, although the Condominium Board and the Building staff shall have access for maintenance purposes.

It is presently contemplated, but in no way guaranteed, that Sponsor may redesign the Non-Accessible Roof Area in the future by sectioning the Non-Accessible Roof Area into one or more private terraces or cabanas ("Redesign") that can be offered for sale by Sponsor to Residential Unit Owners pursuant to licensing arrangements. If the Non-Accessible Roof Area is redesigned in the future, (a) such Redesign shall be disclosed in a duly filed amendment to the Plan and (b) the rights and obligations of Residential Unit

Owners with respect to their respective Residential Units shall not be adversely affected as a result of such Redesign.

(o) General

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

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

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

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

LOCATION AND AREA INFORMATION

Location

The Property is located at 509 Pacific Street in the Borough of Brooklyn, County of Kings, in the City and State of New York. The Property is bounded by Third Avenue and Atlantic Avenue.

Surrounding Area, Shopping, Culture and Recreation

Located in close proximity to the Condominium are luxury residences, office buildings, museums, art galleries, hotels, parks, and retail establishments, including supermarkets, drugstores, dry cleaners and banks.

There are also many museums, libraries, theaters, and cultural institutions in the New York area.

Transportation

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

Transportation to and from the Condominium, and through New York City, is available by taxi, limousine, private automobiles, subway or bus. The Condominium is located near the 2, 3, 4, 5, D N and R subway lines and the B103, B63 and B65 bus lines. A number of commercial parking garages are located nearby.

Medical, Educational, and Religious Facilities

A number of medical centers are located close to the Building, such as Brooklyn Hospital Center: Downtown Campus, Cumberland Diagnostic, Kingsbrook Jewish Medical Center, Interfaith Medical Center, New York Methodist Hospital, and Kings County Hospital Center. The New York Hospital, Cornell Medical Center, Memorial Sloan Kettering, Lenox Hill Hospital, New York University Medical Center, Mount Sinai Medical Center, Columbia Presbyterian Medical Center are also within near proximity of the Building.

Private schools, public schools and parochial schools on the elementary, middle school and high school levels are located within walking distance of the Condominium. There are many colleges, universities, and other educational centers available in the New York City area.

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

Municipal Services

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

The local police station is located at 301 Gold Street, Brooklyn, New York.

The local fire station is located at 409 State Street, Brooklyn, New York.

Mailing Address

The mailing address for the Building is 509 Pacific Street, Brooklyn, New York 11217.

Zoning

The Property is located within a R7A/C2-4 zoning district in which residential use is permitted.

Landmark Designation

The Building does not have landmark status.

General

Sponsor does not make any representations to the continued existence of any of the named establishments or transportation lines. Sponsor is not currently participating in any development projects within a one-block radius of the Building. No representation is made that future construction in the neighborhood surrounding the Condominium will not result in the obstruction of the views from any windows and/or terrace.

SCHEDULE A – PURCHASE PRICES OF UNITS AND RELATED INFORMATION

509 PACIFIC STREET CONDOMINIUM

Schedule A: Purchase Prices and Related Information for the Projected First Year of Condominium Operation (12/1/17-11/30/18)

Unit	Number Bedrooms (BR) / Bathrooms (BA) / Office (O) (1)	Terrace/ Garden/ Balcony Square Footage (1)	Unit Square Footage (1)	Offering Price (2)	Percentage of General Common Interest (3)(a)	Percentage of Residential Common Interest (3)(b)	Estimated Monthly Common Charges (4)	Estimated Monthly Real Estate Taxes 1st Year Without ICAP (5)	Estimated Annual Real Estate Taxes 1st Year Without ICAP (5)	Estimated Monthly Real Estate Taxes 1st Year With ICAP (5)	Estimated Annual Real Estate Taxes 1st Year With ICAP (5)	Estimated Total Monthly Common Charges and Real Estate Taxes 1st Year With ICAP (6)	Estimated Total Annual Common Charges and Real Estate Taxes 1st Year With ICAP (6)	Estimated Total Monthly Common Charges and Real Estate Taxes 1st Year Without ICAP (6)	Estimated Total Annual Common Charges and Real Estate Taxes 1st Year Without ICAP (6)
3A	4BR /3BA	680	1,899	$3,250,000	2.4911%	3.6071%	$ 1,996.94	$ 1,234.18	$ 14,810.16	$ 1,234.18	$ 14,810.16	$ 3,231.12	$ 38,773.49	$ 3,231.12	$ 38,773.49
3B	3BR / 3.5BA		2,059	$2,700,000	2.4791%	3.5897%	$ 1,987.29	$ 1,228.22	$ 14,738.58	$ 1,228.22	$ 14,738.58	$ 3,215.51	$ 38,586.09	$ 3,215.51	$ 38,586.09
3C	2BR / 2.5BA / O		1,337	$1,725,000	1.6098%	2.3309%	$ 1,290.44	$ 797.53	$ 9,570.41	$ 797.53	$ 9,570.41	$ 2,087.97	$ 25,055.66	$ 2,087.97	$ 25,055.66
3D	2BR / 2.5BA / O		1,327	$1,725,000	1.5977%	2.3135%	$ 1,280.79	$ 791.57	$ 9,498.83	$ 791.57	$ 9,498.83	$ 2,072.35	$ 24,868.25	$ 2,072.35	$ 24,868.25
3E	3BR / 3.5BA		1,913	$2,500,000	2.3033%	3.3351%	$ 1,846.38	$ 1,141.12	$ 13,693.49	$ 1,141.12	$ 13,693.49	$ 2,987.50	$ 35,850.02	$ 2,987.50	$ 35,850.02
3F	3BR / 3BA	683	1,860	$2,750,000	2.4451%	3.5404%	$ 1,960.03	$ 1,211.36	$ 14,536.36	$ 1,211.36	$ 14,536.36	$ 3,171.39	$ 38,056.68	$ 3,171.39	$ 38,056.68
3G	2BR / 2BA	557	1,199	$1,795,000	1.6113%	2.3331%	$ 1,291.64	$ 798.28	$ 9,579.36	$ 798.28	$ 9,579.36	$ 2,089.92	$ 25,079.08	$ 2,089.92	$ 25,079.08
3H	2BR / 2BA	559	1,193	$1,795,000	1.6047%	2.3235%	$ 1,286.34	$ 795.00	$ 9,539.99	$ 795.00	$ 9,539.99	$ 2,081.33	$ 24,976.01	$ 2,081.33	$ 24,976.01
4A	4BR / 3BA	52	1,897	$3,100,000	2.2997%	3.3299%	$ 1,843.48	$ 1,139.34	$ 13,672.02	$ 1,139.34	$ 13,672.02	$ 2,982.82	$ 35,793.80	$ 2,982.82	$ 35,793.80
4B	3BR / 3.5BA		2,059	$2,750,000	2.4791%	3.5897%	$ 1,987.29	$ 1,228.22	$ 14,738.58	$ 1,228.22	$ 14,738.58	$ 3,215.51	$ 38,586.09	$ 3,215.51	$ 38,586.09
4C	2BR / 2.5BA / O		1,337	$1,750,000	1.6098%	2.3309%	$ 1,290.44	$ 797.53	$ 9,570.41	$ 797.53	$ 9,570.41	$ 2,087.97	$ 25,055.66	$ 2,087.97	$ 25,055.66
4D	2BR / 2.5BA / O		1,327	$1,750,000	1.5977%	2.3135%	$ 1,280.79	$ 791.57	$ 9,498.83	$ 791.57	$ 9,498.83	$ 2,072.35	$ 24,868.25	$ 2,072.35	$ 24,868.25
4E	3BR / 3.5BA		1,913	$2,650,000	2.3033%	3.3351%	$ 1,846.38	$ 1,141.12	$ 13,693.49	$ 1,141.12	$ 13,693.49	$ 2,987.50	$ 35,850.02	$ 2,987.50	$ 35,850.02
4F	3BR /3BA	52	1,860	$2,600,000	2.2551%	3.2654%	$ 1,807.77	$ 1,117.26	$ 13,407.17	$ 1,117.26	$ 13,407.17	$ 2,925.03	$ 35,100.41	$ 2,925.03	$ 35,100.41
4G	2BR / 2BA		1,199	$1,625,000	1.4436%	2.0904%	$ 1,157.24	$ 715.22	$ 8,582.59	$ 715.22	$ 8,582.59	$ 1,872.46	$ 22,469.51	$ 1,872.46	$ 22,469.51
4H	2BR / 2BA		1,199	$1,625,000	1.4436%	2.0904%	$ 1,157.24	$ 715.22	$ 8,582.59	$ 715.22	$ 8,582.59	$ 1,872.46	$ 22,469.51	$ 1,872.46	$ 22,469.51
5A	4BR / 3BA	52	1,897	$3,195,000	2.2997%	3.3299%	$ 1,843.48	$ 1,139.34	$ 13,672.02	$ 1,139.34	$ 13,672.02	$ 2,982.82	$ 35,793.80	$ 2,982.82	$ 35,793.80
5B	3BR / 3.5BA	597	1,734	$2,995,000	2.2675%	3.2833%	$ 1,817.66	$ 1,123.38	$ 13,480.54	$ 1,123.38	$ 13,480.54	$ 2,941.04	$ 35,292.50	$ 2,941.04	$ 35,292.50
5C	3BR / 2.5BA	386	1,844	$2,895,000	2.3364%	3.3831%	$ 1,872.92	$ 1,157.53	$ 13,890.34	$ 1,157.53	$ 13,890.34	$ 3,030.45	$ 36,365.37	$ 3,030.45	$ 36,365.37
5D	3BR / 3.5BA	55	2,019	$2,795,000	2.4475%	3.5439%	$ 1,961.96	$ 1,212.56	$ 14,550.68	$ 1,212.56	$ 14,550.68	$ 3,174.51	$ 38,094.16	$ 3,174.51	$ 38,094.16
5E	3BR / 3BA	52	1,860	$2,695,000	2.2551%	3.2654%	$ 1,807.77	$ 1,117.26	$ 13,407.17	$ 1,117.26	$ 13,407.17	$ 2,925.03	$ 35,100.41	$ 2,925.03	$ 35,100.41
5F	2BR / 2BA		1,199	$1,695,000	1.4436%	2.0904%	$ 1,157.24	$ 715.22	$ 8,582.59	$ 715.22	$ 8,582.59	$ 1,872.46	$ 22,469.51	$ 1,872.46	$ 22,469.51
5G	2BR / 2BA		1,199	$1,695,000	1.4436%	2.0904%	$ 1,157.24	$ 715.22	$ 8,582.59	$ 715.22	$ 8,582.59	$ 1,872.46	$ 22,469.51	$ 1,872.46	$ 22,469.51
PH1A	4BR / 3BA	171	1,847	$2,900,000	2.2753%	3.2946%	$ 1,823.94	$ 1,127.26	$ 13,527.07	$ 1,127.26	$ 13,527.07	$ 2,951.19	$ 35,414.31	$ 2,951.19	$ 35,414.31
PH1B	4BR / 3BA	642	2,376	$3,995,000	3.0540%	4.4222%	$ 2,448.16	$ 1,513.05	$ 18,156.59	$ 1,513.05	$ 18,156.59	$ 3,961.21	$ 47,534.54	$ 3,961.21	$ 47,534.54
PH1C	4BR / 4BA	360	2,524	$3,995,000	3.1473%	4.5573%	$ 2,522.96	$ 1,559.28	$ 18,711.34	$ 1,559.28	$ 18,711.34	$ 4,082.24	$ 48,986.91	$ 4,082.24	$ 48,986.91
PH1D	2BR / 3BA/O	410	1,477	$1,995,000	1.9018%	2.7537%	$ 1,524.49	$ 942.19	$ 11,306.26	$ 942.19	$ 11,306.26	$ 2,466.68	$ 29,600.16	$ 2,466.68	$ 29,600.16
PH1E	3BR / 2.5BA	1139	1,758	$3,150,000	2.4595%	3.5614%	$ 1,971.61	$ 1,218.52	$ 14,622.26	$ 1,218.52	$ 14,622.26	$ 3,190.13	$ 38,281.56	$ 3,190.13	$ 38,281.56
PH1F	3BR / 2.5BA/O	184	1,718	$2,925,000	2.1239%	3.0754%	$ 1,702.57	$ 1,052.24	$ 12,626.93	$ 1,052.24	$ 12,626.93	$ 2,754.81	$ 33,057.73	$ 2,754.81	$ 33,057.73
PH2A	3BR / 2.5BA	130	1,743	$2,950,000	2.1377%	3.0954%	$ 1,713.67	$ 1,059.10	$ 12,709.25	$ 1,059.10	$ 12,709.25	$ 2,772.77	$ 33,273.24	$ 2,772.77	$ 33,273.24
PH2D	2BR / 3BA / O		1,477	$1,895,000	1.7783%	2.5750%	$ 1,425.56	$ 881.05	$ 10,572.55	$ 881.05	$ 10,572.55	$ 2,306.61	$ 27,679.29	$ 2,306.61	$ 27,679.29
PH2E	3BR / 2.5BA		1,761	$2,995,000	2.1203%	3.0702%	$ 1,699.67	$ 1,050.45	$ 12,605.46	$ 1,050.45	$ 12,605.46	$ 2,750.13	$ 33,001.51	$ 2,750.13	$ 33,001.51
PH2F	3BR / 2.5BA	146	1,621	$2,975,000	1.9957%	2.8897%	$ 1,599.78	$ 988.72	$ 11,864.59	$ 988.72	$ 11,864.59	$ 2,588.49	$ 31,061.89	$ 2,588.49	$ 31,061.89
Residential Unit Sub Total		**6,907**	**55,632**	**$ 83,830,000**	**69.0614%**	**100.0000%**	**$ 55,361.15**	**$ 34,215.10**	**$ 410,581.15**	**$ 34,215.10**	**$ 410,581.15**	**$ 89,576.25**	**$ 1,074,914.99**	**$ 89,576.25**	**$ 1,074,914.99**
Commercial Units															
Retail Unit			25,696	$ 44,000,000	30.9386%		$ 7,522.51	$ 12,679.61	$ 152,155.34	$ 7,449.62	$ 89,395.44	$ 14,972.13	$ 179,665.54	$ 20,202.12	$ 242,425.44
Commercial Unit Sub Total			**25,696**	**$ 44,000,000**	**30.9386%**		**$ 7,522.51**	**$ 12,679.61**	**$ 152,155.34**	**$ 7,449.62**	**$ 89,395.44**	**$ 14,972.13**	**$ 179,665.54**	**$ 20,202.12**	**$ 242,425.44**
	TOTALS	**6,907**	**81,328**	**$ 127,830,000**	**100.0000%**	**100.0000%**	**$ 62,883.66**	**$ 46,894.71**	**$ 562,736.49**	**$ 34,215.10**	**$ 499,976.59**	**$ 104,548.38**	**$ 1,254,580.53**	**$ 109,778.37**	**$ 1,317,340.43**

Terraces may not be legally used as a bedroom or living room. Any such use may result in a building code violation being issued against the Building, the costs and expenses of which shall be borne solely by the Owner of such Residential Unit.

509 PACIFIC STREET CONDOMINIUM

Schedule A-1: Purchase Prices for Parking Unit License Agreement and Related Information for the Projected First Year of Condominium Operation (10/1/17-9/30/18)

Parking Unit #	Purchase Price	License Fee Per Month	License Fee Per Year
1	$ 150,000	$ 195.00	$ 2,340.00
2	$ 150,000	$ 195.00	$ 2,340.00
3	$ 150,000	$ 195.00	$ 2,340.00
4	$ 150,000	$ 195.00	$ 2,340.00
5	$ 150,000	$ 195.00	$ 2,340.00
6	$ 150,000	$ 195.00	$ 2,340.00
7	$ 150,000	$ 195.00	$ 2,340.00
8	$ 150,000	$ 195.00	$ 2,340.00
9	$ 150,000	$ 195.00	$ 2,340.00
10	$ 150,000	$ 195.00	$ 2,340.00
11	$ 150,000	$ 195.00	$ 2,340.00
12	$ 150,000	$ 195.00	$ 2,340.00
TOTAL	**$ 1,800,000**	**$ 2,340**	**$ 28,080**

Notes to Schedule A

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

The square footages of the Units listed in Schedule A and in the Declaration are approximate (within reasonable tolerances) and may change due to field conditions, construction variances and tolerances and were obtained by using the method customarily used in New York City to measure condominium units. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit by 5% or less (excluding interior partitions) is not a material and/or adverse change. Sponsor's sole obligation if the net square footage of the Unit is decreased by more than 5% shall be to refund all Deposits made under the Purchase Agreement and any interest earned thereon. For measurement purposes, the approximate square foot area of each Unit (within reasonable tolerances) is measured horizontally on each of one or more floors from the exterior side of the glass or the exterior walls of the Building to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the midpoint of the interior walls and partitions separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or to the opposite exterior side of the glass or the exterior walls of the Building, as the case may be, however, columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits in all Units are not deducted from measurement of each Unit. Measured vertically, each Unit will consist of the volume from the top of the floor slab (located under the finished flooring and sub-floor materials) to the underside of the floor slab above. As is customary in New York, these square footages exceed the usable floor area of each Unit. The method of measurement is applicable to all Units. Any Common Elements located within or appurtenant to any Unit shall not be considered as part of that Unit. Terraces shown on Schedule A are Residential Limited Common Elements.

2. The Purchase Prices and other terms of sale (as more fully set forth in the Section of the Plan entitled "Changes in Prices and Units") of Residential Units may be negotiated by Sponsor and, therefore, may be changed. Accordingly, Purchasers may pay different Purchase Prices for similar Residential Units. The effect of this, as well as the right of Sponsor to change Purchase Prices, is more particularly discussed in the Section entitled "Changes in Prices and Units." In addition to the payment of the Purchase Price, each Purchaser will be responsible for the payment of certain closing costs and expenses at the time of Closing, as explained in the Section of the Plan entitled "Closing Costs and Adjustments". If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of additional closing costs and expenses relating to such loan. There will be an apportionment of certain charges relating to the Units at the Closing. THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY. The Condominium Board has the right to impose license fees and Special Assessments in connection with the Parking Space Licenses.

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

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

4. The estimated monthly Common Charges for each Unit are based on Schedule B - First Year's Budget prepared by Sponsor's Condominium Budget Expert on the assumption that the First Year of Condominium Operation will be the year from December 1, 2017 – November 30, 2018. The actual First Year of Condominium Operation may be earlier or later than such year. In addition to these estimated payments, each Unit Owner will be responsible for real estate taxes on the Unit, mortgage payments under a loan, if any, obtained to finance the purchase of the Unit, the cost of electricity supplied to the Unit which will be separately metered and payable either directly to the utility company or to the Condominium Board for payment to the utility company, the cost of any insurance which the Unit Owner obtains for the Unit and the cost of interior repairs and decorations to the Unit. Business Improvement District taxes currently assessed against the Building have been incorporated into the Residential Common Expenses set forth in Schedule B. Sponsor does not make any representation as to the actual Business Improvement District taxes upon completion of construction. See the Section of the Plan entitled "Schedule B-1 - Budget for Individual Energy Costs" concerning estimates of certain electric costs for the Residential Units.

It is presently anticipated, but in no way guaranteed, that an application may be made to the New York State Public Service Commission in order to permit the Condominium Board to purchase electricity from Con Edison at a "bulk rate" (which may result in a savings to Unit Owners). In the event that such application is made, and subsequently granted, the Condominium Board will assess the cost of electricity provided to the Unit Owners. Each Unit will be billed by the Condominium Board for actual consumption on the basis of its submeter and the Condominium Board will, in turn, pay Con Edison. Alternatively, the cost of electricity supplied to each Unit will be separately metered and payable by the Unit Owner directly to Con Edison.

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

5. It is estimated that the aggregate real estate taxes payable with respect to all Residential Units for the First Year of Condominium Operation will be approximately $410,581.15, assuming (a) the allocation of the interim tax liability for the Property of $177,614.15 for the last 7 months of the 2017/2018 tax year (i.e. December 1, 2017 through June 30, 2018) reflecting (i) the assessment for a partially constructed property (ii) a projected Class II tax rate of $13.142 per $100 of assessed valuation for the 2017/2018 tax year, and (iii) an apportionment of the estimated taxes to the Residential Units based on their relative percentage of Common Interest (i.e. 69.0614%); and (b) the allocation of the interim tax liability for the Property of $232,967.00 for the first 5 months of the 2018/2019 tax year (i.e. July 1, 2018 through November 30, 2018) reflecting (i) the assessment for a fully constructed property, (ii) a projected Class II tax rate of $13.273 per $100 of assessed valuation for the 2018/2019 tax year, and (iii) an apportionment of the estimated taxes to the Residential Units based on their relative percentage of Common Interest (i.e. 69.0614%).

Sponsor has applied for partial exemption from real estate taxes attributable to the Retail Unit pursuant to the Industrial and Commercial Incentive Program ("ICAP Program") pursuant to Title II, Chapter 2 of the New York City Administrative Code ("ICAP Benefits"). Under the ICAP Program, the real estate tax estimate for the First Year of Condominium Operation with respect to the Retail Unit will be based upon the assessed valuation of the Property in the tax year prior to construction (2016/2017). The real estate tax exemptions with respect to the Retail Unit under the ICAP Benefits are expected to commence after the tax lots for the Units are created and a PCO is issued for the Building, and are expected to be in effect

for a period of 15-25 years, depending on the determination by the Department of Finance. Purchasers should refer to the Real Estate Tax Projection Opinion prepared by Metropolitan Valuation Services and the ICAP Benefits Opinion prepared by Seiden & Schein, P.C. set forth in Part II of the Plan for further discussion regarding the ICAP Program and the availability of such programs to this project.

The Schedule A provides projections for real estate taxes with ICAP benefits and also for real estate taxes without ICAP benefits. The real estate tax projections that include ICAP benefits are based on the assumptions that the ICAP Benefits will be in effect for only the portion of the First Year of Condominium Operation that falls within the 2018/2019 tax year and that there will not be any change in the taxable status of the Property. Notwithstanding the foregoing, no representation is made as to the amount of any tax exemption that will actually be received. In addition, no representation is made that the actual assessed valuation or the assessed valuation for the Property if ICAP Benefits are granted will be as projected above, that the projected tax rate will be in effect for any portion of the Property during the First Year of Condominium Operation, or that such benefits will be in effect as of the Closing Date of any particular Unit. In no event will Sponsor, Metropolitan Valuation Services, Seiden & Schein, P.C., Selling Agent, Managing Agent or any offeror be liable to any Purchaser, nor will any Purchaser have the right to rescind the Purchase Agreement, in the event ICAP Benefits are not granted or is not in effect at a particular time, or, if granted, in the event the amount of such Benefits and the resulting taxes differ from those projected.

As set forth in the Real Estate Tax Projection Opinion, it is estimated that the aggregate real estate taxes payable with respect to the Retail Unit for the First Year of Condominium Operation will be approximately $152,155.34 (without ICAP) or $89,395.44 (with ICAP), assuming (a) the allocation of the interim tax liability for the Property of $65,819.04 for the last 7 months of the 2017/2018 tax year (i.e. December 1, 2017 through June 30, 2018) reflecting (i) the assessment for a partially constructed property (ii) a projected Class IV tax rate of $10.871 per $100 of assessed valuation, (iii) an apportionment of the estimated taxes to the Retail based on its percentage of Common Interest (i.e. 30.9386%), and (iv) no ICAP benefits yet in effect; and (b) the allocation of the interim tax liability for the Property of $86,336.30 (without ICAP benefits) or $23,576.40 (with ICAP benefits) for the first 5 months of the 2018/2019 tax year (i.e. July 1, 2018 through November 30, 2018) reflecting (i) the assessment for a fully constructed property, (ii) a projected Class IV tax rate of $10.980 per $100 of assessed valuation, (iii) an apportionment of the estimated taxes to the Retail based on its percentage of Common Interest (i.e. 30.9386%), and (iv) reduced real estate tax liability due to ICAP, to the extent awarded.

In arriving at the assessed valuation for each Unit in the Condominium, the Building is first assessed as an entity. This overall assessment is then apportioned among the Units, each of which will be assigned a tax lot designation once the Declaration has been recorded and the Tax Lot Drawings are filed with the Register's office. For purposes of Schedule A, the projected real estate taxes for the Units were based on Common Interest percentages. It is possible that the apportionment will be based in part upon the proportion the offering price as set forth on Schedule A for each Unit bears to the gross sellout price for all Units offered for sale in the Condominium and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular Units. There is no assurance that the City of New York tax assessor will allocate taxes among Units based upon Common Interest percentages. Although the estimate of New York City real estate taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, apportionment or taxes among the Units and tax rates, when actually established by the City of New York, may be lesser or greater. Accordingly, these estimates are to be considered opinions and are not intended, and should not be construed as, warranties as to future assessed valuations, tax rates or the actual real estate taxes to be assessed.

At such time as the Units have been separately assessed for real estate tax purposes, each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the

payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes assessed against any other Unit.

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

In no event will Sponsor, its principals, Selling Agent, Seiden & Schein, P.C., Metropolitan Valuation Services, Income Tax Counsel or any offeror be liable to any Purchaser, nor will any Purchaser have the right to rescind the Purchase Agreement if the assessed valuations, tax rates or taxes, when actually established, are lesser or greater than that projected herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future.

6. These figures represent the aggregate estimated monthly and annual carrying charges which include estimated Common Charges and estimated real estate taxes (including both with and without ICAP benefits). Please refer to Footnote 5 for a detailed description of the ICAP benefits as they relate to the Schedule A.

Each Purchaser of a Residential Unit will be required to make a non-refundable contribution to the Working Capital Fund of the Condominium at Closing, in an amount equal to 2 months' Common Charges with respect to the Residential Unit based on the Condominium budget in effect as of the Closing Date. The payment of the Working Capital Fund shall be required of all Purchasers of Residential Units, whether purchased from Sponsor or purchased from a Residential Unit Owner on a resale.

SCHEDULE B – BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

SCHEDULE B

505 PACIFIC STREET CONDOMINIUM

505 Pacific Street
Brooklyn, NY
Projected Budget for the Projected First Year of Condominium Operation (See Note 1)
December 1, 2017 to November 30, 2018

ESTIMATED INCOME

Common Charges – Residential Units (Note 2)	$	664,334
Common Charges – Retail Unit (Note 2)	$	90,270
License Fees – Parking Units (Note 3)	$	28,080
Total Estimated Common Charges	$	782,684

ESTIMATED EXPENSES (Note 4)

Payroll and Related Expenses (Note 5)	$	354,416
Gas (Heat & Hot Water (Note 6)	$	54,884
Electricity (Note 7)	$	64,889
Gas (Cooking and Fireplaces) (Note 8)	$	5,198
Water Charges and Sewer Rent (Note 9)	$	48,295
Repairs and Maintenance (Note 10)	$	23,000
Service Contracts (Note 11)	$	52,700
Insurance (Note 12)	$	64,200
Management Fee (Note 13)	$	35,000
Administration (Note 14)	$	15,000
Other Expenses (Note 15)	$	15,000
Contingency (Note 16)	$	20,000
Replacement Reserve (Note 17)	$	30,103
Total (Note 17)	$	782,684

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 AND RETAIL UNIT (see detailed notes which follow)

Common Expenses	Total Expenses	Residential Units Share	Retail Unit Share
%		69.0614%	30.9386%
Payroll & Benefits	$ 354,416	$ 326,952	$ 27,464
Electricity	$ 64,889	$ 64,889	$ -
Gas (Heat, Hot Water, and Dryer)	$ 54,884	$ 54,884	$ -
Gas (Cooking)	$ 5,198	$ 5,198	$ -
Water Charges and Sewer Rent	$ 48,295	$ 48,295	$ -
Repairs and Maintenance	$ 23,000	$ 21,453	$ 1,547
Service Contracts	$ 52,700	$ 46,914	$ 5,786
Insurance	$ 64,200	$ 44,337	$ 19,863
Management Fee	$ 35,000	$ 24,171	$ 10,829
Legal and Audit	$ 15,000	$ 10,359	$ 4,641
Other Expenses	$ 15,000	$ 10,359	$ 4,641
Contingency	$ 20,000	$ 13,812	$ 6,188
Replacement Reserve	$ 30,103	$ 20,790	$ 9,314
Sub-Total	$ 782,684	$ 692,414	$ 90,270
Parking Units (Income)		$ (46,800)	
Total	$ 782,684	$ 645,614	$ 90,270

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

A. The Retail 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, supplies, HVAC, and uniform expenses.

B. The Retail Units share of Payroll and Related Expenses is based on their percentage of Common Interest of the Superintendent. 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 December 1, 2017 to November 30, 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 Commercial Unit Owner(s) during the anticipated First Year of Condominium Operation. The Common Charges will be utilized by the Condominium Board to defray the operational expenses of the Condominium. Except as otherwise set forth herein, the Common Charges have been allocated between the Residential Unit Owners and the Commercial Unit Owner(s) based on anticipated usage and benefits derived by such Unit Owners, respectively, and between and among the Unit Owners on the basis of percentage of Common Interest allocated to each Unit. Where the allocation of Common Expenses is not based on percentage of Common Interest, or Common Expenses have been allocated only to certain categories of Units, such circumstances are set forth in the following notes. The Commercial Unit Owner(s) will only be obligated to pay its respective allocable share of those expenses that are incurred by the Condominium Board in furnishing services, operating and maintaining those Common Elements which are utilized by and serve the Commercial 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 69.0614%. 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 30.9386%.

The Commercial 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 Commercial Units set forth in the budget. As set forth in Schedule B, the Retail Unit 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 and contingency. The Commercial Unit

Owners are not obligated to pay any part of electricity, gas for cooking and 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 Commercial Unit's use of the Common Elements. In accordance with Article THIRTEENTH of the Declaration and Article VI, Section 8 of the By-laws, the Condominium Board is authorized, pursuant to Real Property Law § 339-m to specially allocate various expenses among the Residential and Commercial Unit Owners to the extent various services and budget items benefit the respective Units more.

(3) License Fees for Parking Units: $28,080

There are a total of 12 Parking Units. Each Parking Unit 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 October 1, 2017. The Common Charges will be offset by the income derived by the Parking Unit license fees in the amount of $28,080.

The Parking Unit 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) 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.

(5) Payroll and Related Expenses: $354,416

The Building staff shall consist of:

Position and Number	Weekly Rate	Total
Full-Time Superintendent (1) (40 hour per week)	$1,200 X 52	$ 62,400
Doorman / Concierge (4.2) (8 hours per day 7 days per week.)	$840 X 52	$ 183,456
Sub-Total:		**$ 245,856**
Overtime Vacation, Sick & Holiday	5% of Base Wages 10% of Base Wages	$ 12,293 $ 24,586
Gross Wages:		**$ 282,734**
Health Benefits	Annually -$6,000 X 5 full time employees	$ 30,000
Payroll Taxes	See Schedule Below	$ 41,682
Total Payroll and Related:		**$ 354,416**

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, FirstService Residential, in managing comparable buildings. Such level of staffing complies with all applicable housing and labor laws.

The Commercial Unit will utilize the services of the Resident Manager only. Therefore, the cost of the Resident Manager has been allocated among the Retail Unit in their respective proportion.

The following expenses are mandated by Law for each employee:

FICA Employer	7.65% of Wages	7.65%	$ 21,629
NY State Unemployment	(1st $10,300)	4.0%	$ 2,156
Federal Unemployment	(1st $7,000)	6.0%	$ 2,184
State Disability Insurance	(Yearly)	$31.20	$ 162
Workers Compensation	5.5% of Wages	5.5%	$ 21,629
		TOTAL	**$354,416**

(6) Gas (Heat, Domestic Hot Water and Dryers): $54,884

Based on an estimate dated of September 15, 2015 by ICOR Associates, LLC, located at 485C Route 1 South, Iselin, NJ 08830, it is anticipated that gas for heat and hot water will be provided to the Residential Units only by natural gas and will cost $60,470. This estimate is based on a projected usage of 52,270 Therms of gas per year at an anticipated average cost of $1.00 X 105% per Therm to factor in inflation.

(7) Electricity: $64,889

Based on an estimate dated of September 15, 2015 by ICOR Associates, LLC, located at 485C Route 1 South, Iselin, NJ 08830, it is anticipated that light and power for the Common Elements as well as the mechanical equipment will be approximately 331,798 KW/HR/YR at an annual cost of $.18 X 105% per KW/HR to factor in for inflation. The Commercial Units will be separately metered.

Electricity (including current necessary to operate HVAC Systems) shall be supplied to all Units through a separate Con Edison meter for each such Unit, and the cost of electricity consumed or used in each such Unit or any Residential Limited Common Elements appurtenant thereto shall be payable directly to Con Edison.

(8) Gas (Cooking): $5,198

Based on an estimate dated of September 15, 2015 by ICOR Associates, LLC, located at

485C Route 1 South, Iselin, NJ 08830, it is anticipated that gas for cooking and fireplaces will be provided to the Residential Units only by natural gas and will cost $5,198. This estimate is based on a projected usage of 4,950 Therms of gas per year at an anticipated average cost of $1.0 X 105% per Therm to factor in for inflation.

(9) Water Charges and Sewer Rent: $48,295

Based on an estimate dated of September 15, 2015 by ICOR Associates, LLC, located at 485C Route 1 South, Iselin, NJ 08830, it is anticipated that water charges for the Residential Units and all Common Elements, will be approximately $48,295 based on a combined rate of $9.87 per cubic feet of water used.

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 Units will be separately sub-metered.

(10) Repairs and Maintenance: $24,500

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	$ 10,000
Plumbing	$ 1,500
Electrical	$ 1,500
Intercom	$ 1,000
Window, Lock and Doors	$ 1,000
Elevator Repairs (Not Covered by Contract)	$ 1,000
General Repairs	$ 5,000
Plastering & Painting	$ 2,000
Total	**$ 23,000**

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

The budgeted amount for Repairs and Maintenance has been allocated to the Retail Unit based on respective Common Interest for General Repairs only. They will not share in any of the other Repair and Maintenance expenses.

(11) Service Contracts and Supplies: $52,700

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	$ 12,000

Exterminating	$ 2,000
Fire Extinguishers	$ 500
Landscaping	$ 5,000
Fire Alarm (Protection)	$ 5,000
Central Station Monitoring	$ 2,200
Sprinkler	$ 1,200
HVAC	$ 12,000
Telephone/Internet	$ 8,000
Uniforms	$ 5,000
Total	**$ 52,700**

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 budgeted amount for Service Contracts has been allocated to the Retail Unit based on respective Common Interest for exterminating, fire extinguishers, fire alarm, central station monitoring, sprinkler and telephone. They will not share in any of the other Service Contract expenses.

(12) Insurance: $64,200

The insurance premiums are based on a letter dated May 20, 2015 from MR Cooper, Ltd., located at 622 Third Avenue, New York, New York, 10017. The fire, casualty and general (public) liability are on the terms set therein:

	COVERAGES	LIMITS OF LIABILITY
A.	Property (Building Limit)	$ 41,000,00
	Business Personal Property Limit	$ 50,000
	Loss of Maintenance Fee	Included
	Demolition and Increased Cost	$ 1,000,000
	Flood	$ 1,000,000
	Earthquake	$ 1,000,000
	Deductibles	
	Building, Underground Water & Sewer	$ 10,000
	Earthquake	$ 50,000
	Flood	$ 25,000
B.	General Liability	
	(General Aggregate)	$ 2,000,000
	Each Occurrence	$ 1,000,000
	Fire Damage Liability	$ 50,000

	Personal and Advertising Injury	$	1,000,000
	Medical Expenses	$	5,000
	Hired/Non Owner Auto Liability	$	1,000,000
	Water Damage Legal Liability	$	1,000,000
C.	Directors & Officers Liability	$	1,000,000
	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
	Deductible	$	1,000
F.	Boiler and Machinery or Equipment Breakdown	$	41,050,000

The total premium for these various coverages is estimated at $64,200.

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., USI, 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.

The insurance expense for the Residential and Retail Units has been allocated upon their respective Percentage of Common Interest.

(13) Management Fee: $35,000

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 $35,000 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.

The management expense for the Residential and Retail Units has been allocated upon their respective Percentage of Common Interest expense. Any management fees that are exclusively attributable to the Residential Units will be fully allocated as a Residential expense.

(14) Administration: $15,000

Based upon the estimate set forth in a letter dated May 21, 2015 from Wilkin & Guttenplan P.C., located at 5 Penn Plaza, New York, NY 10001, Sponsor has budgeted $8,500 for estimated auditing and accounting fees in connection with the preparation of the audited financial statements for the First Year of Condominium Operation and federal, state and city income tax returns. The balance of the budgeted amount ($6,500) has been estimated to provide for minor legal services to be rendered in connection with the operation of the Building such as attendance at Condominium Board meetings, preparation of Condominium Board minutes and negotiation of minor agreements.

The administration expense for the Residential and Retail Units has been allocated upon their respective Percentage of Common Interest.

(15) Other Expenses: $15,000

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

Payroll Processing	$ 3,500
License/Fees/Permits	$ 1,500
Postage/Messenger/ Copying	$ 1,000
General	$ 9,000
Total	**$ 15,000**

The other expense for the Residential and Retail Units has been allocated upon their respective Percentage of Common Interest.

(16) Contingency: $20,000

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

The contingency expense for the Residential and Retail Units has been allocated upon their respective Percentage of Common Interest.

(17) Replacement Reserve $30,103

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

The contingency expense for the Residential and Retail Units has been allocated upon their respective Percentage of Common Interest.

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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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(18) Total Expenses: $782,684

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 DECEMBER 1, 2017. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL COMMON CHARGES OR OTHER INCOME AND EXPENSES FOR SUCH FISCAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY WILL BE AS SET FORTH IN THE BUDGET, SINCE THE ANNUAL COMMON CHARGES AND OTHER ITEMS OF INCOME AND EXPENSE MAY VARY FROM AMOUNTS SHOWN IN THE BUDGET BASED ON FACTORS SUCH AS INFLATION, CHANGES IN THE ECONOMY AND UNFORESEEN FACTORS.

Sponsor reserves the right to enter into additional or other service, maintenance, employment, concessionaire and other agreements that will be binding on the Condominium upon commencement of condominium operation. Sponsor shall not, however, enter into any binding service, maintenance, employment, concessionaire or other agreements that will materially increase the first year's projected Common Charges or that will be binding on the Condominium for a period of more than two (2) years, unless the Plan is amended.

SCHEDULE B-1 - PROJECTED INDIVIDUAL ENERGY COSTS BUDGET

SCHEDULE B-1
Projected Individual Energy Costs Budget

ICOR Associates, having an office at 485C Route 1 South, Suite 200, Iselin, NJ 08837 provided the following estimate of annual electric energy costs for lighting and for operating the typical electrical appliances located in each Residential Unit.

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

ICOR ASSOCIATES, LLC
Consulting Engineers

March 9, 2016

Project: 509 Pacific Street
New York, NY 11217

Projected Individual Energy Costs Budget

The following are estimated energy utilities consumption costs for the referenced project. There are a total of 33 apartments in the building in addition to elevator lobbies, main lobby, and other common areas of the building. Below please find a list of loads and projected electrical cost for individual units and common areas of the building. It is based on preliminary design information provided to Icor Associates to date.

1. Individual Unit Energy Assumptions

    a. Lighting and receptacle loads are calculated based on average square footage – 2 w/sq. ft.; utilization of 50% of the total connected load for approximately 4 hours per day, 365 days per year.
    b. Appliance loads include TV, Computer, refrigerator, dishwasher and microwave with total load of 9.6 KW per apartment. Each apartment includes an electric washer with total load of 3.8 KW. The appliance loads are calculated based on 60% demand factor, 4 hours per day, 365 days per year. Washer is calculated based on average 10 hour usage (20 loads) monthly.

2. Utility Company Electricity Rates

    a. The estimated electrical cost is based on a current average flat residential utility rate available from the Con Edison Rates SC 9-1 as 18 cents per KWH.

A. ESTIMATED COSTS OF ELECTRICITY FOR APARTMENTS

-	Area (sq ft)	w/sf	Load (Kw)	Yearly Hours of Use (H)	Basic Rate (KwH)	Cost
Unit 3A	1,899					
Lighting and Receptacles			3.8	730	2,773	$499.06
Cooling			3.7	900	3,330	$599.40
Heating			3.4	2,500	8,489	$1,528.06
Kitchen Appliances			9.6	876	8,410	$1,513.73
Washer			3.8	120	456	$82.08
Subtotal					**23,457**	**$4,222.32**
Unit 3B	2,059					
Lighting and Receptacles			4.1	730	3,006	$541.11
Cooling			3.3	900	2,930	$527.45
Heating			3.7	2,500	9,204	$1,656.80
Kitchen Appliances			9.6	876	8,410	$1,513.73
Washer			3.8	120	456	$100.32
Subtotal					**24,006**	**$4,339.40**
Unit 3C	1,337					
Lighting and Receptacles			2.7	730	1,952	$351.36
Cooling			2.9	900	2,651	$477.09
Heating			2.4	2,500	5,977	$1,075.84
Kitchen Appliances			9.6	876	8,410	$1,513.73
Washer			3.8	120	456	$82.08
Subtotal					**19,445**	**$3,500.10**
Unit 3D	1,327					
Lighting and Receptacles			2.7	730	1,937	$348.74
Cooling			2.9	900	2,651	$477.09
Heating			2.4	2,500	5,932	$1,067.79
Kitchen Appliances			9.6	876	8,410	$1,513.73
Washer			3.8	120	456	$82.08
Subtotal					**19,386**	**$3,489.42**
Unit 3E	1,913					
Lighting and Receptacles			3.8	730	2,793	$502.74
Cooling			3.1	900	2,773	$499.10
Heating			3.1	2,500	7,868	$1,416.18
Kitchen Appliances			9.6	876	8,410	$1,513.73
Washer			3.8	120	456	$82.08
Subtotal					**22,299**	**$4,013.81**
Unit 3F	1,860					
Lighting and Receptacles			3.7	730	2,716	$488.81
Cooling			2.9	900	2,651	$477.09
Heating			3.1	2,500	7,650	$1,376.94
Kitchen Appliances			9.6	876	8,410	$1,513.73

Washer		3.8	120	456	$82.08
Subtotal				**21,881**	**$3,938.65**
Unit 3G	1,199				
Lighting and Receptacles		2.4	730	1,751	$315.10
Cooling		2.5	900	2,222	$399.87
Heating		2.1	2,500	5,146	$926.20
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**17,983**	**$3,236.98**
Unit 3H	1,193				
Lighting and Receptacles		2.4	730	1,742	$313.52
Cooling		2.5	900	2,222	$399.87
Heating		2.0	2,500	5,120	$921.56
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**17,949**	**$3,230.76**
Subtotal				**166,407**	**$29,971.44**
Unit 4A	1,897				
Lighting and Receptacles		3.8	730	2,770	$498.53
Cooling		3.7	900	3,330	$599.40
Heating		3.4	2,500	8,480	$1,526.45
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**23,445**	**$4,220.19**
Unit 4B	2,059				
Lighting and Receptacles		4.1	730	3,006	$541.11
Cooling		3.3	900	2,930	$527.45
Heating		3.7	2,500	9,204	$1,656.80
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$100.32
Subtotal				**24,006**	**$4,339.40**
Unit 4C	1,337				
Lighting and Receptacles		2.7	730	1,952	$351.36
Cooling		2.9	900	2,651	$477.09
Heating		2.4	2,500	5,977	$1,075.84
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**19,445**	**$3,500.10**
Unit 4D	1,327				
Lighting and Receptacles		2.7	730	1,937	$348.74
Cooling		2.9	900	2,651	$477.09
Heating		2.4	2,500	5,932	$1,067.79
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**19,386**	**$3,489.42**
Unit 4E	1,912				
Lighting and Receptacles		3.8	730	2,792	$502.47
Cooling		3.1	900	2,773	$499.10
Heating		3.1	2,500	7,864	$1,415.44

Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**22,293**	**$4,012.81**
Unit 4F	1,860				
Lighting and Receptacles		3.7	730	2,716	$488.81
Cooling		2.9	900	2,651	$477.09
Heating		3.1	2,500	7,650	$1,376.94
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**21,881**	**$3,938.65**
Unit 4G	1,199				
Lighting and Receptacles		2.4	730	1,751	$315.10
Cooling		2.5	900	2,222	$399.87
Heating		2.1	2,500	5,146	$926.20
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**17,983**	**$3,236.98**
Unit 4H	1,193				
Lighting and Receptacles		2.4	730	1,742	$313.52
Cooling		2.5	900	2,222	$399.87
Heating		2.0	2,500	5,120	$921.56
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**17,949**	**$3,230.76**
Subtotal				**166,389**	**$29,968.30**
Unit 5A	1,904				
Lighting and Receptacles		3.8	730	2,780	$500.37
Cooling		4.2	900	3,808	$685.44
Heating		3.4	2,500	8,512	$1,532.08
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**23,965**	**$4,313.70**
Unit 5B	1,734				
Lighting and Receptacles		3.5	730	2,532	$455.70
Cooling		3.9	900	3,468	$624.24
Heating		3.1	2,500	7,752	$1,395.29
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$100.32
Subtotal				**22,617**	**$4,089.27**
Unit 5C	1,844				
Lighting and Receptacles		3.7	730	2,692	$484.60
Cooling		4.1	900	3,688	$663.84
Heating		3.3	2,500	8,243	$1,483.80
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**23,489**	**$4,228.05**
Unit 5D	2,019				
Lighting and Receptacles		4.0	730	2,948	$530.59
Cooling		4.5	900	4,038	$726.84

Heating		3.6	2,500	9,026	$1,624.62
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**24,877**	**$4,477.86**
Unit 5E	1,862				
Lighting and Receptacles		3.7	730	2,719	$489.33
Cooling		4.1	900	3,724	$670.32
Heating		3.1	2,500	7,658	$1,378.42
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**22,966**	**$4,133.88**
Unit 5F	1,199				
Lighting and Receptacles		2.4	730	1,751	$315.10
Cooling		2.5	900	2,222	$399.87
Heating		2.1	2,500	5,146	$926.20
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**17,983**	**$3,236.98**
Unit 5G	1,193				
Lighting and Receptacles		2.4	730	1,742	$313.52
Cooling		2.5	900	2,222	$399.87
Heating		2.0	2,500	5,120	$921.56
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**17,949**	**$3,230.76**
Subtotal				**153,846**	**$27,710.50**
Unit PH1A	1,847				
Lighting and Receptacles		3.7	730	2,697	$485.39
Cooling		4.1	900	3,694	$664.92
Heating		3.3	2,500	8,257	$1,486.21
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**23,513**	**$4,232.33**
Unit PH1B	2,376				
Lighting and Receptacles		4.8	730	3,469	$624.41
Cooling		5.3	900	4,752	$855.36
Heating		4.2	2,500	10,622	$1,911.88
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$100.32
Subtotal				**27,708**	**$5,005.70**
Unit PH1C	2,524				
Lighting and Receptacles		5.0	730	3,685	$663.31
Cooling		5.6	900	5,048	$908.64
Heating		4.5	2,500	11,283	$2,030.97
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**28,882**	**$5,198.73**
Unit PH1D	1,476				
Lighting and Receptacles		3.0	730	2,155	$387.89

Cooling		3.3	900	2,952	$531.36
Heating		2.6	2,500	6,598	$1,187.68
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**20,571**	**$3,702.74**
Unit PH1E	1,767				
Lighting and Receptacles		3.5	730	2,580	$464.37
Cooling		3.9	900	3,534	$636.12
Heating		2.9	2,500	7,267	$1,308.09
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**22,247**	**$4,004.39**
Unit PH1F	1,707				
Lighting and Receptacles		3.4	730	2,492	$448.60
Cooling		3.8	900	3,414	$614.52
Heating		2.8	2,500	7,020	$1,263.68
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**21,792**	**$3,922.60**
Subtotal				**144,713**	**$26,066.50**
Unit PH2A	1,743				
Lighting and Receptacles		3.5	730	2,545	$458.06
Cooling		3.9	900	3,486	$627.48
Heating		3.1	2,500	7,792	$1,402.53
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**22,688**	**$4,083.88**
Unit PH2D	1,477				
Lighting and Receptacles		3.0	730	2,156	$388.16
Cooling		3.3	900	2,954	$531.72
Heating		2.6	2,500	6,603	$1,188.49
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$100.32
Subtotal				**20,579**	**$3,722.41**
Unit PH2E	1,767				
Lighting and Receptacles		3.5	730	2,580	$464.37
Cooling		3.9	900	3,534	$636.12
Heating		3.2	2,500	7,899	$1,421.84
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**22,879**	**$4,118.14**
Unit PH2F	1,618				
Lighting and Receptacles		3.2	730	2,362	$425.21
Cooling		3.6	900	3,236	$582.48
Heating		2.9	2,500	7,233	$1,301.95
Kitchen Appliances		9.6	876	8,410	$1,513.73
Washer		3.8	120	456	$82.08
Subtotal				**21,697**	**$3,905.44**

Subtotal	**87,842**	**$15,829.87**
Total Residential Charges	**719,197**	**$ 129,547**

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

STARR ASSOCIATES LLP
ATTORNEYS AT LAW

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NEW YORK, NY 10017
TEL 212 620 2680
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www.starr-lawfirm.com

April 26, 2016

522-528 LLC
12 West 23rd Street
New York, New York 10010

Re: The Hendrik Condominium
509 Pacific Street
Brooklyn, New York 11217 ("Property")

Ladies and Gentlemen:

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

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

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

This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to Purchasers. In no event will Sponsor, Starr Associates LLP, Selling Agent, Managing Agent or the Condominium Board be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in RPL Section 339 or other applicable Law.

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

Very truly yours,

STARR ASSOCIATES LLP

Samantha Sheeber

Samantha Sheeber, Partner

REAL PROPERTY LAW SECTION 339-i COMPLIANCE LETTER

FirstService
RESIDENTIAL

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-(i)

March 8, 2016

PVI HSC Atlantic LLC
12 West 23rd Street, FL 4
New York, New York 10010

Re: The Hendrik Condominium
509 Pacific Street, Brooklyn, NY

Gentlemen:

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

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

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

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

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

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

Very truly yours,

Marc Kotler
Senior Vice President
New Development Group

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

RETAIL UNIT

As more particularly described in the Declaration and in the Description of Property and Improvements, each of which are contained in Part II of the Plan, the Condominium will contain 1 Retail Unit.

The Retail Unit will be located on portions of the cellar and ground floor.

General

No representation is made (i) with respect to the future ownership, tenancy or occupancy of all or any portion of the Retail Unit and (ii) that the owners, tenants, occupants, or other users of the Retail Unit will not be objectionable to Residential Unit Owners, their Permitted Users, or any other parties.

No representation is made with respect to the uses to which any portion of the Retail Unit may be put at any time, except that the Retail Unit may be used for any purpose permitted by Law. The uses of the Retail Unit may generate noise, traffic, fumes, odors, vibrations, or other disturbances over which the Condominium Board and the Residential Unit Owners will have no control. Residential Unit Owners will not have any interest in the rents, profits or revenues generated from the business, rental, or other use of any space in the Retail Unit.

Rights and Obligations of the Retail Unit Owner

The Retail Unit Owner will be obligated to pay its portion of the Common Charges in accordance with the allocations set forth in the Section of the Plan entitled "Schedule B – Budget for First Year of Condominium Operation" ("Schedule B"). As set forth in the Footnotes annexed to Schedule B, certain budgeted items are allocated between the Residential Units and the Retail Unit on a special basis which reflects actual benefit and/or use associated with a particular item of expense or exclusive control of particular Common Elements. In the opinion of Sponsor's budget expert, the allocated Common Charges payable by the Retail Unit Owner are sufficient to cover the expenses fairly attributable to the Retail Unit. See "Certification of Budget Expert Concerning the Adequacy of Common Charges Payable by the Retail Unit Owner" set forth in Part II of the Plan for details.

The Retail Unit Owner shall have the right to designate 1 member to the 4-member Condominium Board. Any member of the Condominium Board designated by the Retail Unit Owner may only be removed by the Retail Unit Owner, who alone will have the right to elect or designate a replacement.

Notwithstanding anything to the contrary, (i) the allocations of budgeted items between the Residential Units and the Retail Unit (as set forth in Schedule B) may not be modified by the Condominium Board without the consent of the Retail Unit Owner, and (ii) the Condominium Documents may not be amended or modified to adversely affect the Retail Unit Owner without the prior written consent of the Retail Unit Owner. Otherwise, any decisions by the Condominium Board which solely affect the Retail Unit may be made only by the Retail Member of the Condominium Board.

Notwithstanding anything to the contrary, the Retail Unit Owner and its Permitted Users shall have the right to sell or lease all or any portion of the Retail Unit (i) without prior approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any, (ii) without notice, (iii) without complying with any requirements with respect to rights of first offers or first refusals, and (iv) without payment of any fees or charges (including any transfer fees or resale fees).

The Retail Unit Owner and its Permitted Users shall have an easement in, over, under, through or upon the Common Elements (i) for the purpose of accessing the Retail Unit or any portion of the Building

servicing the Retail Unit, (ii) for the purpose of exiting the Building in the event of an emergency, and (iii) to install, operate, maintain, repair, alter, rebuild, restore and replace any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or Facilities forming a part of or servicing the Retail Unit.

The Retail Unit Owner and its Permitted Users shall additionally have the right and an easement, as applicable, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any:

1. to make alterations, additions, improvements, or repairs in or to the interior portions of the Retail Unit, whether structural or non-structural, ordinary or extraordinary, including, without limitation, any alterations with respect to the type, number, or layout of rooms in The Retail Unit.

2. to amend the Certificate of Occupancy of the Building with respect to the use or number of the Retail Unit.

3. without amendment to the Plan, to (i) subdivide and/or combine the Retail Unit and/or (ii) change the Retail Unit in size by relocating a boundary wall between retail units. In the event of a subdivision, combination, and/or change in size of the Retail Unit, the Retail Unit Owner shall additionally have the right to reapportion among the Retail Unit their respective Common Interests. Any additional condominium units created as a result of a subdivision of the Retail Unit will retain the same rights, privileges, and benefits afforded the original Retail Unit Owner and will be subject to the same obligations imposed on the original Retail Unit Owner, as set forth in the Condominium Documents. Notwithstanding the foregoing, in the event of a subdivision of the Retail Unit, the resulting Unit Owners of the subdivided Retail Unit shall have the right to collectively designate only 1 member to the Condominium Board.

4. to make all arrangements for the prompt repair and restoration of the Retail Unit to the extent the Retail Unit is damaged or destroyed by fire or other casualty.

5. to erect, maintain, repair and replace one or more signs and lighting, of such size and content as the Retail Unit Owner shall determine in the windows of the Retail Unit, including, without limitation, any storefronts of the Retail Unit, for the purposes of advertising (a) the sale or rental of all or any portion of the Retail Unit or (b) the operation of any business for which the Retail Unit is used.

6. subject only to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit, to (i) alter, modify, and/or restore the exterior façade appurtenant to, and/or the windows of, the Retail Unit, including, without limitation, any storefronts, and (ii) create additional means of egress and ingress to the Retail Unit.

7. to use the sidewalk adjacent to the Retail Unit for any purposes permitted by Law, including, without limitation, food and beverage services and the placement of outdoor seating, tables, lighting and signage on such sidewalk, provided that the entrances to the Building are not impeded by such use. In the event the Retail Unit Owner utilizes a sidewalk adjacent to the Retail Unit, the maintenance, replacement, and repair of the sidewalk during the period of use, together with all costs and expenses associated therewith, shall be the responsibility of the Retail Unit Owner.

Any alterations, additions, improvements, or repairs by Retail Unit Owner are to be performed at the applicable Retail Unit Owner's sole cost and expense and must be in compliance with Law and the terms of the Declaration and the By-Laws.

Reference should be made to the Declaration and the By-Laws set forth in Part II of the Plan for details with respect to rights and obligations of Retail Unit Owner relating to the use and ownership of the Retail Unit.

CHANGES IN PRICES AND UNITS

Purchase prices and other terms of sale for the Units offered are negotiable, in Sponsor's sole discretion. Sponsor reserves the right to enter into a Purchase Agreement with a Purchaser, as a result of an individually negotiated transaction, to sell one or more Units at prices lower than those set forth in Schedule A, or to modify any other term of sale, without filing an amendment to the Plan. No Purchaser has the right to benefit from any price, term or condition negotiated with any other Purchaser. Sponsor further reserves the right, at any time and without notice to, or consent of, any Purchaser, Unit Owner or mortgagee, to increase the price of any Unit by a duly filed amendment to the Plan, except that no change with respect to any Unit for which a Purchase Agreement has been fully executed may be made without the consent of such Purchaser. Purchase prices set forth in Schedule A must be changed by a duly filed amendment to the Plan when the change in price is an across the board increase or decrease affecting one or more lines of Units or Unit models or is to be advertised. Modifications to the terms and conditions of sale affecting all Purchasers must be modified by a duly filed amendment to the Plan.

The location in the Building, approximate size (within reasonable tolerances) and layout of the Units are shown on the Floor Plans set forth in Part II of the Plan. In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of Purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by Law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without the consent of the Condominium Board, any Unit Owner or mortgagee, to (a) change the size, layout and square footage of, or number of rooms in, any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing one or more such Units into two or more separate Unsold Residential Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Unsold Residential Units, altering any boundary walls between one or more Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit without changing the percentage of Common Interest of such Unit, and (c) if appropriate, reapportion among the Unsold Residential Units affected by any such change, their aggregate Common Interests. In the event of any change pursuant to either (b) or (c) above, such change shall be disclosed in a duly filed amendment to the Plan. No such change, including any change in the Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Unit, will be made with respect to such Unsold Residential Unit for which a Purchase Agreement is then in effect which increases or decreases the square footage (excluding interior partitions) or Common Interest by more than 5%, or materially changes the Unsold Residential Unit size, the layout or Common Interest of such Unsold Residential Unit, unless the Purchaser consents to such changes. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit, as set forth in the Schedule A, by 5% or less (excluding interior partitions) is not a material and/or adverse change. Provided Purchaser's consent is not required, a Purchaser will not be excused from purchasing the Unit and will not have any claim against Sponsor as a result of any such change and such change will not affect a Purchaser's obligations under the Purchase Agreement or the Plan. If Purchaser's consent is required as a result of such change and Purchaser refuses to consent, then in such event, Sponsor's sole obligation shall be to refund to Purchaser all Deposits made under the Purchase Agreement and any interest earned thereon.

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

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid or otherwise, nor may the Common Interest or Residential Common Interest of any Unit be changed, unless, in each such event, the Declaration and Floor Plans and the Plan are amended with the consent of each Unit Owner whose Unit is directly affected by such change. In the case of a material

and adverse change in the size or quality of the Common Elements, no such change shall be made without the consent of every Unit Owner. In such event, Sponsor will have the right to amend or to cause the Condominium Board to amend the Declaration to reflect any such material and adverse change and to file such amendment and any necessary plans and specifications in connection therewith.

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

USE AND OCCUPANCY AGREEMENTS

Sponsor reserves the right with respect to any Unsold Residential Unit, to enter into a pre-closing Use and Occupancy Agreement with the Purchaser of such Unsold Residential Unit on an interim basis on such terms and conditions as may be agreed to between Sponsor and Purchaser. Purchasers are advised that the occupancy under such Use and Occupancy Agreement is not subject to any governmental regulations, including, without limitation, rent regulations or continued occupancy. Such use and occupancy fees shall be determined by Sponsor in its sole and absolute discretion. No occupancy may commence until a TCO has been obtained for such Unsold Residential Unit.

The Use and Occupancy Agreement will provide, among other things, that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unsold Residential Unit which is the subject of the Use and Occupancy Agreement will constitute a default under the Use and Occupancy Agreement entitling Sponsor, at its option, to terminate such Use and Occupancy Agreement in accordance with Law. In addition, each Purchase Agreement will provide that an uncured default by the Purchaser under any Use and Occupancy Agreement with respect to the Unsold Residential Unit which is the subject of the Purchase Agreement will constitute a default under the Purchase Agreement entitling Sponsor, at its option, to terminate such Purchase Agreement and to exercise any remedies provided therein. If Sponsor elects to terminate the Purchase Agreement, Purchaser shall have 30 days from the giving of notice of cancellation to cure the specified default and follow the default procedures set forth in the section of the Plan entitled "Procedure to Purchase." However, prior to Sponsor utilizing the default under the Use and Occupancy Agreement to declare a default under the Purchase Agreement, Sponsor must obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser unless the Purchaser has vacated the Unit. In addition, in the event a Purchaser is permitted to take possession of the Unsold Residential Unit prior to Closing, such Purchaser will be required to obtain casualty and liability insurance for their own benefit in such amounts as determined by Sponsor.

In the event (i) that Purchaser defaults under the terms of the Use and Occupancy Agreement which default is not cured within 10 days of notice (other than Purchaser's failure to make a Payment within ten (10) days of the first day of the month in which such Payment is due, in which event Sponsor shall not be required to send notice of default and the event of default shall be deemed to have occurred on the 11th day after the date on which such Payment is due), or (ii) that the term of the Use and Occupancy Agreement expires, Purchaser agrees to vacate and deliver full possession of the Unit to Sponsor in broom-clean condition within 10 days of written notice from Sponsor or its attorney.

The Use and Occupancy Agreement shall be in the form set forth in Part II of the Plan.

Purchasers entering into a Use and Occupancy Agreement for an Unsold Residential Unit will be required to pay the legal fees of Attorneys for Sponsor in connection therewith upon execution of the Use and Occupancy Agreement. All other charges or other fees due under the Use and Occupancy Agreement will be adjusted as of the Closing of Title to the Unsold Residential Unit and no portion of the Use and Occupancy fee paid under the Use and Occupancy Agreement will be credited towards the Purchase Price of an Unsold Residential Unit unless the Use and Occupancy Agreement expressly provides. Notwithstanding the foregoing, Sponsor will be under no obligation to enter into any Use and Occupancy Agreement.

The risk of loss to any Residential Unit by fire or other casualty until the Closing for such Residential Unit is assumed by Sponsor (unless and until Purchaser takes possession of the Residential Unit, at which time such risk, to the extent not covered by existing insurance, shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Residential Unit.

PROCEDURE TO PURCHASE

A Purchaser desiring to purchase a Residential Unit will be required to execute a Purchase Agreement, which will be in the form set forth in Part II of the Plan. A Purchaser also interested in acquiring a Parking Space will be required to execute the form of Rider annexed to the Purchase Agreement set forth in Part II of the Plan.

Purchasers shall be afforded not less than 3 business days to review the Plan prior to executing a Purchase Agreement. A Purchaser may obtain the Plan upon payment of a $300 deposit, which amount will be fully refunded upon either (i) the prompt return of the Plan in good condition or (ii) the execution by the Purchaser of a Purchase Agreement subsequently accepted by Sponsor. If a Purchaser has not received the Plan at least 3 business days prior to executing a Purchase Agreement, a Purchaser shall have the right to rescind the Purchase Agreement within 7 days from the date Purchaser delivers an executed Purchase Agreement together with the Initial Deposit to Sponsor or Selling Agent. The Purchase Agreement sets forth in detail the terms of sale with respect to each Unit and should be read carefully by Purchaser.

Although a Purchaser may obtain financing from any lending institution or other source, Purchaser's obligation to purchase a Residential Unit is not contingent on Purchaser obtaining financing. In the event a Purchaser defaults under a Purchase Agreement beyond all applicable cure periods as a result of inability to obtain financing, Sponsor shall be entitled to exercise any remedies provided under the Purchase Agreement, including the right to retain the Deposit as liquidated damages. Neither Sponsor nor Selling Agent makes any representation as to the availability or terms of any form of financing. Purchasers may want to consult with a lending institution and/or finalize their financing arrangements before signing a Purchase Agreement. While the First Closing is projected to occur on or around December 1, 2017, neither Sponsor nor Selling Agent makes any representation as to the actual closing date for any particular Unit. In addition, as set forth in the Plan and the Purchase Agreement, Sponsor has the right to adjourn the Closing Date from time to time and Purchasers should be aware that if the Closing Date is adjourned, Purchaser's financing terms may be adversely affected, the interest rate may increase and the loan commitment could expire. Sponsor shall have no liability as a result of any scheduling or adjournment of Closing beyond the expiration of a loan commitment.

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

At the time Purchaser executes a Purchase Agreement, Purchaser will be required to deliver an Initial Deposit in an amount equal to 10% of the Purchase Price. At the earlier to occur of (i) 6 months after the date Purchaser executes the Purchase Agreement or (ii) 15 days after the Presentation Date of an amendment declaring the Plan effective, Purchaser will be required to deliver an Additional Deposit in an amount equal to 5% of the Purchase Price. Notwithstanding the foregoing, a Purchaser executing a Purchase Agreement on or after the date the Plan is declared effective is required to deliver the full Deposit in an amount equal to 15% of the Purchase Price. Sponsor may require that Purchasers of more than 1 Residential Unit deliver a Deposit in excess of that set forth in the Plan, which amount shall be on terms individually negotiated with each Purchaser.

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

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

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

A Purchaser must deliver the payment of any Deposit or the Balance of the Purchase Price by official bank check unless Sponsor offers, in Sponsor's sole discretion, to accept a wire transfer.

The Balance of the Purchase Price shall be payable simultaneously with the delivery of the deed to the Residential Unit and, if applicable, the Parking Space License. The deed and Parking Space License will be substantially in the form as set forth in Part II of the Plan. Interest, if any, on Purchaser's Deposits will be credited or paid to Purchaser at Closing.

Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by Force Majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about December 1, 2017. Purchasers will not be excused from paying their full Purchase Prices (without credit or set-off), and will have no claim against Sponsor for damages or losses, in the event that the First Closing occurs earlier or later than the projected date or the time to complete or to close title to any Residential Unit is delayed or postponed by Sponsor. Sponsor has the right to change the projected First Year of Condominium Operation from time to time by an amendment to the Plan. If the First Closing does not occur within 12 months after the date set forth in Schedule B for the First Year of Condominium Operation in effect on the date a Purchaser and Sponsor entered into a Purchase Agreement, Sponsor will offer those affected Purchasers only a right for 15 days from the Presentation Date of the amendment disclosing Sponsor's failure to close within such time frame, to rescind their Purchase Agreement. Any Purchasers electing rescission will have their Deposits returned together with any interest earned thereon. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections. If the Common Charges in the amended budget exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all Purchasers the right, for 15 days, to rescind their Purchase Agreements and receive a refund of their Deposits, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

Following the Plan being declared effective, Sponsor will deliver to each Purchaser a written notice of the time and place of Closing at least 30 days prior to the Closing Date specified therein ("Scheduled Closing Date"). In the event a Purchaser defaults under the Purchase Agreement, time being of the essence with regard to the obligations of Purchaser under the Purchase Agreement, Sponsor, in its sole discretion, may elect by notice to Purchaser to either: (i) cancel the Purchase Agreement or (ii) seek specific performance. If Sponsor elects to cancel, Purchaser shall have 30 days from the giving of notice of cancellation to cure the specified default. If the default is not cured within such 30 days, TIME BEING OF

THE ESSENCE, then the Purchase Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages, all Deposits and any interest earned thereon. Upon the cancellation of the Purchase Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though the Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale. If Sponsor elects to seek specific performance, then Purchaser shall have 30 days from the giving of notice of Sponsor's election to close title to the Unit in accordance with the Agreement, without prejudice to Sponsor's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled under the Purchase Agreement (including, but not limited to, attorneys' fees, disbursements and costs of collection).

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

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

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

Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Any Foreign Government Purchaser shall designate and authorize a lawful agent to receive process for and on behalf of the Foreign Government Purchaser in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Such Foreign Government Purchaser will be required to deposit with the Condominium at Closing an amount equal to 1 year Common Charges with respect to the Residential Unit, based on the Condominium budget in effect as of the Closing Date of the Residential Unit, which will be in addition to the required contribution to the Working Capital Fund. Such amount shall increase from time to time as such Common Charges increase, together with the full amount of any Special Assessment levied against, or allocable to, such Unit, as security for the faithful observance by such Unit Owner of the terms, provisions and conditions of the By-Laws of the Condominium. In the event that such Foreign Government Unit Owner defaults in respect of the terms, provisions and conditions of the By-Laws, the Condominium Board may use, apply or retain the whole or any part of the security so deposited, to the

extent required for the payment of any Common Charges or any other sum to which such Foreign Government Unit Owner is in default. Thereafter, the Foreign Government Unit Owner shall deposit with the Condominium Board the amount so applied or retained so that such Condominium Board has the full amount of said security on hand at all times.

A Residential Unit Owner who acquired title to the Residential Unit from Sponsor is prohibited under the Purchase Agreement for a period of twelve (12) months from the First Closing from taking any of the following actions without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed, in Sponsor's sole and absolute discretion: (i) listing such Residential Unit for sale with any broker, (ii) placing or authorizing any listing in any broker's listing system or other listing service, or (iii) advertising or otherwise offering, promoting or publicizing the availability of such Residential Unit for sale.

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

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

The risk of loss to any Residential Unit by fire or other casualty until the Closing for such Residential Unit is assumed by Sponsor (unless and until Purchaser takes possession of the Residential Unit, at which time such risk, to the extent not covered by existing insurance, shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Residential Unit. In the event of damage or destruction of a Residential Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Residential Unit, the Purchase Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price of the Residential Unit. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Residential Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Residential Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Residential Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws"), the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return all Deposits, 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; provided, however, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

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

amount allocated to the affected Parking Space, to the extent any such money has been paid under the Purchase Agreement, including any interest earned thereon.

Sponsor is obligated to provide only the equipment, fixtures and furnishings set forth in the "Description of Property and Improvements" set forth in Part II of the Plan.

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

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

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

ESCROW AND TRUST FUND REQUIREMENTS

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

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

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

All Deposits made by Purchasers prior to the Closing of each individual transaction will be placed in a segregated special escrow account of Starr Associates LLP, the escrow agent ("Escrow Agent"), whose address is 220 East 42nd Street, Suite 3302, New York, New York 10017 and whose telephone number is (212) 620-2680. As of the Filing Date of the Plan, the attorneys who are signatories on these accounts authorized to withdraw funds, acting singly, are: Allan Starr, Esq., Andrea L. Roschelle, Esq., Samantha Sheeber, Esq. and Adam Kriegstein, Esq. ("Authorized Signatories"). All Authorized Signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any Authorized Signatory is the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

Escrow Agent has established an escrow account entitled "Starr Associates LLP, Escrow Account" ("Escrow Account") at JP Morgan Chase located at 270 Park Avenue, New York, New York 10017 ("Escrow Bank"). Escrow Bank is authorized to do business in the State of New York.

All instruments to be deposited into the Escrow Account shall be made payable directly to the order of "Starr Associates LLP, as Escrow Agent" or wired directly to the Escrow Account maintained by Escrow Agent pursuant to the Plan, as applicable, and shall be accepted subject to collection. Endorsed instruments will not be accepted. All checks must be drawn on or issued by a bank or trust company which is a member of the New York Clearinghouse Association. A return of any check delivered in payment of the Initial Deposit, for insufficient funds or for any other reason, shall constitute a non-curable default under the Purchase Agreement, rendering the Purchase Agreement void *ab initio* and of no further force or effect, in which event Purchaser and Sponsor shall each be released and discharged of all further liability and obligations under the Purchase Agreement and the Plan and the Unit may be sold to another as though the Purchase Agreement had never been made. A return of any check delivered in payment of the Additional Deposit, for insufficient funds or for any other reason, shall constitute a default under the Purchase Agreement, entitling Sponsor, at its option, to exercise the remedies provided therefor under the Purchase Agreement. With respect to wire transferred funds, any wiring fees charged by the initiating and/or receiving bank shall be paid by Purchaser.

All Deposits will be placed initially in the non-interest bearing portion of the Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8 (Certificate of Foreign Status) in the forms set forth in Part II to the Plan, to Attorneys for Sponsor (or Escrow Agent) at the time Purchaser signs and delivers the Purchase Agreement and the Initial Deposit. Deposits will be placed in the Escrow Account within 5 business days of proper delivery to Escrow Agent. If a Deposit is accompanied by a completed and signed Form W-9 or Form W-8, the Deposit will thereafter be promptly transferred to an individual interest bearing sub-escrow account in the name of Purchaser. If a Purchaser does not deliver the Form W-9 or Form W-8, the Deposit will remain in the non-interest bearing portion of the Escrow Account. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow account to the non-interest bearing portion of the Escrow Account so that checks may be drawn thereon. The Escrow Account is not an IOLA account. Escrow Agent shall execute the Purchase Agreement Escrow Rider with respect to its obligations in this Section.

The checking account portion of the Escrow Account will not be interest-bearing. The sub-escrow account portion of the Escrow Account will be interest-bearing. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return of all Deposits. All interest will be credited to Sponsor only in the event there is a Consummation of the Plan (as such term is defined in the Attorney General's regulations) and Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts. Sponsor has been advised as of September 1, 2015, that the interest rate for the Escrow Bank is 0.15%. The interest rate is subject to change by the Escrow Bank. Sponsor makes no assurance as to interest rates paid by the Escrow Bank and shall have no liability to Purchaser for changes to the interest rate. Interest will begin to accrue within: (x) 3 business days, if the Deposit is cash or cash equivalent, or (y) 5 business days, if the Deposit is other than cash or cash equivalent, of the transfer of the Deposit from the checking account portion of the Escrow Account into the sub-escrow account portion of the Escrow Account, as determined by whether and when the Deposit clears.

All Deposits are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, until such time as Sponsor is entitled to the Deposits as per GBL § 352-h.

The sub-escrow account number and the initial interest rate, if any, will be disclosed to each Purchaser, as appropriate, in a letter from Escrow Agent to each Purchaser sent within 10 business days after the delivery of the Initial Deposit. If Purchaser does not receive notice that the Initial Deposit has been placed in the Escrow Account within 15 business days after delivery of the Initial Deposit, Purchaser may cancel the Purchase and rescind the Purchase Agreement so long as the right to rescind is exercised within 90 days after delivery or crediting of the Initial Deposit by notice delivered to Sponsor and to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Initial Deposit was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations. However, Escrow Agent will not be required to send the aforementioned letter to any Purchaser in connection with any subsequent Deposits delivered by Purchaser after the Initial Deposit, including, without limitation, the Additional Deposit or any funds in connection with any changes in the interest rate.

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

Under current Law, the sub-accounts at the Escrow Bank are insured by the Federal Deposit Insurance Corporation ("FDIC") to a maximum of $250,000 per individual Deposit. The following are SPECIAL RISKS of this offer: (i) if a Purchaser makes a Deposit in excess of $250,000 such Deposit will not

be FDIC insured in excess of $250,000; and (ii) while the Deposit is in the non-interest bearing portion of the Escrow Account, the Deposit may not be fully FDIC insured even if the Deposit does not exceed $250,000. No representation is made with respect to any further changes in Law which may increase or decrease such limit.

All Deposits delivered subsequent to the Initial Deposit, including, without limitation, the Additional Deposit, may be delivered by Purchaser to Sponsor or Selling Agent by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested, overnight courier or express mail service or, if applicable, wired directly to the Escrow Account. A Deposit shall be deemed delivered by Purchaser on the date it is actually received by Sponsor or Selling Agent.

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

If a Purchaser delivers a Deposit without an executed Purchase Agreement, Sponsor shall have the right to reject the Deposit and return it to Purchaser: (i) within 5 business days after delivery, if the Deposit has not been deposited into escrow, and (ii) within 10 business days, if the Deposit has been deposited into escrow and the Purchase Agreement has not yet been delivered by Purchaser.

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

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

Escrow Agent shall release the Deposits if so directed:

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

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

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

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

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

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

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

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

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

Escrow Agent is acting merely as a stakeholder. Upon the release of any Deposits pursuant to the Plan, Escrow Agent shall be fully released from all liability and obligation with respect to such Deposits.

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

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

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

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

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

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

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

ASSIGNMENT OF PURCHASE AGREEMENTS

No Third-Party Assignment

Purchaser does not have the right to assign the Purchase Agreement without the prior written consent of Sponsor, in its sole discretion. Any purported assignment by Purchaser in violation of this Section will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, then Purchaser shall be required to pay to Starr Associates LLP a fee of $1,500, in advance, for preparation of an assignment and assumption agreement. Any purported assignment by Purchaser in violation of this Section shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the Section of the Plan entitled "Procedure to Purchase," and shall be voidable at the option of Sponsor.

EFFECTIVE DATE

The offering by Sponsor of the Units under the Plan is contingent upon the Plan being declared effective. The First Closing shall not occur until the Plan has been declared effective. The Plan may be declared effective, at Sponsor's option by (i) an amendment to the Plan or (ii) notice to each Purchaser stating that the Plan is declared effective and submission of an amendment to the Department of Law within 5 days confirming that the Plan was declared effective on a specified date. The Plan may be declared effective, at Sponsor's option, at any time when bona fide purchasers, including investors, have executed Purchase Agreements with respect to not less than 15% of the Units offered for sale (i.e. 6 Units based on 34 Units offered for sale). The Plan must be declared effective at such time as Purchase Agreements have been executed and are in effect with respect to 80% of the Units offered for sale (i.e. 28 Units based on 34 Units offered for sale).

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

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

If the Plan is abandoned and Sponsor has accepted Purchase Agreements, then Sponsor shall file an amendment with the Department of Law abandoning the Plan together with a form RS-3. If Sponsor has accepted Purchase Agreement, all Deposits, together with any interest earned thereon will be returned to Purchasers 5 days after the Filing Date of the amendment abandoning the Plan. Upon the return of the Deposits, as aforesaid, the Purchase Agreement will be null and void and Sponsor will have no further obligation or liability to Purchaser under the Plan or the Purchase Agreement. If the Plan is abandoned and Sponsor has not accepted Purchase Agreements, then Sponsor shall file a form RS-3 with the Department of Law without an amendment, which form RS-3 shall be served simultaneously by Sponsor on all commercial and professional tenants, if any. In the event that all Purchase Agreements are rescinded or terminated prior to the date of the First Closing, Sponsor will re-declare the Plan effective by submission of an amendment to the Department of Law, regardless whether the Declaration has been recorded.

TERMS OF SALE

The term "Closing" refers to the conveyance of title to a Residential Unit from Sponsor to Purchaser by the delivery to Purchaser of a deed upon payment by Purchaser to Sponsor of the balance of the Purchase Price for such Residential Unit. The Closing to each Residential Unit shall be held at the office of Starr Associates LLP, 220 East 42nd Street, Suite 3302, New York, New York 10017 or at such other place as Sponsor may designate.

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

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

(b) a TCO or PCO for the Residential Unit is in effect. Issuance of a TCO or PCO for the Residential Unit shall be deemed presumptive evidence of substantial completion of the Residential Unit and is the only construction-related prerequisite that must occur before Sponsor may require the closing of title. Notwithstanding anything to the contrary, Purchasers will be required to consummate the purchase of the Residential Unit and the Parking Space simultaneously at Closing even if a TCO has not been issued for the Parking Space Area. In such event, Purchasers will not be able to access or use the Parking Space until such time as a TCO has been issued for the Parking Space Area. Additionally, the proceeds from the sale of the Parking Space will be held in escrow ("Parking Space Escrow") by Escrow Agent until such time as a TCO has been issued for the Parking Space Area. The Parking Space Escrow will not be held in an interest bearing escrow account, and, therefore, Purchaser will earn no interest on the Parking Space Escrow.

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

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

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

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

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

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

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

(a) a bargain and sale deed with covenant against grantor's acts, substantially in the form set forth in Part II of the Plan, in proper form for recording and containing the provisions set forth in subdivision 5 of Section 13 of the Lien Law upon delivery to Sponsor of the Balance of the Purchase Price and such other checks and documents required pursuant to the Plan and the Purchase Agreement.

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

(c) a notice to Managing Agent indicating whether a child under the age of eleven (11) will be living or residing (even temporarily) in the Residential Unit or if the Purchaser wants to have window guards and/or legally compliant window stops installed on the windows of the Residential Unit even though no child under the age of eleven (11) will be living in the Residential Unit. In the event that legally compliant window guards and/or window stops are to be installed, replaced, or repaired in the Residential Unit, such installation shall be performed at the direction of Managing Agent and all costs associated therewith shall be charged to and be borne solely by the Purchaser of the Residential Unit.

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

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

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

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

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

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

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

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

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

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

Purchaser shall pay all New York State and New York City real property transfer taxes, and Sponsor and Purchaser shall duly complete and execute before a notary public the New York City and New York State Transfer Tax Return Forms and any other forms then required by Law, all of which shall be prepared by Sponsor. Purchasers should reference the section of the Plan entitled "Closing Costs and Adjustments" for more information.

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

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

CLOSING COSTS AND ADJUSTMENTS

Closing Costs

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

(a) A non-refundable contribution to the Working Capital Fund of the Condominium in an amount equal to 2 months' Common Charges with respect to the Residential Unit based on the Condominium budget at the time of Closing.

(b) If Purchaser elects to obtain fee title insurance, Purchaser will pay the premium therefor, which will vary depending upon the amount requested. Purchasers are advised that because the Building will contain 10 or more Units the premiums will be calculated per the State Insurance Department requirements at a discounted bulk rate of 70% of the standard fee policy rates. Purchasers are free to use a title company of their choice without any penalty. Commonwealth Land Title Insurance Company, New York Land Services Office, a title company having an office at 630 Third Avenue, 12th Floor, New York, New York 10017 (telephone: (212) 490-2277, facsimile: (212) 490-8012) ("Title Company"), has (i) reviewed the Plan and the Condominium Documents and has issued a letter to Sponsor that it is committed to insure that a valid Condominium will be created pursuant to the Condominium Act, (ii) issued the Specimen Title Policy set forth in Part II of the Plan, and (iii) provided Sponsor with the discounted fee policy rates as set forth below, which are per the State Insurance Department Requirements and **will therefore be uniform regardless of the title company selected**:

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

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

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

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

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

BULK SIMULTANEOUS MORTGAGE RATE SCHEDULE

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

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

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

(e) New York State Real Estate Transfer Tax ("State Transfer Tax") currently equal to $2 per $500 of Purchase Price plus, if applicable, a New York State Additional Tax ("Mansion Tax") of 1% where the Purchase Price equals $1 million or more and the New York City Real Property Transfer Tax ("RPT Tax") currently equal to 1% of the Purchase Price where the Purchase Price is $500,000 or less and 1.425% of the Purchase Price where the Purchase Price is more than $500,000.

The New York City Department of Finance has taken the position that where the purchaser of property assumes the obligation for the payment of the State Transfer Tax and the RPT Tax, which are generally an obligation borne by a Seller, the amount of the tax which would otherwise be payable if the seller were to pay such taxes, will be treated as additional consideration for the transaction subject to tax. Consequently, the amount of the RPT Tax is computed as follows:

	Purchase Price $500,000 or less	Purchase Price Greater than $500,000
Tentative City Tax:		
Consideration	$400,000	$1,500,000
Tax Rate	x 1%	x 1.425%
Tentative tax	$ 4,000	$ 21,375
Tentative State Tax:		
Net Consideration	$400,000	$1,500,000
Rounded up to nearest $500	$400,000	$1,500,000
Tentative tax ($2 per $500)	$ 1,600	$ 6,000
City Tax:		
Consideration	$400,000	$1,500,000
Tentative taxes	+ 5,600	+ 27,375
Taxable Consideration	$405,600	$1,527,375
Tax Rate	x 1%	x 1.425%
City Tax	$ 4,056	$ 21,765.09
State Tax:		
Net Consideration	$400,000	$1,500,000
Tentative taxes	+ 5,600	+ 27,375
Taxable Consideration	$405,600	$1,527,375
Rounded up to nearest $500	$406,000	$1,527,500
State Tax ($2 per $500)	$ 1,624	$ 6,110

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

Sponsor has been advised by the Title Company that the information set forth below reflects the current position of the New York City Department of Finance with respect to real property transfer taxes that are due and payable in connection with the transfer by a seller of one or more units to the same or related purchasers, whether pursuant to one or more Purchase Agreements:

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

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

(2) ***Purchase of multiple Residential Units:***

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

The Department of Finance currently takes the position that: (i) the lower tax rate (either 1% if the consideration is $500,000 or less, or 1.425% if the consideration is greater than $500,000) applies only in the case of a transfer of "an individual residential condominium unit;" and (ii) the higher tax rate (either 1.425% if the consideration is $500,000 or less, or 2.625% if the consideration is greater than $500,000) applies if a purchaser acquires more than one individual Residential Unit (i.e., two Residential Units).

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

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

(g) Closing fees payable to Starr Associates LLP, in accordance with the following schedule, all of which fees will be cumulative to the extent applicable to any individual closing:

(1) $2,500 for the preparation of closing documents, calculation of adjustments, attendance at Closing at the offices of Starr Associates LLP, or such other place as Sponsor may designate and supervision of execution of closing documents;

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

(3) If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement (which request in all instances must be received by Sponsor's attorney no later than 7 business days prior to the Scheduled Closing Date), a fee of $1,500, payable in advance, for preparation of an assignment agreement.

(4) If through no fault of Sponsor, Purchaser fails to close on the date scheduled for Closing, then Purchaser shall pay an additional fee of $1,250 for <u>each</u> rescheduled Closing granted at Purchaser's request to defray the cost of preparing and coordinating the Closing and recalculating the Closing apportionments.

(5) If Purchaser obtains mortgage financing, then Purchaser shall pay an additional fee of $500 to defray the costs associated therewith.

Purchaser may pay more than one fee pursuant to (g) above with respect to a Unit. In addition to an attendance fee in connection with a completed Unit transfer, Starr Associates LLP

shall also be entitled to an attendance fee in the amount set forth above if such firm's representative attends a scheduled Closing but the Closing is adjourned due to Purchaser's failure to comply with Purchaser's closing obligations. In addition, more than one assignment fee shall be payable if Sponsor consents to more than one assignment request.

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

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

(j) If Purchaser is a Foreign Government Purchaser, Purchaser will be required to deposit with the Condominium an amount equal to 1 year of Common Charges with respect to the Residential Unit, based on the Condominium budget in effect as of the Closing Date.

All legal costs, fees and expenses of Starr Associates LLP, other than those specifically set forth above, will be the sole responsibility of Sponsor.

Example of Estimated Closing Costs for a Typical Residential Unit

A numerical example of estimated closing costs and expenses for a single Residential Unit with a Purchase Price of $2,500,000 and a mortgage of $1,000,000 are set forth below by way of illustration only. All tax rates, title insurance premiums and recording rates are subject to change:

ITEM	DESCRIPTION	AMOUNT
Fee Insurance Premium for $2,500,000 of owner's insurance	(70% first condo bulk sale rate)	$6,998.00
Mortgage Insurance Premium for $1,000,000 of lender's insurance	(21% first condo bulk sale simultaneous rate)	$791.00
NYC RPT Tax	NOTE: transfer taxes are based upon bulked-up consideration of $2,545,625.00. The NYC RPT rate is 1.425%.	$36,275.16
NYS Mansion Tax	1% of bulked-up consideration	$25,456.25
NYS Transfer Tax	The tax rate is $2 for every $500 of consideration or fraction thereof.	$10,184.00
Mortgage Recording Tax	The tax rate is 2.175%. The borrower pays 1.925% - $30. This does not include the lender's ¼ point of mortgage tax in the amount of $2,500.00.	$19,220.00
Departmental and Bankruptcy Searches	Title Searches	$419.17
Estimated Recording Fees	(one deed, one mortgage and one condo power of attorney)	$525.00
Estimated Lender's Title Endorsements	4 endorsements at $25.00 each.	$100.00
Closing fees to Starr Associates LLP	Basic closing fee and ACRIS document preparation fee plus mortgage financing fee	$3,250.00
Working Capital Fund	2 months' Common Charges	See Schedule A
Total Estimated Closing Costs	***Excluding Working Capital Fund***	**$103,218.58**

This example does not include the following costs or fees, to the extent applicable: Purchaser's financing costs, legal fees of Purchaser's attorney, additional legal fees payable to Sponsor's attorney as set forth in paragraph (g) above, recording additional documents, penalty for late closing or adjustments with Sponsor (including mortgage recording tax reimbursement), apportionment of real estate taxes and insurance as described below.

Purchasers should note that adjustments for various closing items including Common Charges and real estate taxes will be made at Closing.

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

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

Closing Adjustments

(i) Adjustments. At Closing, adjustments between Sponsor and Purchaser will be made as of midnight of the day preceding the Closing Date with respect to (a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed) on the basis of the period for which assessed, and future real estate taxes and assessments in accordance with the terms of the subsection below entitled "Real Estate Taxes;" (b) Common Charges (if Common Charges have been assessed by the Condominium Board) and assessments for the month in which title closes; and (c) if Purchaser is occupying a Residential Unit pursuant to a Use and Occupancy Agreement, accrued use and occupancy fees and other charges.

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

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

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

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

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

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

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

Other Costs

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

RIGHTS AND OBLIGATIONS OF SPONSOR

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

(a) Sponsor has not yet procured financing for the construction of the Building. Subsequent to Sponsor's acquisition of construction financing, Sponsor will amend the Plan to disclose any requirements imposed by the Construction Lender with respect to the sale of the Residential Units.

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

(c) Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by Force Majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about December 1, 2017. Purchasers will not be excused from paying their full Purchase Prices (without credit or set-off), and will have no claim against Sponsor for damages or losses, in the event that the First Closing occurs earlier or later than the projected date or the time to complete or to close title to any Residential Unit is delayed or postponed by Sponsor, it being understood that nothing contained in this Section will be construed so as to render Sponsor liable for money damages, nor shall Purchaser have against Sponsor any liability, suit, claim, cause of action, or demand under any legal theory. Sponsor has the right to change the projected First Year of Condominium Operation from time to time by an amendment to the Plan. If the First Closing does not occur within 12 months after the date set forth in Schedule B for the First Year of Condominium Operation in effect on the date a Purchaser and Sponsor entered into a Purchase Agreement, Sponsor will offer those affected Purchasers only a right to rescind their Purchase Agreement for 15 days from the Presentation Date of the amendment disclosing Sponsor's failure to close within such time frame. Any Purchasers electing rescission will have their Deposits returned together with any interest earned thereon. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections. If the Common Charges in the amended budget exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all Purchasers the right, for 15 days, to rescind their Purchase Agreements and receive a refund of their Deposits, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

(d) As is necessary in order to complete the Building with a quality of construction comparable to the currently prevailing local standards and in accordance with the Plans and Specifications, Sponsor will perform such work and supply such materials, or will cause the same to be performed and supplied, and will bear all costs and expenses in connection therewith.

(e) Notwithstanding anything to the contrary, 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) modify from time to time the Condominium Documents and the Plans and Specifications (including changes in layouts and designs) as may be necessary in Sponsor's sole discretion to conform to Law or to expedite the sale of the Units, or due to structural, architectural or mechanical considerations, or otherwise in accordance with the Section of the Plan entitled "Changes in Prices and Units," and/or (ii)

substitute materials, appliances, equipment and fixtures that are of substantially Equal or Better Quality in place of those described in the Plan and the Plans and Specifications. Notwithstanding the foregoing, no such modification, including any change in the Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Residential Unit, will be made which: (x) materially and adversely affects a Unit Owner or Purchaser; (y) increases any obligation of a Unit Owner or Purchaser to any adverse and material degree; and/or (z) with respect to such Unsold Residential Unit for which a Purchase Agreement is then in effect, increases or decreases the square footage (excluding interior partitions) or Common Interest by more than 5%, or materially changes the unit size, layout or percentage of Common Interest of such Unsold Residential Unit, unless the Purchaser consents to such changes. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit, as set forth in the Schedule A, by 5% or less (excluding interior partitions) is not a material and/or adverse change. Provided Purchaser's consent is not required, a Purchaser will not be excused from purchasing the Residential Unit and will not have any claim for damages or losses against Sponsor as a result of any such change and such change will not affect a Purchaser's obligations under the Purchase Agreement or the Plan, it being understood that nothing contained in this Section will be construed so as to render Sponsor liable for money damages, nor shall Purchaser have against Sponsor any liability, suit, claim, cause of action, or demand under any legal theory. If Purchaser's consent is required as a result of such change and Purchaser refuses to consent, then in such event, Sponsor's sole obligation shall be to refund to Purchaser the Deposit made under the Purchase Agreement and any interest earned thereon. Any material and adverse modification will be reflected in an amendment to the Plan.

(f) At the First Closing, Sponsor will deliver, assign, or otherwise grant to the Condominium Board, on behalf of all Unit Owners, the right to proceed under any assignable warranties and other undertakings received by Sponsor from contractors, suppliers, or others in connection with the construction and equipping of the Building, except that assignable warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in any Unit shall be assigned to the Purchaser on the Closing Date, including the warranties and undertakings received by Sponsor which relate to appliances, equipment, or fixtures located in the Units and the Common Elements. Sponsor does not make any 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.

(g) Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a permanent certificate of occupancy ("PCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and PCOs are issued by the Buildings Department. A TCO is intended to indicate that the property is safe for occupancy, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a PCO. Sponsor anticipates this scenario will occur. No Closing of a Residential Unit will occur prior to the issuance of a TCO for the particular Residential Unit. Sponsor will undertake the responsibility for extending each TCO prior to its expiration, and ultimately for obtaining a PCO covering the entire Building within 2 years from the date of the issuance of the first TCO, subject, however, to (i) Force Majeure, (ii) actions by Unit Owners or tenants of Unit Owners, (iii) work undertaken in a Unit by a Unit Owner, except in instances where Sponsor or Sponsor-controlled Condominium Board have given its consent to a Unit Owner to perform alterations, (iv) work undertaken in Common Elements by the Condominium Board after Sponsor no longer controls the Condominium Board or (v) any other cause over which Sponsor has no control. Sponsor does not make any

representation that the Buildings Department will issue the PCO within such 2 year period. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the PCO for the Building, and shall exercise best efforts to obtain the PCO within such 2 year period while keeping the TCO current. Unit Owners and the Condominium Board shall be obligated to cooperate with, and refrain from obstructing, Sponsor in these undertakings.

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

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

Notwithstanding anything to the contrary, Purchasers will be required to consummate the purchase of the Residential Unit and the Parking Space simultaneously at Closing even if a TCO has not been issued for the Parking Space Area. In such event, Purchasers will not be able to access or use the Parking Space until such time as a TCO has been issued for the Parking Space Area. Additionally, the proceeds from the sale of the Parking Space will be held in escrow ("Parking Space Escrow") by Escrow Agent until such time as a TCO has been issued for the Parking Space Area. The Parking Space Escrow will not be held in an interest bearing escrow account, and, therefore, Purchaser will earn no interest on the Parking Space Escrow.

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

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

(j) The Building will contain certain major mechanical equipment, including, but not limited to, elevator machine rooms, fans, pumps, domestic water tanks, chillers, packaged units and cooling towers (collectively, "Equipment") located in the cellar and on the bulkhead which may cause noise and vibration throughout the Building. While Sponsor will endeavor to reduce excessive noise and vibration emanating from the Equipment, it may be impossible to eliminate such noise and vibration entirely. As a result, Residential Units and amenity areas in close proximity may be affected. In no event, however, shall any noise emanating from the Equipment be in violation of Law, including applicable NYC noise ordinances.

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

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

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

(n) Article 36-B of the New York General Business Law ("Housing Merchant Implied Warranty Law") does <u>not</u> apply to this offering as the Building comprises more than 5 stories. Sponsor makes no other warranties, express or implied, in connection with this offering of the Units and all such

warranties are excluded, except as provided in the limited warranty ("Limited Warranty") set forth in this Section. Sponsor will correct, repair, or replace any and all defects relating to construction of the Building, Common Elements or the Units or in the installation or operation of any appliances, fixtures, or equipment therein, or will cause the same to be corrected, repaired, or replaced, but only if:

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

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

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

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

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

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

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

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

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

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

d. Purchaser, through any act or omission (i) is the cause of such defect, (ii) obstructs, delays, prevents or hinders Sponsor from gaining access to the Unit in order to repair or replace the defect, or (iii) undertakes the repair or replacement of such defect.

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

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

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

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

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

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

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

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

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

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

e. variations in wood floor stains and finishes;

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

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

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

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

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

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

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

(p) NOTHING CONTAINED IN THIS SECTION WILL BE CONSTRUED SO AS TO RENDER SPONSOR LIABLE FOR MONEY DAMAGES NOR SHALL PURCHASER HAVE ANY SUIT, CLAIM, CAUSE OF ACTION, OR DEMAND (WHETHER BASED ON NEGLIGENCE, BREACH OF CONTRACT, BREACH OF WARRANTY, OR OTHERWISE), IT BEING INTENDED THAT SPONSOR'S SOLE OBLIGATION UNDER THE PLAN WILL BE TO REPAIR OR REPLACE ANY DEFECTIVE ITEM OF CONSTRUCTION UPON, AND SUBJECT TO, THE TERMS AND CONDITIONS SET FORTH ABOVE. ADDITIONALLY, EXCEPT AS EXPRESSLY SET FORTH ABOVE, SPONSOR WILL HAVE NO OBLIGATION TO CORRECT OR REPAIR ANY DEFECTIVE OR OTHER CONDITION IN THE BUILDING (INCLUDING IN THE UNSOLD RESIDENTIAL UNITS AND THE COMMON ELEMENTS) OR IN, OR WITH RESPECT TO, ITS INSTALLATIONS, APPARATUSES, FIXTURES, FINISHES, MATERIALS, AND APPURTENANCES. ASIDE FROM ANY SPONSOR WARRANTIES AND UNDERTAKINGS WITH RESPECT TO THE CONSTRUCTION AND COMPLETION OF THE BUILDING CONTAINED IN THIS SECTION, NO OTHER WARRANTIES OR UNDERTAKINGS SHALL BE IMPLIED. HOWEVER, NO SUCH DISCLAIMER OR LIMITATION OF LIABILITY ON SPONSOR'S PART SHALL APPLY TO SPONSOR'S OBLIGATIONS UNDER ALL APPLICABLE STATUTES, LAWS AND REGULATIONS.

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

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

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

(t) Sponsor will pay or cause to be paid all contractors, subcontractors and materialpersons and all others involved in the construction and equipping of the Building in accordance with the New York Lien Law, for work performed and fixtures, material and equipment supplied or installed during Sponsor's construction thereof.

(u) No Closing of a Residential Unit will occur prior to the issuance of a TCO for the particular Residential Unit. Sponsor will perform any work and/or supply any material necessary to obtain a PCO.

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

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

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

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

(z) At or prior to the First Closing, the Condominium Board or Sponsor (on behalf of the Condominium Board) will procure the insurance relating to the Condominium which is required to be

maintained by the Condominium Board in accordance with the provisions of the By-Laws, the types and cost of which insurance has been reflected in the First Year's Budget. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws.")

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

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

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

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

(ee) Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements (including Parking Spaces) for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain alterations and repairs in or about the Units and the Common Elements. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes. If

reasonable care under the circumstances is exercised to safeguard the Unit Owner's property, such entry shall not render Sponsor or its authorized agents liable for any damage to the Unit or to the personal property or fixtures contained therein.

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

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

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

(ii) In the event that the Building will be occupied by tenants and/or Unit Owners prior to the issuance of a PCO for the Building, a tenant protection plan will be created and distributed to each occupant who will be occupying any dwelling units in the Building during construction, to the extent required by the Buildings Department.

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

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

As of the Filing Date of the Plan, Sponsor has sufficient resources to fund its obligations set forth in the Plan. Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. Unless expressly provided to the contrary herein, the obligations of Sponsor under the Plan shall survive the delivery of the respective deeds to the Units to Purchasers.

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

The foregoing sets forth the entire obligations of Sponsor hereunder and no others shall be implied, except that nothing contained herein shall be deemed to limit the rights of Unit Owners under their respective Purchase Agreements. Sponsor does not make any representations or warranties other than as set forth in the Plan.

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

Use of Unsold Residential Units

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

Sales Office/Model Unit/Marketing Materials

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

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

Sponsor's Easement Rights

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

Condominium Name

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

CONTROL BY SPONSOR

The Condominium Board shall initially consist of 3 persons designated from time to time by Sponsor. Sponsor presently anticipates that the initial members of the Condominium Board shall be Sebastian Polman, Jeff Gershon, Sha Dinour, who shall serve as President, Vice President and Secretary/Treasurer, respectively. Each of these individuals are affiliated with Sponsor, as follows: Jeff Gershon is a principal of Sponsor and Sebastian Polman and Sha Dinour are employees of Sponsor. Sponsor reserves the right to designate different individuals to serve on the initial Condominium Board in lieu of the above mentioned individuals. The initial Condominium Board shall conduct all affairs of the Condominium.

Sponsor will have voting control over the Condominium Board until the earlier of: (i) the fifth anniversary of the First Closing; (ii) the Closing of Title to all Units (including the Retail Unit); or (iii) the date on which Sponsor otherwise exercises its right to relinquish voting control of the Condominium Board ("Sponsor Control Period"). Notwithstanding the relinquishment of control by Sponsor, the Condominium Board cannot take any action whatsoever which would interfere to any degree with Sponsor's rights under the Plan or Sponsor's ability to meet its obligations under the Plan, including without limitation Sponsor's obligation to procure a PCO for the Building.

At meetings of the Residential Unit Owners, Sponsor will have the right to vote all of the Common Interests attributable to the Unsold Residential Units as it sees fit. When voting for members of the Condominium Board, each Residential Unit Owner shall be entitled to cast 1 vote for each .0001% of Common Interest attributable to the Residential Unit per Residential Member to be elected. However, at elections of members to the Condominium Board held during the Sponsor Control Period, Sponsor shall have the right to designate 2 of the 3 Residential Members of the Condominium Board.

So long as Sponsor shall continue to own at least 1 Unsold Residential Unit, Sponsor shall have the right to designate 1 Residential Member to the Condominium Board, and shall have the right to vote its Common Interests attributable to the Unsold Residential Units for the remaining Residential Members of the Condominium Board.

Within 30 days after the expiration of the Sponsor Control Period, and assuming the First Annual Meeting has not yet occurred, 2 of the 3 Residential Members of the Condominium Board who were designated by Sponsor shall resign and a replacement shall be filled by a vote of the Residential Unit Owners (including Sponsor) at a special meeting called for such purpose.

The number of members of the Condominium Board may not be increased or decreased without the consent of Sponsor for so long as Sponsor continues to own at least 1 Unsold Residential Unit.

During the Sponsor Control Period, Sponsor will through its control of the Condominium Board have control of the maintenance and operation of, and the services to be provided by, the Condominium and will determine the Common Charges to be paid by all Unit Owners.

For so long as Sponsor continues to own at least 25% in number of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit; or (b) assess any Common Charges or Special Assessments for the creation of, addition to, or replacement of all or part of a working capital, reserve, contingency or surplus fund; or (c) increase or decrease the number, or change the kind of employees from those described in the First Year's Budget; or (d) enter into any service or maintenance contracts for work or otherwise contract for work or otherwise provide services in excess of those described in the First Year's Budget, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business; or (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase

a Unit; provided, however, that (x) Sponsor may not diminish or eliminate services, facilities or any line items described in the First Year's Budget; and (y) Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary to enable the Condominium Board to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer or (iv) to ensure the health and safety of the occupants of the Building.

CONDOMINIUM BOARD

The affairs of the Condominium shall be governed by the Condominium Board. The term of office of the members of the Condominium Board shall be for 1 year or until their successors are elected. Members of the Condominium Board shall serve without compensation. Any member of the Condominium Board may resign membership at any time by written notice hand delivered or sent by certified mail, return receipt requested, to the President or Secretary of the Condominium Board. Notwithstanding the term of such member's office, such resignation shall take effect at the time specified therein. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" for details.)

The Condominium Board shall initially consist of 3 persons designated from time to time by Sponsor. Sponsor presently anticipates that the initial members of the Condominium Board shall be Sebastian Polman, Jeff Gershon, Sha Dinour, who shall serve as President, Vice President and Secretary/Treasurer, respectively. Each of these individuals are affiliated with Sponsor, as follows: Jeff Gershon is a principal of Sponsor and Sebastian Polman and Sha Dinour are employees of Sponsor. Sponsor reserves the right to designate different individuals to serve on the initial Condominium Board in lieu of the above mentioned individuals. The initial Condominium Board shall conduct all affairs of the Condominium.

The First Annual Meeting will be held approximately 30 days after the later to occur of (i) the second anniversary of the First Closing; or (ii) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 50% in number of all Residential Units offered for sale.

Commencing with the First Annual Meeting, the Condominium Board shall consist of 4 individuals, 3 of whom shall be elected and/or designated in accordance with the terms of the By-Laws by the Residential Unit Owners (including Sponsor) (collectively, the "Residential Members"), and 1 of whom shall be designated by the Retail Unit Owner ("Retail Member"). Except for members designated by Sponsor and/or the Retail Unit Owner, all Members of the Condominium Board shall be either: (i) individual Residential Unit Owners or adult Family Members of an individual Residential Unit Owner; or (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Residential Unit Owners or Permitted Mortgagees. The number or composition of Condominium Board members may not be changed except in accordance with the procedures described in the By-Laws.

A Residential Member of the Condominium Board may be removed with or without cause by an affirmative vote of a majority of Residential Unit Owners who are present at a meeting containing a quorum of Residential Unit Owners, provided, however, that any Residential Member designated by Sponsor may only be removed and replaced by Sponsor, and further provided, however, that any Retail Member only be removed by the Retail Unit Owner, who alone shall have the right to designate a replacement. No member of the Condominium Board shall continue to serve on the Condominium Board if, during the term of office, such member shall cease to be a Unit Owner or an interested party as described in the By-Laws; provided, however, that these provisions respecting Unit Ownership and occupancy, and Condominium Board membership, shall not apply to members of the Condominium Board designated by Sponsor and/or the Retail Unit Owner.

A successor officer may be elected at any regular Condominium Board meeting or at any special Condominium Board meeting called for such purpose. The President may call a special meeting whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such meeting signed by Unit Owners having in aggregate no less than 40% of the Common Interest of all Unit Owners.

All officers and members of Condominium Board and employees of the Condominium will be insured at all times from and after the First Closing under directors and officers liability insurance in favor of the Condominium. The amount and cost of the insurance has been provided for in the First Year's Budget.

To the extent permitted by Law, members of the Condominium Board will have no liability to Unit Owners except for liability for bad faith or willful misconduct. The Condominium Board may contract or effect any other transaction with any member of the Condominium Board, any Unit Owner, Sponsor, or any affiliate of any of them without incurring any liability for self-dealing, except in the cases of bad faith or willful misconduct. The Condominium Board has a fiduciary duty to act in the best interests of the Condominium. All Unit Owners shall jointly and severally, to the extent of their respective interests in their Units and their appurtenant Common Interests indemnify each member of the Condominium Board against any liability or claim except those arising out of the bad faith or willful misconduct of such member of the Condominium Board.

Purchasers should refer to the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" subsection "Amendments to Condominium Documents" for a discussion of the procedures to amend the Condominium Documents.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sales and Leases of Units

Each Residential Unit Owner may either lease the Residential Unit for terms of not less nor more than 1 year or sell the Residential Unit provided that, in each instance, the Residential Unit Owner ("Offering Unit Owner") first gives the Condominium Board, on behalf of all Residential Unit Owners, notice of intention to sell or lease together with any and all application forms and documentation required by the Condominium Board, and an opportunity to purchase or lease such Residential Unit at the same price or rental and on the same terms as were offered in good faith by a prospective Purchaser or lessee, as more specifically provided in the By-Laws. If the Condominium Board does not elect to purchase or lease the Residential Unit within 30 days after receipt of notice, the Offering Unit Owner will have an additional 60 days to enter into a written agreement with the prospective Purchaser or lessee, as the case may be, embodying the terms set forth in such notice. In the event such written agreement is not executed by the Offering Unit Owner within such 60 day period or such sale or rental is not consummated within an additional 60 days following the expiration of such 60 day period, the Offering Unit Owner will be required to again first offer the same to the Condominium Board, provided that the Condominium Board shall be entitled to waive, or to permit an extension of, either or both of such 60 day periods. The Condominium Board may not exercise its option to purchase or lease any Residential Unit without prior approval of a majority in interest of all Residential Unit Owners. The By-Laws permit the Condominium Board to (i) borrow money on behalf of the Condominium for the benefit of Residential Unit Owners, (ii) increase Common Charges assessed against all Residential Unit Owners and (iii) impose Special Assessments against all Residential Unit Owners, in the event the Condominium Board elects to exercise its right of first refusal. Purchaser should refer to Article 7 of the By-Laws for details concerning the Condominium Board's election to exercise its right of first refusal. Any such deed given by an Offering Unit Owner shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Condominium Documents, as the same may be amended from time to time. Any such lease shall be consistent with the By-Laws and shall provide that it may not be materially modified, amended, or extended without the prior consent in writing of the Condominium Board, that the tenant shall not assign the lease or sublet the Residential Unit or any part thereof without the prior consent in writing of the Condominium Board, and that the Condominium Board, if permitted by Law, shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. The form of any such lease shall be a printed, reasonably applicable form of residential lease which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws.

Any purported sale or rental of a Residential Unit in violation of this Section shall be voidable at the election of the Condominium Board. The Condominium Board may not discriminate against any person on the basis of color, race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law.

A Residential Unit Owner may lease, sell or convey the Residential Unit to a Family Member, may convey the Residential Unit by gift, may devise the Residential Unit by will, or have it pass by intestacy, without complying with the foregoing restrictions; provided, however, that each succeeding Residential Unit Owner shall be bound by, and the Residential Unit shall be subject to, the preceding restrictions. In addition, any Residential Unit Owner may lease, sell or convey the Residential Unit to a related or controlled individual or entity, as more particularly set forth in the By-Laws.

A Residential Unit Owner may only sell or lease the entire Residential Unit. In addition, each conveyance of a Residential Unit by a Residential Unit Owner shall include, as part of the property to be conveyed, the Unit Owner's undivided interest in (a) the Common Elements, (b) the Residential Common Elements (with respect to Residential Units); (c) any Unit or Units acquired by the Condominium Board on

behalf of all Unit Owners, or any proceeds of the sale or rental thereof and (d) any other assets of the Condominium. No part of the Residential Unit Owner's interest in the Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all affected Residential Unit Owners.

A Residential Unit may not be sold or leased unless all unpaid Common Charges and liens against the Unit (other than Permitted Mortgages) are paid and/or satisfied at or prior to the sale or rental. In addition, the Condominium Board and the Managing Agent may (i) establish reasonable restrictions with respect to the sale or rental of Residential Units and (ii) implement fees in connection with the sale or rental of Residential Units, which shall be payable by the Offering Residential Unit Owner. The Condominium Board has the right, in its sole discretion, to terminate a lease, if the tenant has violated the terms of the Condominium Documents, including the Residential Rules and Regulations beyond all applicable notice and grace periods. If the tenant fails to vacate after receipt of the termination notice from the Condominium Board, the Condominium Board shall have the right to commence summary eviction proceedings against the tenant.

Any restrictions upon the sale and lease of Residential Units shall not apply to Retail Unit Owner, Sponsor with respect to any Unsold Residential Units, or to Residential Unit Owners with respect to any Residential Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, all of whom shall be free to sell or lease without first offering to sell or lease to the Condominium Board and without payment of any Resale Fee or any other fees.

Notwithstanding anything contained herein to the contrary, a Residential Unit Owner who acquired title to the Residential Unit from Sponsor is prohibited under the Purchase Agreement for a period of twelve (12) months from the First Closing from taking any of the following actions without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed, in Sponsor's sole and absolute discretion: (i) listing such Residential Unit for sale with any broker, (ii) placing or authorizing any listing in any broker's listing system or other listing service, or (iii) advertising or otherwise offering, promoting or publicizing the availability of such Residential Unit for sale.

Each Residential Unit Owner who acquired a Residential Unit from Sponsor ("Sponsor Sale") and subsequently enters into an agreement ("Resale Agreement") to sell such Residential Unit prior to the first anniversary of the Closing of the Sponsor Sale ("Resale") shall be obligated to pay to Sponsor a portion of the proceeds of the Resale ("Resale Fee"). Such Residential Unit Owner will be required to provide Sponsor with Notice of the Resale Agreement within ten (10) days after entering into the Resale Agreement. The Resale Fee paid to Sponsor at the closing of the Resale shall be equal to 50% of the "Gross Profit," i.e. the difference between (A) the "Net Profit," i.e. the sales price of the Residential Unit set forth in the Resale Agreement ("Resale Price") less the following expenses actually paid by the Residential Unit Owner (to the extent applicable): (i) brokerage commissions not exceeding 6% in the aggregate; (ii) transfer taxes imposed by Law, if paid for by the Residential Unit Owner, and (iii) actual legal fees not exceeding $5,000, and (B) the "Sponsor Sale Price," i.e. the Purchase Price paid to Sponsor in connection with the Sponsor Sale. Set forth below is an example of the calculation of a Resale Fee:

Resale Price:	$	4,500,000
- *less* Brokerage Commissions	($	270,000)
- *less* Transfer Taxes	($	82,125)
- *less* Legal Fees	($	5,000)
Net Profit	$	4,142,875
- *less* Sponsor Sale Price	($	3,000,000)
Gross Profit	$	1,142,875
x 50% = **Resale Fee**	**$**	**571,438**

The Resale Fee shall be paid to Sponsor by wire transfer at the Closing pursuant to the Resale Agreement. Any deductions for allowable expenses paid by a Residential Unit Owner must be supported by documentation acceptable to Sponsor. At such time as Sponsor no longer owns any Unsold Residential Units, the obligation to pay the Resale Fee shall no longer be applicable. The obligation to pay a Resale Fee shall survive the Closing of the Sponsor Sale.

Sales of Parking Spaces

Parking Spaces may not be licensed independently of the ownership of a Residential Unit and may be licensed only to another Residential Unit Owner or Purchaser who is simultaneously purchasing a Residential Unit. These restrictions shall not apply to Sponsor, who may sell, assign, transfer or lease any Parking Space to any party in its sole discretion. Each Residential Unit Owner licensing a Parking Space will be required to maintain insurance in amounts sufficient to cover the property located in the Parking Space. If the Condominium Board terminates a Parking Space License or a Residential Unit Owner surrenders a Parking Space License without assigning the Parking Space License to another Residential Unit Owner, the Condominium Board shall have the right to issue a new Parking Space License to another Residential Unit Owner, in its sole discretion.

Upon the issuance of a Parking Space License to a Residential Unit Owner (by assignment or otherwise), such Parking Space License shall be assignable as set forth above without the consent of the Condominium Board provided written notification of such assignment is delivered to the Condominium Board. Neither Sponsor nor the Condominium Board shall have any obligations or liabilities with respect to private assignments between Unit Owners.

The Condominium will not be entitled to any of the proceeds from the sale of the Parking Spaces, but will have the right to impose license fees and Special Assessments in connection with the Parking Space Licenses.

Use of Units and Common Elements and Parking Spaces

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

The approximate square footages (within reasonable tolerances) and Purchase Prices of the Parking Spaces are set forth on Schedule A. Parking Spaces will be located in the Parking Space Area of the Building, shown on the Floor Plans set forth in Part II of the Plan. A Parking Space may be used only for the parking of passenger automobiles and motorcycles. No representation is made as to the type or size of vehicles that can be accommodated in any particular Parking Space. A Parking Space may not be used for sleeping, dining or other occupancy uses (collectively, "Prohibited Uses"). The use of a Parking Space for a Prohibited Use can result in violations being posted against the Building. Any and all costs or expenses incurred by the Condominium or the other Unit Owners as a result of such Prohibited Use shall be borne by the Residential Unit Owner of the Unit to which such Parking Space is appurtenant. Sponsor shall have the

right to use any Parking Space for any purpose permitted by Law or to change the permitted use of such Parking Space subject to the provisions of the By-Laws.

The Condominium Board has the right to impose and/or regulate license fees payable to the Condominium in connection with the Parking Spaces. Any monthly license fees imposed shall constitute "additional Common Charges" under the terms of the Condominium Documents.

The Parking Spaces and the Parking Space Area will not be serviced by an emergency generator. In the event of a power outage, any resulting loss or damage will be at the sole cost of the Parking Space Licensee. The Condominium Board, its agents and employees, and Sponsor shall not be liable for any loss or damage caused by power outages, temperature fluctuations or other causes in the Parking Space Area.

Notwithstanding anything to the contrary, Sponsor may, without the consent of either the Condominium Board or the Unit Owners, use any Unsold Parking Space for any purpose permitted by Law or to change the permitted use of an Unsold Parking Space, subject to the provisions of the By-Laws. Except for Sponsor and the Condominium Board, a Parking Space may not be licensed independently of a Residential Unit. Purchasers should not purchase a Unit in reliance on the use or availability of any Parking Space and Sponsor does not make any representation of the availability of any particular Parking Space.

Use and occupancy of the Residential Units and the Parking Spaces shall be subject to the Rules and Regulations of the Condominium, which may be amended by the Condominium Board from time to time.

All or any portion of the Retail Unit may be used for any purpose permitted by Law.

Notwithstanding the foregoing, Sponsor may, without the permission of the Condominium Board or any Unit Owners: (a) use or grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, provided such use is permitted by Law, and does not violate the then existing TCO or PCO for the Building or any other governmental regulations; (b) retain ownership of one or more Unsold Residential Units for use as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Residential Units or the Retail Unit, or for any other purpose, subject only to compliance with Law; and (c) lease any Unsold Residential Unit.

No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in a Residential Unit without the consent of the Condominium Board. Each Residential Unit Owner who keeps any type of pet will be required to: (a) indemnify and hold harmless the Condominium, the Condominium Board, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all Residential Rules and Regulations adopted by the Condominium Board with respect thereto, including without limitation, the number of such pets. Notwithstanding the foregoing, the Condominium Board shall have the right to adopt a no-pet policy for the Building or policies with respect to size or number of pets per Unit.

Each Unit Owner shall keep the Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair the Unit in accordance with the provisions of the By-Laws and Law. The Residential Rules and Regulations concerning the use of Residential Units may be amended from time to time by the Condominium Board provided that copies thereof are furnished to each Residential Unit prior to the time that they become effective (except that no amendment thereof affecting the Unsold Residential Units may be made unless agreed to in writing by Sponsor).

Mortgage of Residential Units by Residential Unit Owners

Each Residential Unit Owner may mortgage the Residential Unit, provided that the conditions with respect thereto set forth in the By-Laws are first complied with. As more fully set forth in the By-Laws, these conditions include the requirements that (a) the mortgage be substantially in the form of the New York State

Land Title Association form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan, (b) the Condominium Board is notified in writing of the making of such mortgage and receives a conformed copy of the note and mortgage and (c) the owner making such mortgage first satisfies all unpaid liens against the Residential Unit, other than Permitted Mortgages. Sponsor shall have the right to mortgage any Unsold Residential Unit and Retail Unit without any restriction or limitation.

As more particularly set forth in the Section entitled "Amendments to Condominium Documents," in certain instances the consent of the Mortgage Representative is necessary in order to amend the Declaration, By-Laws or Residential Rules and Regulations. The By-Laws provide that no more than 3 Residential Mortgage Representatives shall be designated by the holders of mortgages (a) which satisfy the conditions set forth in the By-Laws (as described above) and (b) which holders of such mortgages are (i) Sponsor, or (ii) Institutional Lenders.

Common Charges: Determination and Assessment

Common Expenses, which are payable by Unit Owners and are included in their Common Charges, are allocated among Unit Owners either based on actual usage of services and facilities or in proportion to their respective Common Interest (in the case of the Retail Unit) and in proportion to their respective Residential Common Interest (in the case of Residential Units). Common Expenses include, among other things, (a) all costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements, (b) water charges and sewer rents in connection with the Building; and (c) amounts for certain other items as the Condominium Board may deem proper, such as amounts for reserves for capital expenditures or in connection with the purchase or lease by the Condominium Board of any Unit. In addition, the Condominium Board has the right to impose license fees and Special Assessments in connection with the Parking Space Licenses.

At least annually, the Condominium Board will prepare a budget for Common Expenses and allocate, as aforesaid, and assess among all Unit Owners, Common Charges to meet Common Expenses.

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

The Condominium Board will furnish copies of each budget on which Common Charges are based to all Unit Owners and advise such Unit Owners of the amount of Common Charges payable by them. Unless otherwise determined by the Condominium Board, Common Charges will be payable monthly in advance on the first day of each month.

Common Charges: Collection and Lien for Non-Payment

Under the provisions of Section 339-z of the New York Real Property Law and the By-Laws, the Condominium Board, on behalf of all Unit Owners, will have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit in proportion to the respective Common Interests. Pursuant to the provisions of Section 339-aa of the New York Real Property Law, during the Sponsor Control Period, Sponsor shall cause the Condominium Board to file a lien for unpaid Common Charges against any Unit owned by Sponsor in which Sponsor is more than 30 days in arrears. All such liens, however, to the extent permitted by Law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after filing of a verified notice thereof in the Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until 6 years from the date of filing (unless foreclosure of such lien is started within such 6 year period), whichever shall occur sooner. The By-Laws provide that such liens may be foreclosed by a suit brought in the name of the Condominium Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Condominium Board to recover unpaid Common Charges without foreclosing such lien. In addition, the Condominium Board may assess Unit Owners a late charge of $150 per month for Common Charges which remain unpaid for more than 10 days after the date when due, and interest at the rate of 1.5% per month of such unpaid amounts (less any "late charges" theretofore collected), plus all expenses of collection, including, but not limited to, attorneys' fees, costs and disbursements.

No Unit Owner may become exempt from liability for Common Charges by waiving use of any of the Common Elements or by abandonment of the Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges subsequent to a permissible sale, transfer or other conveyance of the Unit. In addition, as more specifically set forth in the By-Laws, a Unit Owner may, by conveying the Unit without consideration to the Condominium Board and complying with certain conditions in connection therewith, become exempt from Common Charges thereafter accruing. Such conditions include the payment of all Common Charges and assessments then due and payable with respect to the Unit and such Unit being free and clear of all liens and encumbrances other than Permitted Mortgages. However, in no event shall Sponsor be permitted to convey any Unsold Residential Unit to the Condominium Board and thereby exempt itself from Common Charges attributable to such Unsold Residential Unit thereafter accruing, unless: (i) the aggregate Residential Common Interests appertaining to the Unsold Residential Units constitutes 15% or less of the total Residential Common Interests then appertaining to all Residential Units; (ii) at least 5 years have elapsed from the date of the First Closing; and (iii) at the time of conveyance, Sponsor shall pay the Condominium Board a sum equal to the product of the then current monthly Common Charges for the Unsold Residential Units being conveyed multiplied by 24.

On a resale of a Unit, the purchaser thereof will be liable for the payment of Common Charges accrued and unpaid against such Unit prior to acquisition. Prior to the permissible sale, transfer or other conveyance of a Unit, any seller or purchaser shall be entitled to a statement from the Condominium Board, setting forth the amount of the unpaid Common Charges accrued against the Unit and neither such seller nor such purchaser shall be liable for, nor shall the Unit be conveyed subject to a lien for, any unpaid Common Charges against such Unit accrued prior to such conveyance in excess of the amount set forth in such statement. In the event of a foreclosure by the Condominium Board of its lien on any Unit for unpaid Common Charges, if the net proceeds of the foreclosure sale shall be insufficient for the payment of such unpaid charges or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the Unit Owner will remain liable for the unpaid balance. Neither (a) a Permitted Mortgagee acquiring title to a Unit at foreclosure sale nor (b) a purchaser at a foreclosure sale shall be liable, and the Unit shall not be subject to a lien, for the payment of the Common Charges assessed prior to the acquisition of title to such Unit by such Permitted Mortgagee or Purchaser. However, such Permitted Mortgagee or purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title to such Unit. The

Condominium Board will have the right to assess such unpaid balance as a Common Charge among all Unit Owners.

Set forth in Part II of the Plan is a copy of §339-kk of the Real Property Law of the State of New York, which provides, among other things, for the ability of the Condominium to serve a notice to any tenant occupying a Unit to pay its rent directly to the Condominium if the Unit Owner has failed to pay Common Charges, assessments or late fees within 60 days after the expiration of any grace period.

Repairs to, and Maintenance of, Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, (a) in or to any Unit (other than to the Common Elements contained therein), including all mechanical systems located in the Unit, heating and cooling systems (including HVAC filters and parts), the plumbing, appliances in the Units, the fireplace, firebox, dampers, mantel and flue, if any, and the interior side of entrance doors thereto, and the Terrace doors, shall be performed by the Unit Owner at such Unit Owner's sole cost and expense, (b) in or to the General Common Elements shall be performed by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a General Common Expense (c) in or to the Residential Common Elements shall be performed by the Condominium Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense; and (d) in or to the Residential Limited Common Elements shall be performed (i) by the Condominium Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense, if involving structural or extraordinary maintenance, repair or replacement, (except if necessitated by the negligent act or omission of the Unit Owner) or (ii) by the Residential Unit Owner having direct and exclusive access thereto at such Residential Unit Owner's sole cost and expense, if involving painting, decorating, and non-structural ordinary maintenance, repairs and replacements.

Any Residential Unit Owner having access to a Terrace shall keep such Terrace free of snow, ice and accumulation of water. In order to promote a consistent appearance of the Building from the outside, no Residential Unit Owner shall be permitted to enclose, erect a greenhouse and/or alter a Terrace appurtenant to a Residential Unit in such a way that will alter the conformity of the Building, without the prior approval of the Condominium Board. Additionally, the type, size and quantity of plantings and other installations to be placed on Terraces shall be subject to the prior approval of the Condominium Board and shall be in compliance with Law.

The interior and exterior glass surfaces of all windows located in each Residential Unit (i) shall not be colored or painted and (ii) shall be washed and cleaned by the Residential Unit Owner at such Residential Unit Owner's sole cost and expense. The exterior glass surface of the windows located in each Residential Unit may be washed from the inside of the Residential Unit. The replacement of any glass window located in a Residential Unit because of breakage or otherwise shall be made by the Residential Unit Owner thereof at the sole cost and expense of such Residential Unit Owner, including, without limitation, the expense of an exterior hoist if the replacement window does not fit into the service elevator (unless such breakage is caused by the Condominium Board or any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Condominium Board or such other Unit Owner, as the case may be). Prior to the replacement of any glass window, the Residential Unit Owner must obtain the prior approval of the Condominium Board with respect to the type of replacement windows to be installed.

With respect to windows located in the Retail Unit, the Retail Unit Owner shall be responsible, at its sole cost and expense, for washing, cleaning, repairing, and replacing of the interior and exterior glass surfaces of all windows located in the Retail Unit (unless the breakage is caused by the Condominium Board or any other Unit Owner, in which event the replacement of glass windows will be at the sole cost and expense of the Condominium Board or such other Unit Owner, as the case may be).

In order to preserve the architectural harmony of the Building, the By-Laws provide that all Residential Unit Owners shall be obligated, regardless of the type of window treatment they use, to provide for a white backing on the window treatment so that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance.

If any repairs or replacements to the Common Elements, whether structural or non-structural, ordinary or extraordinary, are either (x) necessitated by the negligence, misuse or abuse of a Unit Owner or such Unit Owner's agents, workers, guests, etc., or (y) required as a result of special or custom work performed in the Unit by the Unit Owner, such maintenance, repairs or replacements will be made by the Condominium Board, and any portion of the cost thereof attributable to such Unit Owner's acts or omissions shall be paid by such Unit Owner.

The By-Laws provide that each Unit and all portions of the Common Elements shall be kept in first-class condition, keeping in standard with similar first-class residential condominiums in the neighborhood (and with respect to any roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof. In the event any Unit Owner fails to keep the Unit in such condition, the Condominium Board may, at the expense of such Unit Owner, enter such Unit and perform such acts as are necessary to cure such default. (See the Section of the Plan entitled "Rights of Access" for details.)

The By-Laws further require that those public or other areas of the Building exposed to public view that are required to be maintained by each Unit Owner or the Condominium Board, be kept in good appearance in conformity with the dignity and character of the Building by such Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof pursuant to the Condominium Documents.

Alterations, Additions and Improvements of Units and Common Elements

No Residential Unit Owner may make any structural alteration, addition, improvement or repair in or to the Residential Unit or its appurtenant Residential Limited Common Elements, if any, without the prior approval of the Condominium Board but, as more fully set forth in the By-Laws, this provision does not apply to an Unsold Residential Unit. Except as otherwise permitted in the By-Laws, no Residential Unit Owner may make any alteration, addition, improvement or repair in or to the Common Elements without the prior approval of the Condominium Board.

To the extent that any alterations are commenced in a Unit by a Residential Unit Owner prior to Sponsor's completion of any unfinished work Sponsor agreed to perform after the Closing of the Unit, Sponsor shall be relieved of completing all such work.

Sponsor and the Retail Unit Owner shall each have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or representatives of holders of Mortgages on Units to: (a) make alterations additions, improvements, or repairs in or to their respective Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (b) subdivide, combine and change the boundary walls of their respective Units. (See the Section of the Plan entitled "Changes in Prices and Units" for details.)

Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Residential Unit, or its appurtenant Residential Limited Common Elements each Residential Unit Owner is required by the By-Laws to (i) obtain the approval of the Condominium Board, (ii) obtain the approval of the Condominium Board of the Unit Owner's contractors and suppliers, (iii) obtain such insurance as the Condominium Board may require, (iv) agree to indemnify Sponsor, the Condominium Board, Managing Agent and the other Unit Owners against any liability arising from such alterations, additions, improvements or repairs, (v) agree to pay and reimburse the Condominium Board for all architectural, engineering, legal and other fees incurred in connection with such alterations,

additions, improvements or repairs, (vi) execute and enter into an alteration agreement, in form and substance prepared by the Condominium Board, setting forth the terms and conditions under which such alterations, additions, improvements or repairs, may be made, including without limitation, the days and hours during which any work may be performed, and (vii) agree to pay a fee to the Managing Agent for processing such alteration applications. In connection with such alterations, additions, improvements and/or repairs, each Residential Unit Owner shall employ only such laborers and other workers as shall not conflict with any other workers employed in the Building or otherwise cause disharmony with any Building service union as determined by the Condominium Board in its sole and absolute discretion. Residential Unit Owners shall not be permitted to engage any Building staff or any contractors or sub-contractors engaged by either the Condominium Board or Sponsor unless expressly agreed to in writing by the Condominium Board or Sponsor unless expressly agreed to in writing by the Condominium Board or Sponsor. Under no circumstances shall a Residential Unit Owner be allowed to commence any work until all of the conditions set forth above have been complied with. Any failure to meet these conditions shall be a default by Residential Unit Owner under the Condominium Documents.

Any contractor performing work shall not employ any personnel or means that may cause labor disturbances or stoppage in the work of Building employees or other contractors or subcontractors employed in the Building.

No application or other document shall be filed with any governmental authority for a permit covering an addition, alteration, improvement or repair to be made in a Unit, unless approved and executed, if necessary, by the Condominium Board. The Condominium Board will not unreasonably refuse to approve and execute, if necessary, any application or other document required to be filed in connection with approved structural alterations, additions, improvements or repairs, provided that the Condominium Board and the Residential Unit Owners shall not be subject to any expense or liability by reason of such approval and execution or, by reason of such addition, alteration or improvement, including, without limitation, liability to any contractor, subcontractor, materialperson, architect or engineer, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this paragraph shall not apply to an Unsold Residential Unit or the Retail Unit provided any alteration to such Unsold Residential Unit or Retail Unit shall be in accordance with, and only as permitted by, the Condominium Act and Law.

Any Residential Unit Owner whose Residential Unit has an appurtenant Terrace shall neither install nor permit to be installed any improvement, fixture, or other additions which exceed a maximum load of 100 lbs./square foot, unless such Residential Unit Owner (i) first obtains approval by the Condominium Board to increase the load-bearing capacity of the Terrace and complies with any reasonable requests by the Condominium Board for copies of certificates of insurance, permits, authorizations, approvals, and/or certificates required for such work, and (ii) engages a professional structural engineer having at least ten (10) years' experience in structural engineering to design additional support to increase the load-bearing capacity of the Terrace and performs all such work in conformity therewith.

Insurance

The Condominium Board is required to obtain and maintain the forms of insurance described in the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws." The Condominium Board is not required to obtain or maintain any insurance with respect to the Units, any Limited Common Elements appurtenant thereto, and any Unit Owner Property or any liability with respect to occurrences in or about any Unit or any Limited Common Elements appurtenant thereto.

Each Unit Owner is required, at such Unit Owner's sole cost and expense, to obtain and maintain in full force and effect (a) casualty insurance with respect to the Unit, any Limited Common Elements appurtenant thereto, and any Unit Owner Property and (b) liability insurance with respect to occurrences in or about the Unit or any Limited Common Elements appurtenant thereto. All certificates of insurance shall name the Condominium Board, the Condominium and Sponsor as additional insureds and shall be delivered

to the Condominium at the Closing of Title to the Unit. All such policies shall contain waivers of subrogation, if commercially reasonable, and the liability of the carriers issuing insurance obtained by the Condominium Board shall not be affected or diminished by reason of such additional insurance carried by any Unit Owner.

Rights of Access

As more fully set forth in the By-Laws, the Condominium Board and any Managing Agent, manager, and other persons authorized by the Condominium Board, will have a right of access to any Unit and Parking Space for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit and Parking Space or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and Parking Space and threatening another Unit or any Common Element or Parking Space, and for any other purposes provided in the Plan, Declaration or as may be required by Law, provided that requests for entry (except in emergency situations) are made in advance and that any such entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner and the occupants of any Unit. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Unit Owner's property, any entry described herein shall not render the Condominium Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. In addition, Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements (including Parking Spaces) for purposes of performing certain alterations and repairs in or about Unsold Residential Units or Retail Unit or Parking Spaces and in fulfilling Sponsor's obligations under the Plan, provided that access to any Unit or Parking Space may not be exercised in such a manner as will unreasonably interfere with the use of such Unit or Parking Space for its permitted purposes.

Compliance with Condominium Documents

Each Unit Owner must strictly comply with the provisions of the Condominium Documents. Pursuant to Section 339(j) of the Condominium Act, failure to comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief shall not be exclusive of other remedies provided by law. The By-Laws, together with the Residential Rules and Regulations, will be recorded with the Declaration in the Register's Office.

Examination of Books and Records

Each Unit Owner and each mortgagee of a Unit shall be permitted upon prior request, to examine the books of account of the Condominium and other records of the Condominium during normal business hours on business days at the office of the Condominium or the Managing Agent.

Self-Help

In the event that any Unit Owner fails to maintain or repair the Unit or any Residential Limited Common Elements appurtenant to such Unit, if any, or any Parking Space, if any, or in the event of any breach of the Condominium Documents, then, as set forth in Article 9 of the By-Laws, the Condominium Board shall have certain rights to perform such maintenance or repairs, or to cure such breach, at such Unit Owner's expense.

General

All restrictions and prohibitions, set forth herein with regard to the use of a Residential Unit and its appurtenant Residential Limited Common Elements shall not apply to Sponsor or any principal of Sponsor owning or leasing such Residential Unit.

Purchasers should refer to the Section of the Plan entitled "Retail Unit" for a summary of additional rights and obligations of the Retail Unit Owner.

RIGHTS AND OBLIGATIONS OF THE CONDOMINIUM BOARD/ SUMMARY OF BY-LAWS

Condominium Board

The Condominium Board shall initially consist of 3 persons designated from time to time by Sponsor (collectively, the "Members"). The Condominium Board will call the First Annual Meeting to elect a new Condominium Board approximately 30 days after the later to occur of (i) the second anniversary of the First Closing or (ii) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 50% in number of all Residential Units offered for sale. At such meeting, the incumbent Condominium Board shall resign and, subject to the rights of Sponsor and the Retail Unit Owner to designate members of the Condominium Board, the Residential Unit Owners (including Sponsor) shall elect and/or or designate a new Condominium Board consisting of 4 members. (See the subsection below entitled "Meetings and Votes of Unit Owners" and the Section of the Plan entitled "Control by Sponsor" for details.) Thereafter, at each annual meeting, members of the Condominium Board shall be elected and/or designated and shall serve until the next annual meeting thereof and until a successor has been elected and/or designated.

Except for the Members of Condominium Board designated by Sponsor and/or the Retail Unit Owner, all Members of the Condominium Board must be either Residential Unit Owners or certain interested parties as described in the By-Laws. No member of the Condominium Board shall continue to serve on the Condominium Board if, during such Member's term of office, such member shall cease to be a Residential Unit Owner or an interested party. All Members of the Condominium Board shall serve without compensation.

Powers and Duties of and Determinations by the Condominium Board

The Condominium Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium. Generally, all determinations with respect to the administration of the affairs of the Condominium shall be made by the Condominium Board.

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

Notwithstanding anything to the contrary contained herein, so long as Sponsor continues to own at least 25% in number of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not, without Sponsor's prior written consent: (a) make any addition, alteration, or improvement to the Common Elements or to any Unit; (b) assess any Common Charges or Special Assessment for the creation of, addition to, or replacement of, all or part of a working capital, reserve, contingency, or surplus fund; (c) increase or decrease the number, or change the kind of employees from that described in the First Year's Budget; (d) enter into any service or maintenance contract for work or otherwise contract for work or services in excess of those set forth in the First Year's Budget, except as is required to reflect normal annual increases in operating services; (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that (x) Sponsor may not diminish or eliminate services or facilities or any line items described in the First Year's Budget; and (y) Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such action is necessary, and no alternatives are available, to enable the Condominium Board to: (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer; or (iv) to ensure the health and safety of the occupants of the Building.

Meetings and Votes of Unit Owners

Annual meetings of Unit Owners shall be held within approximately 30 days of each anniversary of the First Annual Meeting. At such meetings, the Residential Unit Owners shall elect the 3 Residential Members to the Condominium Board, subject to any rights of Sponsor to designate Residential Members to the Condominium Board, and there shall also be transacted such other business as may properly come before such meetings. 1 member shall be designated by the Retail Unit Owner. In addition, the President may call a special meeting whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such meeting signed by Unit Owners having in aggregate not less than 40% of the total Common Interest. The Secretary of the Condominium Board shall mail a notice of each annual or special meeting to all Unit Owners of record. The notice, which will be given at least 10 days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Residential Unit Owners, the presence in person or by proxy of Residential Unit Owners owning more than 40% of the total Residential Common Interests shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Residential Unit Owners.

At all meetings, each Unit Owner (or their proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Units) shall be entitled to cast one vote for each .0001% of Common Interest attributable to the Unit.

Officers

The principal officers of the Condominium shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Condominium Board. The Condominium Board may appoint additional officers. None of the officers of the Condominium need be Unit Owners or have any interest therein or be Condominium Board members until the first organizational meeting of the Condominium Board following the First Annual Meeting. Thereafter, the President and Vice President must be members of the Condominium Board. No officer shall receive any compensation for acting as such. The By-Laws provide that all instruments of the Condominium are to be executed by any officer thereof or by such other person or persons as may be designated by the Condominium Board.

Repair or Reconstruction after Fire or Other Casualty

In the event that the Building is damaged or destroyed by fire or other casualty, the Condominium Board will, except as set forth below, arrange for the prompt repair and restoration thereof (excluding each Unit and Unit Owner Property).

If the Building is damaged or destroyed by fire or other casualty and the insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be shared entirely by all Unit Owners in proportion to their respective Common Interests. Notwithstanding anything in this paragraph to the contrary, no payment of surplus insurance proceeds shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such funds such amounts as may be necessary to reduce unpaid liens on the Unit, other than mortgages which are not Permitted Mortgages, in the order of priority of such liens. The provisions of this paragraph are subject to the next paragraph.

If 75% or more of the Building is destroyed or substantially damaged by fire or other casualty and if 75% or more of all Unit Owners do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and the Property shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first

been paid out of the Unit Owner's share of such funds such amounts as may be necessary to discharge all unpaid liens on the Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens. Any action to terminate the legal status of the Condominium after substantial destruction or a Taking shall require the written consent (which consent shall not be unreasonably withheld, conditioned, or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any.

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Condominium Board shall be payable to the Condominium Board in the event of a loss amounting to $1,000,000 or less. In the event that such proceeds are in excess of $1,000,000, such proceeds shall be payable to a New York City bank or trust company designated by the Condominium Board as insurance trustee pursuant to the provisions of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

Insurance

At all times following the First Closing, the Condominium Board is required to obtain and maintain, in accordance with the provisions of the By-Laws, to the extent commercially reasonable and to the extent determined by the Condominium Board to be appropriate, the following insurance: (a) a commercial package policy including fire and special causes of loss, on at minimum a replacement cost valuation or replacement cost coverage and agreed valuation, insuring the Building (excluding the Units, any Limited Common Elements appurtenant thereto, and any Unit Owner Property), together with all Building service machinery contained therein and covering the interests of the Condominium, the Condominium Board and all Unit Owners and Permitted Mortgagees, as their interests may appear; (b) rent insurance; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) water damage legal liability insurance; (f) fidelity bonds covering the Condominium Board and all officers, directors and employees of the Condominium; (g) directors and officers liability insurance; and (h) such other insurance as the Condominium Board may determine.

The fire insurance policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions described in the By-Laws.

The amount of fire insurance and all risk extended coverage to be maintained until the first Condominium Board meeting following the First Annual Meeting shall be in at least the sum set forth in the First Year's Budget.

All policies of physical damage insurance shall contain, to the extent obtainable, waivers of (a) subrogation; (b) a cross-liability endorsement; and (c) pro rata reduction of liability if Unit Owners obtain additional coverage and shall provide that such policies may not be cancelled or substantially modified without at least 10 days' prior written notice to the Condominium Board and to all of the insureds, including Permitted Mortgagees who have requested the same from the Condominium Board in writing. Evidence of insurance or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees, who have requested the same from the Condominium Board in writing. Renewals shall be obtained at least 10 days' prior to the expiration of the then current policies.

At all times following the First Closing, the Condominium Board shall also be required to obtain and maintain, to the extent commercially reasonable, commercial general liability insurance covering claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as the Condominium Board may from time to time determine, covering (1) the Condominium Board, Managing

Agent or agents thereof, each Condominium Board member and each officer and employee of the Condominium, and (2) each Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's Unit or any Limited Common Elements appurtenant thereto. The Condominium Board shall review such limits not less than once each year. Until the first Condominium Board meeting following the First Annual Meeting, such liability insurance shall be in at least the sum set forth in the First Year's Budget with respect to bodily injury and property damage, combined single limit. The insurance discussed above shall also include cross-liability claims of one insured against another.

Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board may determine. The premiums for all insurance referred to above shall be a General Common Expense.

Each Unit Owner is required, at such Unit Owner's sole cost and expense, to obtain and maintain in full force and effect (a) casualty insurance with respect to the Unit, any Limited Common Elements appurtenant thereto, and any Unit Owner Property and (b) liability insurance with respect to occurrences in or about the Unit or any Limited Common Elements appurtenant thereto.

Liability of the Condominium Board and Unit Owners

Every contract made by the Condominium Board or by any Managing Agent or manager thereof shall state that (a) it is made only as agent for all Unit Owners and the members of the Condominium Board, Managing Agent or manager thereof shall have no personal liability thereon (except in their capacities as Unit Owners) and (b) the liability of any Unit Owner with respect to such contract shall be limited to such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners. To the extent permitted by Law, the members of the Condominium Board shall have no liability to Unit Owners except that a member of the Condominium Board shall be liable for such members own bad faith or willful misconduct. All Unit Owners shall jointly and severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each member of the Condominium Board against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Condominium Board may contract or effect any transaction with any member of the Condominium Board, any Unit Owner, Sponsor, or any affiliate of any of them without incurring any liability for self-dealing except in cases of bad faith or willful misconduct.

Reports to Unit Owners

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

Amendments to Condominium Documents

Generally, subject to certain exceptions concerning, among other things, Sponsor and the Retail Unit Owner and any Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, and provided that required consents of the Mortgage Representatives, if any, are obtained (if applicable), any provision of the Declaration, By-Laws or Residential Rules and Regulations affecting the (i) General Common Elements or all Units may be amended, modified, added to or deleted by affirmative vote of at least 66 2/3% in number and in Common Interest of all Unit Owners, and (ii) the Residential Common Elements or all Residential Units may be amended, modified, added to or deleted by the affirmative vote of at least 66 2/3% in number and Residential Common Interest of all Residential Unit Owners; provided, however, that the Common Interest appurtenant to each Unit may not be altered without the written consent of all Unit Owners directly affected thereby.

No amendment, modification, addition or deletion of the terms of the Declaration, By-Laws or Residential Rules and Regulations, other than those required by Law, shall be effective (a) against Sponsor or any Unsold Unit unless Sponsor has given its written consent thereto, or (b) against the holder of any mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereto, or (c) against the Retail Unit Owner and/or the Retail Unit without the prior written consent of the Retail Unit Owner.

Termination of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain as provided in the By-Laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the vote to do so of the Retail Unit Owner and at least 80% in number and in Residential Common Interest of all Residential Unit Owners. Such vote shall not be effective, however, without the written consent (which consent shall not be unreasonably withheld, conditioned, or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any.

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

Residential Units Acquired by Condominium Board

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

The purchase of any Residential Unit by the Condominium Board on behalf of the Residential Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Condominium Board. If the funds in such account are insufficient to effectuate any such purchase, the Condominium Board may levy an assessment against each Residential Unit Owner in proportion to the Common Interest, as a Common Charge and/or the Condominium Board may, in its discretion, finance the acquisition of such Residential Unit; provided, however, that financing may only be obtained when permitted by the By-Laws and that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its Common Interest.

Procedure to Review Real Estate Tax Assessments

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

Mechanics' Liens

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

Easements

In order to facilitate the operation and maintenance of the Building and the sale or leasing of Units therein, each of the Units will be subject to certain easements, including easements in favor of Sponsor, other Unit Owners and the Condominium Board. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and their appurtenant Residential Limited Common Elements and the Common Elements, and an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements provided that such easements shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In addition, as set forth in Articles 10 and 11 of the Declaration, Sponsor and the Retail Unit Owner have been granted certain easements with respect to the use and operation of their respective Units.

Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements (including Parking Spaces) for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain alterations and repairs in or about the Units and Common Elements. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes.

The Declaration and the By-Laws

A copy of the Declaration and a copy of the By-Laws are set forth in Part II of the Plan.

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

The following discussion of certain income tax consequences of the ownership of Residential Units by Purchasers who use such Residential Units as a personal residence was prepared by Sponsor based, in part, upon the Attorney's Income Tax Opinion prepared by Olshan Frome Wolosky LLP, tax counsel to Sponsor ("Income Tax Counsel"), a copy of which is set forth in Part II of the Plan.

OLSHAN FROME WOLOSKY LLP IS INCOME TAX COUNSEL TO SPONSOR AND NOT TO THE UNIT OWNERS. EACH UNIT OWNER, EACH POTENTIAL UNIT OWNER, AND THE CONDOMINIUM SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR

Income Tax Deductions to Residential Unit Owners

Each Residential Unit Owner will own such Unit Owner's Residential Unit and its appurtenant interest in the Common Elements in fee simple and each Residential Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Residential Unit Owner will own such Unit Owner's Residential Unit in fee simple, the owner may mortgage such Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

It is the opinion of Income Tax Counsel that a Residential Unit Owner who uses such Unit Owner's Residential Unit as a personal residence and itemizes such Unit Owner's deductions will, under present Law, for Federal, New York State and New York City income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire or substantially improve a principal or second residence (up to a total indebtedness of $1 million), plus (2) other debt (not in excess of $100,000) secured by a principal or second residence. Interest on home mortgage debt in excess of these limitations would not be deductible. In addition, Residential Unit Owners should note that special limitations also apply to the deductibility of points and other prepaid interest, if any, on their mortgage loans and to the overall allowance of itemized deductions.

Tax Status of the Condominium

If the Condominium meets the requirements for qualification as a "homeowners association" under Section 528 of the Internal Revenue Code, which requirements are discussed in the Attorney's Income Tax Opinion, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources, such as income from assessments from Retail Unit Owner(s) and interest earned on any reserve funds (less expenses directly connected with the production of such income).

Sponsor anticipates that the Condominium will not qualify as a homeowners association. If the Condominium does not qualify as a homeowners association, or if it does but chooses not to make the election noted above, the present state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. As discussed in the Attorney's Income Tax Opinion, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of such income (including the nonmembership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New York State

Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. Alternatively, it is possible that some or all of such income might be reportable directly by the Unit Owners or otherwise treated. The tax treatment of the Condominium may be affected by certain United States Treasury Department regulations relating to entity classification. Schedule B, First Years Budget for Condominium Operation, does not contemplate any substantial income which might be taxable and accordingly does not budget any amounts for taxes for nonmembership or membership.

The qualification of an organization as a homeowners association is determined annually at the close of each taxable year, and it is possible that if the Condominium does not qualify in one year it may nevertheless qualify in one or more future years.

No warranties are given that the Internal Revenue Service, the New York State Department of Taxation and Finance or the Finance Administration of the City of New York will allow the aforementioned deductions for mortgage interest and real estate taxes. There is also no assurance that the tax laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which Income Tax Counsel bases its opinion, will not change. In no event will Sponsor, Income Tax Counsel, Selling Agent, Managing Agent, or any other Person connected with this offering be liable if at any time it is held that the Residential Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid give any warranties with respect to the tax consequences of this Plan or the tax consequences of ownership of any Units offered under the Plan, and no one has been authorized to give any warranties.

REAL ESTATE TAXES

The following discussion of projected real estate taxes for the First Year of Condominium Operation was prepared by Sponsor based, in part, upon the Real Estate Tax Projections and Exemptions Opinion prepared by Metropolitan Valuation Services, a real estate tax appraiser engaged by Sponsor, a copy of which is set forth in Part II of the Plan.

It is estimated that the aggregate real estate taxes payable with respect to all Residential Units for the First Year of Condominium Operation will be approximately $410,581.15, assuming (a) the allocation of the interim tax liability for the Property of $177,614.15 for the last 7 months of the 2017/2018 tax year (i.e. December 1, 2017 through June 30, 2018) reflecting (i) the assessment for a partially constructed property (ii) a projected Class II tax rate of $13.142 per $100 of assessed valuation for the 2017/2018 tax year, and (iii) an apportionment of the estimated taxes to the Residential Units based on their relative percentage of Common Interest (i.e. 69.0614%); and (b) the allocation of the interim tax liability for the Property of $232,967.00 for the first 5 months of the 2018/2019 tax year (i.e. July 1, 2018 through November 30, 2018) reflecting (i) the assessment for a fully constructed property, (ii) a projected Class II tax rate of $13.273 per $100 of assessed valuation for the 2018/2019 tax year, and (iii) an apportionment of the estimated taxes to the Residential Units based on their relative percentage of Common Interest (i.e. 69.0614%).

In arriving at the assessed valuation for each Unit in the Condominium, the Building is first assessed as an entity. This overall assessment is then apportioned among the respective Units, each of which will be assigned a tax lot designation once the Declaration has been recorded and the Tax Lot Drawings are filed with the Register's Office. For purposes of Schedule A, the projected real estate taxes for the Building were apportioned among the Units based on Common Interest percentages. It is possible that the apportionment will be based in part upon the proportion the offering price as set forth on Schedule A for each Unit bears to the gross sellout price for all Units offered for sale in the Condominium and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular Units. There is no assurance that the City of New York tax assessor will allocate taxes among Units based upon Common Interest percentages. At such time as the Units have been separately assessed for real estate tax purposes, each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes assessed against any other Unit.

Although the estimate of New York City real estate taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, apportionment or taxes among the Units and tax rates, when actually established by the City of New York, may be lesser or greater. Accordingly, these estimates are to be considered opinions and are not intended, and should not be construed as, warranties as to future assessed valuations, tax rates or the actual real estate taxes to be assessed. In no event will Sponsor, Metropolitan Valuation Services, Seiden & Schein, P.C., or Selling Agent be liable to any Purchaser nor will any Purchaser have the right to rescind the Purchase Agreement if the assessed valuations, tax rates or taxes, when actually established, are lesser or greater than that projected herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future. Please refer to the Section of the Plan entitled "Income Tax Deductions to Residential Unit Owners and Tax Status of the Condominium" for more details.

The Unit Power of Attorney which each Purchaser shall be required to sign at Closing, the form of which shall be substantially as set forth in Part II of the Plan, authorizes the Condominium Board to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to the Residential Units, including retaining counsel and

taking any other actions which the Condominium Board deems necessary or appropriate in accordance with Section 2.4(A)(xxiii) of the By-Laws.

As of the Filing Date of the Plan, there are no tax certiorari proceedings pending for the reduction of real estate taxes with respect to the Property.

PROJECTED ICAP REAL ESTATE TAX BENEFITS

As more fully explained in the ICAP Benefits Opinion by Seiden & Schein, P.C. and the Real Estate Projection Opinion by Metropolitan Valuation Services set forth in Part II of the Plan, the Retail Unit is expected to qualify for real estate tax exemption benefits under the Industrial and Commercial Incentive Program ("ICAP Benefits"), for which Sponsor has applied to the New York City Department of Finance ("DOF"). Upon completion of the Retail Unit, Sponsor will apply to DOF for final approval. Sponsor shall not be obligated to incur any extraordinary expenses (beyond the customary expenses associated with such approvals) or commence any litigation to obtain such approval. Sponsor anticipates but does not guarantee that such approval will be obtained. If such approval is not obtained, a Purchaser of the Retail Unit has no right to rescind the Purchase Agreement, even if ICAP Benefits would not be available to the Retail Unit. If granted, the ICAP Benefits are expected to be in effect for a period of 15-25 years, depending on the determination by the Department of Finance. See Schedule A for the amount of real estate taxes payable by the Owner of the Retail Unit for the projected First Year of Condominium Operation.

Neither Sponsor, Attorneys for Sponsor, Income Tax Counsel, Metropolitan Valuation Services, Seiden & Schein, P.C., Selling Agent, Managing Agent, nor any other person makes any representation that the partial exemption from real estate taxes under the ICAP Program will be granted in whole or in part, or if granted, will not be later reduced or revoked, or as to the amount of the tax which will be assessed against Retail Unit or the amount of real estate taxes payable at any time by the Retail Unit Owner. Purchasers should refer to the Real Estate Tax Projection Opinion and the ICAP Benefits Opinion set forth in Part II of the Plan for details concerning the assessed valuation of the Property and the estimated real estate taxes to be imposed against the Property if the ICAP Benefits are not granted.

The tax projections found in Schedule A are merely estimates and cannot be construed as an assurance of the actual amount of real estate taxes that will be assessed or the actual amount of any ICAP Benefit.

WORKING CAPITAL FUND AND APPORTIONMENTS

Each Purchaser of a Residential Unit shall be required to make a non-refundable contribution at the Closing to the working capital fund of the Condominium ("Working Capital Fund") in an amount equal to 2 months' Common Charges with respect to the Residential Unit based on the Condominium budget in effect at the time of Closing. The payment of the Working Capital Fund contribution shall be required of all Purchasers of Residential Units, whether purchased from Sponsor or purchased from a Residential Unit Owner on a resale.

At or subsequent to the First Closing, Sponsor will apportion with the Condominium the following items as of midnight of the day preceding the First Closing, to the extent applicable:

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

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

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

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

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

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

(7) cost of building supplies on hand at Sponsor's cost (including sales tax).

(8) premiums for transferable insurance policies, if any.

(9) janitorial service fees, if any.

(10) management fees.

(11) building supplies (including, but not limited, to uniforms, cleaning supplies, carts, luggage).

(12) other customary closing adjustments.

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

If the result of Closing adjustments is a net credit in favor of the Condominium, Sponsor will contribute the amount of such net credit to the Working Capital Fund. If the result of Closing adjustments is a net credit in favor of Sponsor, the payment of any net credit shall be evidenced by an unsecured, negotiable promissory note, without interest, to be executed by the Condominium Board and delivered to Sponsor at the First Closing to be repaid on the first anniversary of the First Closing. The promissory note may be prepaid by the Condominium in full at any time, or in part from time to time, without penalty.

The Working Capital Fund will be used for working capital, a reserve for repairs or for such other appropriate purposes as will be determined by the Condominium Board and may be augmented by allocations from the monthly Common Charges. While Sponsor controls the Condominium Board, the Working Capital Fund will not be used to reduce Common Charges. (See the Section of the Plan entitled "Control By Sponsor" for details.)

The Condominium Board will be able to utilize the funds in the Working Capital Fund at any time and, accordingly, no representation can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Common Charges attributable to Unsold Residential Units. In addition, within 3 months following the end of the Sponsor Control Period, Sponsor shall deliver to the Condominium Board a statement from an officer of Sponsor, certifying in reasonable detail as to any changes in the amount of the Working Capital Fund which have occurred since the First Closing.

No representation is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, including repairs, replacements or major improvements, for the first or any subsequent year of Condominium operation. If additional funds are required over and above the Working Capital Fund to cover expenses of the Building operation, it may be necessary to increase Common Charges or make Special Assessments. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

RESERVE FUND

Schedule B - First Year's Budget includes a line item for a Reserve Fund for the sole purpose of costs and expenses related to capital repairs, replacements and improvements. The Reserve Fund amount was the product of a Reserve Fund Study undertaken by Sponsor. For so long as Sponsor continues to own at least 1 Unsold Residential Unit, the Condominium Board must maintain the Reserve Fund and any change in the amount of the Reserve Fund shall be made only with Sponsor's prior written consent. Sponsor makes no representation that the Reserve Fund will satisfy the requirements of a Purchaser's lender. Because the Building will be entirely new construction, Sponsor does not anticipate the imminent need for such capital repairs, replacements or improvements. However, no representation is given that such needs will not arise in the future. Unit Owners will be obligated to pay their share of the cost of repairs, replacements and/or improvements to the Common Elements as the need for such arises. While Sponsor controls the Condominium Board, the Reserve Fund will not be used to reduce Common Charges.

MANAGEMENT AGREEMENT

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

With respect to the initial term of the Management Agreement, the Management Agreement shall become effective as of the First Closing ("Commencement Date") and will continue until the first (1st) anniversary of the last day of the month in which the Commencement Date falls, unless the Commencement Date is the first day of a calendar month, in which case the Agreement shall continue until the first (1st) anniversary of the Commencement Date. Thereafter, the Management Agreement will automatically continue on a month-to-month basis, but may be cancelled by either party without cause, at the end of any calendar month upon not less than sixty (60) days' prior notice.

Managing Agent shall receive an annual fee of $35,000.00, payable in monthly installments of $2,916.67, each payable in advance on the first day of each month. 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.

Managing Agent may not assign the Management Agreement without the consent of the Condominium Board. A reorganization of Managing Agent in which substantially all of the executives of Managing Agent continue to be employed by the successor organization shall not be considered an "assignment" for the purposes of the Management Agreement.

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

IDENTITY OF PARTIES

Sponsor

522-528 LLC is a limited liability company organized under the laws of the State of New York, with an office at 12 West 23rd Street, New York, New York 10010 ("Sponsor").

The principal (as such term is defined in the Attorney General's regulations) of Sponsor is Jeffrey Gershon, having an office address c/o Sponsor at 12 West 23rd Street, New York, New York 10010.

Mr. Gershon comes with over 15 years of experience in New York real estate. After beginning his career as a transactional real estate attorney, Mr. Gershon soon joined the investment Advisory Group at Grubb & Ellis New York where he was assisting real estate investors in the repositioning, disposition and acquisition of strategic assets. Following this and for over 10 years, Mr. Gershon worked at Gershon & Company, his family's third generation real estate investment and development firm. During his time there, Mr. Gershon helped to oversee Gershon & Company's 2,800 unit residential real estate portfolio as well as over 2 million square feet of office, medial office and retail properties located throughout the northeast and Florida. As part of the family firm, he personally completed over $500,000.000 in acquisitions, sales and structured finance, as well as the construction of over 800 residential units.

Prior Offerings

Sponsor and the principal of Sponsor have not taken part in any public offerings which were initially offered during the past 5 years. There have been no prior felony convictions of Sponsor, or any principals of Sponsor and no prior convictions, injunctions and judgments against Sponsor, or any principals of Sponsor that may be material to the Plan or an offering of securities generally that occurred within 15 years prior to the submission of the Plan.

Attorneys for Sponsor

Sponsor has retained the law firm of Starr Associates LLP, having an office at 220 East 42nd Street, Suite 3302, New York, New York 10017 to represent it in connection with the Plan and to serve as Escrow Agent. Evelyn D'Angelo, Esq. participated in and supervised the preparation of the Plan. Starr Associates LLP will serve as Escrow Agent and will represent Sponsor in connection with matters relating to the sale and closing of Residential Units.

Sponsor has retained the law firm of Olshan Frome Wolosky LLP, having an office at 65 East 55th Street, 2nd Floor, New York, New York 10022 to prepare the Income Tax Opinion for the Condominium and Unit Owners under the direction of Warren Gleicher.

Sponsor has retained the consulting firm of Metropolitan Valuation Services, having an office at 44 East 32nd Street, 11th Floor, New York, New York 10016, to provide the Real Estate Tax Projection Opinion set forth in Part II of the Plan.

Sponsor has retained the law firm of Seiden & Schein, P.C., having an office at 570 Lexington Avenue, 14th Floor, New York, New York 10022, to provide the ICAP Benefits Opinion set forth in Part II of the Plan.

Selling Agent

Selling Agent for the Condominium will be Halstead Property Development Marketing, LLC, having an address at 445 Park Avenue, 12th Floor, New York, New York 10022. Selling Agent is a licensed real estate broker whose principals have been engaged in the sale of real estate for many years.

There have been no prior felony convictions of Selling Agent, or any principals of Selling Agent and no prior convictions, injunctions and judgments against Selling Agent, or any principals of Selling Agent that may be material to the Plan or an offering of securities generally that occurred within 15 years prior to the submission of the Plan.

Managing Agent

Managing Agent for the Condominium will be FirstService Residential, having an office at 622 Third Avenue, New York, New York 10017. Managing Agent is a real estate and management firm that has been in business for many years. Managing Agent is a licensed real estate brokerage and management firm, which has been engaged in the management of residential real estate for over 25 years. It currently provides property management services for many residential cooperatives and condominiums.

There have been no prior felony convictions of Managing Agent, or any principals of Managing Agent, and no prior convictions, injunctions and judgments against Managing Agent, or any principals of Managing Agent that may be material to the Plan or any offering of securities generally that occurred within 15 years prior to the submission of the Plan.

Construction Professionals

Sponsor has retained the following professionals in connection with the construction of the Building:

a) Architect of Record

Beyer Blinder Belle, having an office at 120 Broadway, 20th Floor New York, New York 10271 is the architect of record for the Building ("Architect"). The Architect prepared the Floor Plans of Units set forth in Part II of the Plan and the Tax Lot Drawings which will be filed with the Department of Finance of The City of New York required in order to create the Condominium. Architect has also examined the physical condition of the Building and has rendered its report thereof and a Certification which is set forth in Part II of the Plan. Architect has been providing architectural services for many years and has been the architect of many buildings, including Belltel Lofts, Central Place, Seward Park Site 5, 100 Eleventh Avenue and 680 Madison Avenue.

b) Structural Engineer

GACE, having an office at 105 Madison Avenue, New York, New York 10016, is the structural engineer for the Building ("Structural Engineer"). The Structural Engineer has been providing structural engineering services for many years and has been the structural engineer of the following buildings: 160 East 22nd Street, The Platinum, Trump Plaza, Provost Square and the Palisades.

c) Mechanical Engineer

ICOR Associates, having an office at 485C Route 1 South, Suite 200, Iselin, NJ 08837, is the mechanical engineer for the Building. The Mechanical Engineer has been providing engineering services for many years and has been the mechanical engineer for the following buildings: 250 Broadway, 524 West 19th Street, Provost Square and 607 Hudson Street.

Condominium Budget Expert

Sponsor has engaged FirstService Residential, having an address at 622 Third Avenue, New York, New York 10017, as Sponsor's Budget Expert. The Budget Expert estimated all amounts of income and expenses in "Schedule B - Estimated Budget for Projected First Year of Condominium Operation" in consultation with Sponsor. The Budget Expert has rendered a certification as to the adequacy of the First

Year's Budget and a certification as to the adequacy of the Common Charges payable by the Retail Unit Owner, which may be found in Part II of the Plan.

Related Parties

Sponsor and its principals have no affiliation with Selling Agent, Managing Agent, Sponsor's Attorneys, the Architects/Engineers or the Budget Expert, the Construction Professionals, or any person or firm who will provide services to the Condominium subsequent to the First Closing. Neither the Condominium Budget Expert, the Construction Professionals nor the Attorneys have any financial interest in the Property, the Units, the Condominium, or this offering, except for their fees for services rendered.

No Pre-Sales

Neither Sponsor nor its principals have entered into contracts or agreements, written or oral, or accepted any Deposits or advances of funds for the purchase of Units as of the Filing Date of the Plan.

REPORTS TO UNIT OWNERS

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

1. A financial statement of the Condominium prepared by a certified public accountant or public accountant, within approximately 120 days after the end of each fiscal year of the Condominium. Such statement shall be certified while Sponsor is in control of the Condominium Board.

2. At least 30 days' prior notice of the annual Unit Owners' meeting.

3. A copy of the proposed annual budget of the Condominium at least 30 days prior to the date set for adoption thereof by the Condominium Board. While Sponsor is in control of the Condominium Board, such budget shall be certified in compliance with Section 20.4 of the Regulations of the Department of Law.

DOCUMENTS ON FILE

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan, all documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of the Plan shall be kept on file and available for inspection by Purchasers and their attorneys without charge, and for copying at a reasonable charge, at Sponsor's office for a period of 6 years after the First Closing. In addition, a set of Tax Lot Drawings showing the layout, locations and approximate dimensions of each Unit and its Unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the Register's Office following the recording of the Declaration, and an additional set will be furnished to the Condominium Board.

The Declaration and the By-Laws will be recorded in the Register's Office in advance of or concurrently with the First Closing. The recording of all deeds conveying individual Units will also be recorded in the Register's Office.

GENERAL

The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. Sponsor believes that the Plan contains a fair summary of the material provisions of the documents referred to in the Plan, including those documents contained in Part II of the Plan. Copies are contained in Part II of the Plan of the forms of Declaration, By-Laws, Purchase Agreement, Unit Deed, Power of Attorney and other documents (which forms may be revised prior to their recordation or the First Closing, as applicable). Statements made in Part I of the Plan as to the provisions of such documents or any other document referred to in the Plan, copies of which are on file with Sponsor, are not necessarily complete. Each such statement is qualified in all respects by the contents of such documents and, in the case of any such document executed by or with the written consent of a Purchaser pursuant to the Plan, any rider or separate agreement changing or adding provisions to such document.

There are no lawsuits or other legal proceedings now pending, or any judgments outstanding, which could materially and adversely affect this offering, the Purchasers of Units, the Property, the Condominium or the operation thereof, which are not covered by insurance.

Since the Building will be newly constructed, there are neither commercial nor residential tenants occupying the Building as of the Filing Date of the Plan.

No party other than Purchasers shall have any right or benefit herein or herefrom, including without limitation, the right to insist upon or enforce against Sponsor the performance of all or any of Sponsor's obligations hereunder and no such third party shall be deemed to have received any benefit as a result of any of the provisions of the Plan.

Sponsor reserves the right, from time to time prior to the First Closing, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Residential Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor and Purchasers. However, Sponsor may not unilaterally cancel a Purchase Agreement which is in effect, except as therein provided, as in the case of an uncured default, nor unilaterally change the Purchase Price or payment terms contained in such Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. If there is a substantial amendment to the Plan that materially and adversely affects Purchasers, except as otherwise provided herein, Purchasers will have a right of rescission which may only be exercised within 15 days from the Presentation Date of such amendment. Sponsor shall promptly return all Deposits, together with any interest earned thereon to Purchasers who rescind, except that Sponsor shall retain all Deposits of any Purchaser who is in default under the Purchase Agreement beyond any applicable grace period.

In accordance with the provisions of the Laws of the State of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person in the sale of Units offered by the Plan or in the leasing of any such Residential Units because of such person's race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law.

Neither Sponsor nor its principals have entered into any contracts or agreements, written or oral, for the sale or transfer of any of the units offered in the Offering Plan nor taken any deposits or advances of funds by or on behalf of Sponsor in connection with the reservation, sale or transfer of such units, prior to the date of the acceptance of the Offering Plan for filing by the Department of Law.

Unless the context otherwise requires, words used in the singular in Part I of the Plan include the plural and vice versa, and a reference herein to any one gender, masculine, feminine or neuter, includes the other two.

No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. The Plan may not be changed or modified orally.

The Property has not been the subject of a prior public offering.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the "Description of Property and Improvements" set forth in Part II of the Plan and represents that it has no knowledge of any material defects or need for major repairs to the Building except as set forth in the Description of Property and Improvements or as contemplated to be made as described therein.

PART II

CONDOMINIUM OFFERING PLAN

THE HENDRIK CONDOMINIUM
509 PACIFIC STREET
BROOKLYN, NEW YORK 11217

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

DESCRIPTION OF PROPERTY AND SPECIFICATIONS

509 Pacific Street

BROOKLYN, NEW YORK

September 2, 2015
Revised: April 6, 2016

Prepared By:
BEYER BLINDER BELLE ARCHITECTS AND PLANNERS, LLP
120 Broadway, New York, New York 10271 212.777.7800

Description of Property and Specifications

The specifications which follow are intended to outline generally the nature of work, materials and equipment and to indicate the contemplated character of the Building.

(a) Location and Use of Property

The property is located at the west corner of block bounded by the intersections of Atlantic Avenue, Third Avenue, and Pacific Street in the Borough of Brooklyn.

(1) Address: 509 Pacific Street (also known as 522 Atlantic Avenue), Brooklyn, NY 111217.

(2) The Building is situated on Block No. 186, Lot No. 1. Upon completion of construction, each Residential and Retail Unit will have an individual tax lot designation.

(3) The Building is located within Community Board 2.

(4) The Building is located within a C2-4 (Commercial Overlay) and R7A (General Residence District / Quality Housing) and within Downtown Brooklyn (DB) Special District, Atlantic Avenue Sub District.

(5) Permissible "Use" for floors 3 through 7 is Use Group 2 Residential. Permissible "Use" for floor 1 is Use Group 6 Retail.

(6) All proposed uses comply with all legally permissible zoning and use requirements.

(b) Status of Construction

(1) Year of Construction:

The building will be entirely new construction. It is anticipated that construction will begin in or about February 1st, 2016 and the building will be substantially completed in or about December 2017 unless delayed by weather, strikes, lockouts, acts of god, shortages of or inabilities to obtain materials, equipment, or labor, government restrictions or preemption, damage by fire or elements or any other cause over which Sponsor has no control.

(2) Construction Classification:

New Construction – Construction Group 1, Non Combustible Class 1C as per 2014 Building Code of the City of New York. Fire resistance rating requirements under this code are as follows:
Structural frame including columns, girders, and trusses: 2 hours
Bearing walls, exterior: 2 hours
Bearing walls, interior: 2 hours
Non Bearing walls: 0 hours
Floor construction including supporting beams& joists: 2 hours

Roof construction including supporting beams & joists: 1 hour

(3) Certificate of Occupancy:

The Department of Buildings has not yet issued any TCO for the Building's residential or commercial spaces. Sponsor has advised the Architect that once a TCO has been obtained, Sponsor will renew or extend the TCO as required and will obtain the Permanent Certificate of Occupancy.

(4) This new building project consists of a seven story concrete structure with a full cellar, commercial space at the ground and cellar levels, residential parking at ground floor level, and 5 stories of residential space. Work on both the commercial and residential spaces will be performed concurrently and is covered by the same permit applications.

Where materials, appliances, equipment, fixtures, and/or other construction or design details are specified herein, Sponsor reserves the right to substitute in each instance one of comparable or better quality as recognized by industry standards for performance, efficiency, longevity, and/or classifications as applicable.

(5) Quality Housing program for this project is required, and complies with all mandatory requirements; street tree planting, size of dwelling units, windows, refuse storage and disposal, daylight in corridors, recreation space, and dwelling unit density per corridor.

(c) Site:

(1) There will be a single building on Lot 1, developed for residential and commercial use. The lot dimensions are 180.15' x 100.00', and area is 18,015 SF.

(2) The streets surrounding the site are city streets, owned and maintained by the City of New York.

i. Street paving is asphalt on Atlantic Avenue, 3rd Avenue, and Pacific Street, and is in fair condition. Existing street roadbed around the site shall be ground and retopped with asphaltic cement in accordance with NYC DOT standards.

ii. The Retail Unit will have frontage on Atlantic Avenue and Third Avenue, with entrances located on both streets.

iii. Sidewalks & curb ramps: The existing sidewalk and curbs in front of the property will be replaced with new 4" thick or 7" thick concrete sidewalk with steel-faced curbs in compliance with the requirements of the New York City Department of Transportation. The sidewalk will be pitched to drain to New York City Sewer catch basins in the street and shall be sloped so as to drain water away from the foundation of the building. The sidewalks will be new, free of tripping hazards, and ponding. All new sidewalks, curb

cuts and ramps / aprons shall be ADA compliant. There are no existing sidewalk vaults and none will be built.

iv. Existing street drainage to remain without improvement. This street drainage is provided by existing catch basins provided and maintained by the City of New York.

v. No new street trees will be provided. Six (6) existing trees along the property frontage will remain, the existing tree pits will be re-constructed to the requirements of the NYC Department of Parks and Recreation.

vi. Existing street lighting will be provided by existing light poles provided and maintained by the City of New York.

vii. The Condominium will be responsible for future repair and maintenance of the sidewalk, trees, and tree pits, including but not limited to, snow removal, cleaning and collection of loose litter or debris. The Condominium will also be responsible for sweeping the gutter along the project frontage.

viii. The condominium will not need to obtain any Right-of-Egress from an adjacent neighbor.

ix. The project will include one curb cut on Pacific Street for accessing the garage.

x. The pavement plan has been submitted to the Department of Buildings. The paving plan approval will be obtained prior to completion of the Building.

(3) Floor Numbering

For the purposes of marketing, the floors of the Building will be designated 1st through 7th due to the fact that the 1st floor in the Building has a floor to ceiling height which are higher than those in typical buildings, omitting reference to a 2nd floor. As such, the floors in this report, the Residential Unit drawings and all other reference to floors will be referred as indicated in the column titled MARKETING FLOORS in the schedule below. Floor numbering in the Plans and specifications filed with the Building Department is based on CONSTRUCTION FLOORS. Therefore two different methods of numbering exist as are shown below. Please note that all floors plans, Unit drawings, and other references to floors in this report will utilize the marketing numbering of floors.

CONSTRUCTION FLOORS	MARKETING FLOORS
C	C
1	1
2	3
3	4
4	5
5	6
6	7

(d) Utilities:

(1) Electricity:

i. Consolidated Edison Company, Inc. (Con Ed), a regulated utility company or another public utility company will provide electricity to the building.
ii. Each Residential Unit Owner's electricity will be electronically sub-metered. The electricity consumed in the Retail Unit will be separately metered and paid to Con Ed. Con Ed will separately meter the electricity consumed in the Residential Common Elements of the building and the cost of the same will be borne by the Residential Unit Owners as a Residential Common Expense.
iii. Retail space will be provided with a separately metered electric service.

(2) Gas:
National Grid will supply gas for gas-fired boilers, mechanical rooftop units(s), residential cooking & dryers, and the Retail Unit in accordance with New York City Building Code. Gas meters shall be provided as follows: one (1) for gas fired boiler(s) and mechanical units(s), one (1) for residential cooking and dryers and one (1) for the Retail Unit. The Retail Unit shall have its gas service valved and capped for future connections.

(3) Water and Sewer:
The City of New York provides water supply and combined sanitary and storm sewer service. The charges for water and sewer services provided to the Building (including Residential Units, and in the Residential Common Elements of the Building) will be levied on the basis of a master city meter and borne by the Residential Unit Owner as a Residential Common Expense. A separate non-DEP submeter shall be provided for the Retail Unit.

(4) Telephone:
Each Unit Owner will be responsible for telephone charges with respect to his or her Unit directly to the telephone company providing such service. Similarly, the owner of such Retail Unit will be responsible for the charges with respect to the telephones in the Retail Unit separately. The telephone charges with respect to the Residential Common Elements will be borne by the Residential Unit Owners and Retail Unit Owner as set forth in the offering plan.

(5) Cable Television:
Cable television services will be available for all Units. Each Residential Unit Owner that subscribes will pay all charges for cable television services, including subscription charges. In each Residential Unit, cable TV outlets will be provided in the living room and in each bedroom. The cable television service charges with respect to the Residential Common Elements will be borne by the Residential Unit Owners as a Residential Common Expense.

(6) Heating and Cooling:

Each Residential Unit is provided with horizontal heat pump unit(s) in accordance with the New York State Energy Conservation Code. The residential lobby shall be air conditioned from a dedicated air conditioning unit.

(7) Washers & Dryers:
Each Residential Unit is provided with hook-ups for one gas dryer and one electric washer, which are furnished by sponsor. The gas dryers are connected to a centralized exhaust system.

(e) Sub-soil conditions:

(1) Whether load bearing capacity and porosity is sufficient to support buildings:

The glacial sands underlying fill are suitable for the support of the building. Therefore a shallow foundation system comprising footings and foundation mats was employed to support the structural loads. The building was designed for bearing capacities specified by the code.

(2) Whether there is any moisture or seepage and, if any, indicate whether corrective actions are needed:

Temporary dewatering (groundwater lowering) will not be needed in order to construct the foundation for the building as the groundwater table is below the proposed foundations. Local dewatering will be needed to construct elevator pits. The groundwater lowering will be performed with a system of sump pumps.

(3) Whether there is any danger from flooding, either due to water table in area or overflow from other bodies of water. Note potential for mudslides or erosion and what preventive action is appropriate.

The groundwater table is below the proposed foundations and the site is not in a flood zone. Membrane type damp proofing will be employed. The project area is flat, there is no potential for mudslides or erosion.

(4) The property is not located within a flood zone.

(f) Landscaping and Enclosures:

(1) The building offers outdoor landscape amenity space on level 3 roof terrace and main building roof. This amenity space both reveals stone pavers on a lightweight, raised pedestal system, in addition to wood decking, comprising the remaining portion of the space. Planting beds exhibit a seasonal variety of groundcover, shrubs and raised planters with trees. This supportive planting will frame the paved areas and decking, visually connecting live materials with hardscape for a comfortable and habitable experience

(2) Seasonal shrubs, grasses, and perennials have been provided at 3rd floor and main roof terrace.

(3) Trees have been provided on the 3rd floor and main roof terrace.

(4) Turf grass cover will not be provided on site.

(5) Fencing will not be provided on site.

(6) Gates will not be provided on site.

(7) Garden walls will not be provided on site.

(8) Retaining walls will not be provided on site.

(9) Display pools or fountains will not be been provided on site.

(g) Building size:

(1) The building has one below grade level (Cellar) and rises to a height of 6 floors above grade (numbered 1 through 7), plus roof and elevator machine room. The roof slab has an elevation of approximately 118.00 feet above the datum level known as The Topographical Bureau of the Borough of Manhattan Datum.[1]

(2) The ground floor Residential lobby has an elevation of approximately 36.33 feet above datum.[1]

(3) The roof area includes a stair, mechanical equipment rooms, and residential common element roof terrace.

(4) The Elevator Machine Room and roof top mechanical area have an elevation of approximately 118.00 feet above datum.[1]

(5) There is a full height cellar below the entire ground floor with a minimum head height of approximately 15'-1" and maximum head height of 16'-9" measured from the top of the Cellar floor slab to the underside the concrete floor slab above which varies.

(6) All terraces and portions of the roof have a parapet, and are a minimum of 3'6" above the finished roof.

(7) The buildings mechanical equipment rooms for incoming utility services are located within the cellar level with balance of mechanical equipment room are located within mechanical bulkhead at main roof level.

(8) There are six (6) above grade construction floors in building (numbered 1 through 7), plus one (1) cellar, one (1) roof, and one (1) bulkhead.

(9) There are no crawl spaces.

[1] *All elevations may be adjusted when the Building has been completed and an as-built survey of the Building designates said elevation, which datum level now designates as "zero" an elevation which is 2.75 feet above mean sea level at Sandy Hook, as computed and established by the United States Coast and Geodetic Survey, and which sea level is officially known as the "Sea Level Datum of 1929."*

(h) Structural System:

The structural system of the Building is a reinforced cast in place concrete flat plate building with concrete shear walls as the lateral system. The strength of the concrete used in this building is 6,000psi throughout, with the exception of the 3rd floor slab which is 8,000psi. The building is supported on spread footings on natural sand with a capacity of 6 tons per square foot. The entire Building is non-combustible construction with a minimum of 2-hour fire rating for all structural members. The buildings foundations and cellar slab are located above the design ground water elevation and therefore no sub-grade drainage system is required or provided. The buildings foundation assemblies will be below the frost line and as such no measures are needed for freezing stress at foundation and none provided. The foundation walls and cellar floor slab will be waterproofed with sheet membrane waterproofing. The following provisions have been made for sound insulation in the building; All horizontal sound separation wall assemblies will be detailed to meet code minimum STC requirements with appropriate layers of gypsum wall board and sound batt insulation, all vertical sound separation between floors will be comprised of 8" poured in place concrete slab with layer of impact noise sound underlayment installed within the finished flooring assembly.

(1) Exterior of building:

(i) Walls:
The street-front façades of the Building from second floor level to the sixth floor are primarily brick masonry cavity wall assembly consisting of a single wythe of 4" thick face brick anchored at every 3 courses to a 6" light gauge steel stud back up wall faced with exterior sheathing protected with an air & vapor barrier and continuous rigid insulation. The masonry is supported by relieving angles at each slab level. Room side (interior) of the wall assembly has a painted gypsum board finish, with unfaced batt insulation within the stud frame cavity providing an R-20.47 thermal resistance factor for the exterior opaque wall assembly. The street-front façades of the Building from ground floor level to third floor are primarily constructed with thermally enhanced aluminum curtain wall system and insulated glass units set on a granite base. The interior property line façade as well as the courtyard facades are primarily constructed of three-coat stucco system to a 6" light gauge steel stud back up wall faced with exterior sheathing protected with an air & vapor barrier and continuous rigid insulation. Room side (interior) of the

wall assembly has a painted gypsum board finish, with unfaced batt insulation within the stud frame cavity providing an R-19.17 thermal resistance factor for the exterior opaque wall assembly. The exterior façade of the rooftop bulkheads is constructed of three-coat stucco system to a 6" light gauge steel stud back up wall faced with exterior sheathing protected with an air & vapor barrier and continuous rigid insulation.

(ii) Windows:
Windows from the third floor level to the seventh floor are painted aluminum thermally broken frame. Street facades are to have with 1" clear low "E" insulating glass. Windows have either cast stone or aluminum sills and are continuous caulked with silicone sealant. Windows are in-swing casement with fixed sidelites and transoms and standard hardware as manufactured by Wausau Invent Retro-XLT A manufacturer's limited warranty of two (2) years on window parts and ten (10) years on double-glazing is provided with the window products; warranty period started no earlier than anticipated substantial completion.

There are no lot line windows in project. All windows provide legal light and air.

There is no window washing equipment to be installed in project. All windows for the Residential Unit to be cleaned from within interior.

(iii) Landmark Status:
(a) The Building is not located within any NYC Landmarks Preservation Commission's Historic District.

(b) The Building is new construction and not individually designated as a landmark by NYC Landmarks Preservation Commission.

(2) Parapets and copings:
Masonry parapets at the roof level are a minimum of 2'-6" above finished roof level, with laminated glass continuing up to a level of 3'-6 above the finished roof level. The standard masonry parapet detail is 4" CMU tied to the roof slab with reinforcing bars with face brick on both interior and exterior surfaces. The brick is tied to the CMU with ties at every third course. The parapets are topped with a cast stone, attached to the CMU.

(3) Chimneys and Caps:

There is one double wall insulated metal boiler flue located in the mechanical equipment roof area and extends up above the screen wall enclosure to comply with the requirements of the NYC building code. The refuse chute is vented above the bulkhead roof.

(4) Balconies and Terraces:

(i) The Building has roof terraces on the 3rd floor, 5th floor, 6th floor, 7th floor, and main roof. A portion of the 3rd floor roof terrace will be a Residential Limited Common Element appurtenant to Residential Units 3A, 3H, 3G, and 3F, and a portion will be a Residential Common Element accessible to all Residential Unit Owners. The 5th, 6th, and 7th floor roof terraces are Residential Limited Common Elements appurtenant to Residential Units. A portion of the main building roof will be a Residential Common Element roof terrace accessible to all Residential Unit Owners with remaining portion of roof will be inaccessible to Unit Owners.

(ii) All terraces are waterproofed and drained.

(iii) All terraces are paved with pre cast concrete pavers on pedestals.

(iv) The terraces are enclosed with parapets as necessary to comply with code and be coped with cast stone coping.

(v) There is an external soffit at the residential lobby entrance which is clad in aluminum metal panel.

(vi) Doors to private terraces are aluminum doors with multi point locking, tempered glass, standard hardware and standard adjustable hinges by Wausau, or equivalent.

(vii) Terraces are designed for superimposed loading of 100lb/sqft. (Allowing 33 psi max. point load). This load limit may not be exceeded by Unit Owners.

(5) Exterior Entrances:

(i) Exterior Residential entry lobby doors are on Pacific Street and are formed stainless steel framed swing type unit assembly with single glazed, tempered glass inset panels.

(ii) There are vestibule doors at the retail entrances on Atlantic Avenue, Third Avenue and Pacific Street. They are aluminum framed with single glazed tempered inset panels.

(iv) There are no exterior stairs.

(v) There are no exterior railings at entrances.

(vi) There are no exterior mailboxes. Mailboxes are located within the ground floor Residential lobby space and are USPS approved aluminum units.

(vii) See section c.4 (iv) above for description of entrance lighting at both the Residential entrance marquee and the retail storefront awning assemblies.

(viii) Exterior commercial entry doors are aluminum-framed units with single glazed, tempered glass, inset panels. Frames are aluminum manufactured by Wausua SuperWall SSG Four Sided. All framing is to be thermally broken system.

(ix) All exterior entrances shall be built free of tripping hazards and ponding, and will ADA compliant meeting ANSI A117.1-2009 regulations.

(6) Service Entrances:

(i) There are two service/egress swing door assemblies, one on Atlantic Avenue and one on Pacific Street, both are painted hollow metal frame and door. All exterior entrances are master keyed with mortise type locks with exit device on the interior and electric door strikes. The service entrances are at grade and at the street wall with no need of any railings or drainage system. Adequate code minimum exterior surface mounted lighting will be provided.

(ii) There is one glass garage door on Pacific Street.

(7) Roof and Roof Structures:

(i) The 3rd, 5th, 6th, and 7th floor, and main roof terraces are a system comprising of a reinforced fluid-applied waterproofing membrane assembly over sloped structural slabs. Above the waterproofing membrane will be 5" thick rigid insulation and pre cast concrete pavers supported by pedestals.

(ii) The main roof and bulkhead roof are a roof system comprising a two ply modified bitumen waterproof membrane above isocyanurate board insulation.

(iii) The roof membrane will be a fully adhered waterproofing membrane system manufactured by Soprema Aslan RS 260 Field Resin and is guaranteed by the manufacturer and installer for 20 years. All exterior metals, including fasteners shall be corrosion resistant. The insulation value of the total roof system shall be a minimum average R-value of 30 with a minimum insulation thickness of 2".

(iv) Flashing are typically reinforced fluid-applied membrane flashing assemblies with cap flashings to be set-in reglet stainless steel type.

(v) Drains:

(a) The project will utilize a variety of drains to adhere to both DOB and DEP requirements. Six (6) special controlled flow roof drains using specially designed weirs to reduce flow and store water on the rooftop are located on the main roof and three (3) are located on the 2nd floor roof terrace, four (4) regular roof drains are installed on the 5th floor roof, and three (3) roof

drains are installed on the 4th floor terrace. All regular roof drains drain to concrete storage tank. Tank is sized per DEP standards and drains via gravity at approved rate to sewer. The roof drains are flush with the roofing and sloped lightweight concrete fill has been installed to promote positive water drainage. All roof drains both standard and controlled flow are to be paired with an overflow drain. At the rooftop mechanical rooms, stair bulkheads, and elevator machine room, at each section there is one (3) stainless steel scupper and leader assemblies draining to the main roof below.

(ii) Skylights: There is one (1) skylight assembly for Unit 7D.

(iii) Bulkheads: There is one egress stair and elevator bulkhead. The bulkhead meets the requirements of the NYC building code.

(iv) Metal Work at Roof Levels:

(a) There is one (1) exterior metal stair assembly which provides access from the Elevator Machine Room level to mechanical equipment roof area below.

(b) There are no vertical ladders or railing assemblies.

(c) There is one (1) 30"x 30" metal roof access hatch and ladder assembly from egress Stair "D" to roof of Elevator Machine Room.

(d) There are miscellaneous hot dipped galvanized steel dunnage assemblies within the mechanical equipment roof area to support cooling towers, A/C units, and exhaust fans.

(v) Roof Top Facilities:

(a) See section f.1-3 above for description of the private roof terraces.

(b) Of the 3rd floor terrace area, the total area of roof that is appurtenant to Residential Units as Residential Limited Common Elements is 60% and meets code minimum requirements.

(c) Access to all roof areas shall be provided to the maintenance staff for standard building maintenance.

(d) The owners of Units with roof terraces shall not install or permit any item or improvement upon the roof which exceeds a maximum 100 pounds/sq. foot load. Should any desired improvements exceed this maximum load, it will be the owner's responsibility to have a professional structural engineer design additional support to increase the load-bearing capacity of

the desired level provided that the Board of Managers first approves a request by the Unit Owner for such heavy loads.

(8) Fire Escapes:

(i) There are no exterior fire escapes. The two new exit stair enclosures are of non-combustible construction having a fire resistance rating of 2 hours. The scissor-stairs provide egresses leading out onto the streets.

(ii) The fire stair is from the sub cellar level to the roof level.

(iii) There is no drop ladder on this site.

(9) Yard and Courts:

(i) There are no yards or courts on the site.
(ii) The building complies with all requirements of NYC Zoning Resolution in regards to zoning bulk, which includes rear, side, or front yards. No yards are required, and none provided.

(10) Interior Stairs:

(i) There are two (2) main egress stair assemblies which extend from the first floor to the roof and elevator machine room levels. There are two (2) egress stair assemblies which extend from the 1st floor to Sub Cellar level.

(ii) All of the fire rated stair enclosures are of painted 2 hour fire-rated gypsum wall board construction, poured in place concrete, and/or CMU wall construction to meet the requirements of the City of New York for a Class 1 fireproof building.

(iii) Fire stair construction is of poured-in-place, reinforced concrete stairs.

(iv) Fire stair handrails are of tubular steel.

(11) Interior doors and frames:

(i) Unit entry doors are painted hollow metal door and frame construction with self closing hardware. Doors and frames are class "C" (3/4 hour) fire rating, and are approximately 1 ¾" thick and approximately 3'-0" wide by 8'-0" high. The bedroom, bathroom, and closet doors within Units are typically approximately 1 ¾" thick and approximately 2'-10" wide by 8'-0" high in size and are constructed of painted solid core with hardwood veneer doors and hollow metal frames. The doors to the shower within bathrooms are frameless safety glass assembly.

(ii) Stair doors and frames are hollow metal construction having a class "B" (1½ hour) fire rating and fireproof self closing hardware.

(iii) Corridor / Service doors are painted hollow metal steel construction with hollow metal frames having class "C" (3/4 hour) fire rating and fireproof self closing hardware. Cellar doors in the common areas are hollow metal steel construction and carry the appropriate fire ratings and hardware for their location.

(12) Elevator:

(i) There are two (2) passenger elevators (elevator PE1, 3,500 lbs. capacity and elevator PE2, 2,500 lbs. capacity) both elevators are operating as a group and designed to be running at 200 fpm speed.

(ii) Elevators PE1 & PE2 are overhead geared traction type application and be manufactured by Hollister-Whitney and installed by City Elevator. Required certificates of inspection and permits for the operation of the elevators will be issued prior to the Residential occupancy of the building.

(iii) The type of operation for both elevators PE1 & PE2 is two car group operation and have variable speed drive controls.

(iv) PE1 elevator have a clear cab dimensions of approximately 6'-8" wide x 5'-4" deep, PE2 elevator have a clear cab dimensions of approximately 6'-8" wide x 4'-4" deep. All passenger elevators are fitted with an approximately 3'-6" wide door x 7'-0" high. Cab dimensions are in compliance with ADA guidelines. PE1 cab dimensions are in compliance to fit stretcher as required. PE1 cab size accommodates up to 16 persons and PE2 cab accommodates up to 10 persons.

(v) All elevators have push button panels consisting of numbered floor call buttons, shall be collective selective.

(vi) PE1-PE2 provides access to the Cellar, 1st, 3rd, 4th, 5th, 6th, 7th, and Roof floors.

(vii) Passenger elevator PE1-PE2 doors are automatic single speed side opening sliding doors with an infrared curtain door protection system.

(i) The elevator machine room for PE1 & PE2 is located at the elevator machine room level (8th floor-roof level).

(ii) Elevators PE1-PE2 are driven by an AC induction motor and variable voltage variable frequency (VVV F) drive.

(iii) Elevator PE2 will have zero clearance door at the roof level stop.

(13) Elevator cabs:

(i) The passenger elevator cabs are custom made per architect final design. Automobile elevator cabs are constructed with 16 gauge minimum finished painted sheet steel panels from floor to canopy with adequate reinforcement to prevent sagging and deflection.

(ii) The floor finish for passenger cabs is stone to substantially match lobby flooring.

(iii) The passenger cabs walls are bonded aluminum lower panels and stone veneer upper panels (to coordinate with lobby).

(iv) The passenger cabs ceilings are stainless steel.

(v) The cabs are illuminated by six (6) low voltage halogen recessed down light fixtures.

(vi) Safety system is provided by alarm bells, safety interlock on sliding and vertical bi-parting doors, key operated fireman's service switch, and intercommunication system.

(i) Auxiliary Facilities:

(1) There is no auxiliary Residential tenant laundry room in the Building. Each Unit is provided with their own washer and dryer.

(i) Each Residential Unit contains one (1) electric washer manufactured by Bosch (model #WAS20160UC) and one (1) gas dryer manufactured by Bosch (model #WTVV76100US). Some Units have washer/dryers stacked. Each dryer is vented directly to the main dryer exhaust system.

(2) Refuse disposal:

(i) There is no incinerator.

(ii) There is one (1) trash chute shaft located adjacent to the main egress stair shaft. The trash chute is accessible from the third floor through the sixth floor to each Residential Unit from the public corridor. The trash chute equipment is capable of handling general trash only. The trash compactor is manufactured by U.S. Chutes. The trash compactor is located in the cellar trash room.

(iii) Refuse storage is located in the cellar and will be transferred from the cellar to the street for removal three times a week, by the building's staff.

(iv) Refuse pick-up will be provided by the City of New York (presently three times a week). Recycling will be picked up by the City of New York (presently once every two weeks).

(v) Each Residential Unit Owner will deposit recyclable materials in the space provided for removal to the cellar.

(vi) The Retail Unit and any commercial tenant or occupant shall be required to arrange for trash hauling with a private carting service and shall be responsible for all associated costs.

(3) Bicycle Storage: In the cellar level a bicycle storage room of 186 SF is provided to accommodate 15 spaces for the residential use. In the ground floor level, a 120 SF bicycle storage room for Retail Unit is provided. These spaces are equipped with sprinklers.

(j) Plumbing and Drainage:

(1) Water Supply: Potable water is supplied via New York City public water system. A 3" domestic water service is provided from Pacific Street. The water pressure is 35 psi at the top most plumbing fixtures in the Building and maintained by means of an automatic constant pressure booster system. The booster system includes two pumps and automatic pressure controls to maintain water pressure within the code required limits. There is a single water meter for all Residential Units. Backflow preventer's will be installed at cellar level at the external foundation wall adjacent to Pacific Street. Backflow preventers will be a 6" double check detector assembly Watts #305DA DCDA for the fire service, and a 3" double check valve assembly Watts #007 for the domestic service.

(2) Fire Protection System: The Building is fully sprinkled throughout via a combination standpipe and wet sprinkler system in accordance with New York City Building Code and NFPA 13&14. One combination standpipe and sprinkler riser is located in the stair enclosure, one dedicated standpipe riser is located in the other stair enclosure and one sprinkler riser is located in the trash chute. A drain riser is provided in accordance with code for the combination riser. Siamese connections are provided as required by New York City Building Code. Water for the system is provided through one 6" dedicated fire water service connected to the City water main from Pacific Street. A 500 GPM automatic fire pump controller power wiring is tapped ahead of the main electrical service switch, and supplements pressure for the fire protection system.

i) One (1) standpipe riser is located in one fire stair enclosure and one (1) combination standpipe/sprinkler riser is located in the other fire stair enclosure. The risers are 6" in diameter and are part of a combined standpipe and sprinkler system. At each separate connection of the sprinkler system to the standpipe system, a floor control station and inspectors test station is provided.

ii) Hose racks, hoses and nozzles location: A lobby hose cabinet with necessary devices and 375' hose is provided in the main lobby stair vestibule in accordance with NYC building code and fire department. A fire department hose valve connection shall be provided at each floor within the stair.

iii) Sprinkler heads are Viking Sprinkler Company's (or equal) concealed, pendant, sidewall or upright configuration as required to meet space conditions.

iv) Three (3) flush mount Siamese connection, 3" x 3" x 6" is located at the grade level in accordance with New York City Building Code.

v) All sprinkler floor control valve stations are provided with sprinkler water flow and valve tamper switches for monitoring by the fire alarm control panel. All service valves are provided with tamper water flow switches connected to the sprinkler fire alarm panel. A sprinkler fire alarm panel monitors the fire pump. A central station-monitoring panel is provided to automatically transmit an alarm whenever flow is detected in the sprinkler system.

(3) Water Storage Tank(s) and Enclosures: There are no water storage tanks.

(4) Water Pressure and How Maintained: The domestic water pressure is maintained by means of an automatic constant pressure booster system. The fire protection water pressure is maintained by an automatic fire and jockey pump. Domestic water pressure will be provided by a Duplex domestic water booster pump with VFD controls, Peerless #180DES36GAF with cushion tank. Warranty is 12 months from start-up and not exceeding 18 months from date of shipment.

(5) Sanitary Sewage System: There is one (1) combined sanitary sewer/storm connection located on Pacific Street.

i) Sanitary piping is no-hub cast iron above and below grade.

ii) A Duplex sewage ejector is provided to drain sewer system that cannot drain into the gravity system. Sewage that falls below the city sewer elevation will be pumped using a duplex sewage ejector in pit. The pump is Flyght #CP30851MP434 with automatic controls and gasketed cover. Warranty is 12 months from start-up and not exceeding 18 months from date of shipment

ii) The building from the 1st floor up is connected to the municipal combined sewer system and flows by gravity out to the street main.

(6) Permits Required: Approval has been obtained from the New York City Department of Environmental Protection for one (1) 12" diameter combined sewer connection located

on Pacific Street. Approval has been obtained for one 6" fire standpipe and sprinkler service connection from Pacific Street and (1) 3" domestic water service connection from Pacific Street.

(7) Storm Drainage System: Storm water is collected by means of a series of roof-mounted drains and a cast iron no-hub piping system that is located in the building interior, and disposed of into the public combined sanitary/storm water system. Storm water detention is required to adhere to DEP rainwater requirements. Controlled flow roof drains at the main roof and 3rd floor level along with a grade level rain water storage tank will slow the rate of discharge to the city storm water system during rain events. The tank will discharge to sewer by gravity.

(k) Heating:

(1) Domestic Hot Water: Domestic hot water is provided by means of a water-to-water heat exchanger with storage feed from the mechanical boiler located in the rooftop mechanical room. The system contains two heat exchangers and a single storage tank to provide redundant hot water generation. Domestic hot and cold water is distributed to each Residential Unit by means of type "L" copper pipe distribution system. All hot water piping system shall be insulated with fiberglass pipe insulation with thickness as per New York State Energy Conservation Code.

(2) Gas: The boiler plant shall be provided with natural gas supplied by public utility through a schedule 40 steel pipe distribution system. A gas booster is provided for this system.

(3) Major HVAC System components warrantied for one year, compressor for 5years. Efficiencies of major HVAC equipment are as follows:

- *Energy Recovery Outside air units 14 EER to 15 EER*
- *Outside air rooftop units: 12EER and14 EER*
- *Water Source Heat Pumps 3 COP to 5 COP*
- *Boilers 92%*

(4) Insulation for air distribution ducts as follows:

- Supply-and return air ducts and plenum insulation: Glass-Fiber Blanket: Minimum R-5, Unconditioned Space: Minimum R-6.
- Exterior and Outdoor-air ducts and plenum insulation: Glass-Fiber Board: Minimum R-8.
- Exhaust-air duct insulation between isolation damper and penetration of building exterior: Glass-Fiber Blanket: Minimum R-5

(5) All piping shall be properly insulated as follows:
Condensate and Equipment Drain Water:
Flexible elastomeric 1 inch

Primary Condenser-Water Supply and Return (insulated only if used for "free" cooling):
1.5 inch and Smaller Mineral-Fiber, Preformed Pipe, 1-1/2 inches thick.
2 inch and Larger: Mineral-Fiber, Preformed Pipe, 2 inches thick.

Heating-Hot-Water Supply and Return:
1.5 inch and Smaller: Mineral-Fiber, Preformed Pipe, 1-1/2 inches thick.
2 inch and Larger: Mineral-Fiber, Preformed Pipe, 2 inches thick.

Refrigerant Suction and Hot-Gas Piping:
Flexible elastomeric 1 inch

(l) Gas Supply:

(1) Gas for gas fired equipment is provided by means of a schedule 40 steel piping distribution system in accordance with New York City Building Code and NFPA 54.

(m) Air Conditioning and Ventilation:

(1) The heating plant consists of modular high efficiency boilers manufactured by AERCO Benchmark (model BMK-3.0-LN) and are located in the mechanical room, and are designed to provide heating hot water to accommodate the building heat losses and domestic hot water to the building. Each boiler is fitted with a flow control and automatic isolation valve. Heating system to be provided with automatic chemical water treatment.

(2) This room will include the hot water boilers, associated hot water pumps, heat exchangers, and domestic hot water heat exchangers and storage tank.

(3) The Residential Unit heat pumps are fed by a Two-Cell Induced Draft cooling towers located within the open mechanical equipment roof area, manufactured by Baltimore Aircoil (model #PT2-0709A-2H2). Based on the acousticians report, the sound pressure levels generated by the cooling towers as published by the manufacturer is as follows:

Location:	dBA (SPL) at 5'-0"
Back:	70
End:	68
Top:	69
Front	67
Fan Side:	67
Average total noise level:	68 dBA with both units in operation.

Note: The highest floor occupied by a Residential Unit is the 6th floor. The 5th level has a terrace that will be below the open mechanical equipment roof area that houses the cooling towers. Based on the noise levels generated by the cooling towers as listed above, it is not anticipated that there will be any significant noise impact on these Units whether on the terrace or within the Unit. Within the Unit, the noise level of the equipment is estimated to be approximately 11 dBA from the attenuation provided by the windows.

(4) The boiler plant sequencing is controlled by a control panel furnished by the boiler manufacturer and includes a communication interface to allow for remote monitoring by the buildings Building Management System (BMS) head-end PC.

(5) 100% outside air rooftop units, cooling tower, condenser water pumps, hot water pumps, and exhaust fans are controlled by direct digital controls which are connected to the facilities Building Management System head-end PC.

(6) Horizontal heat pumps are provided for each Unit. Each heat pump unit is supplied with a supply fan, compressor, water cooled condensers, automatic balancing valves, filters, and controls. The heat pumps are controlled locally via a programmable thermostat.

(7) Each Residential Unit is provided with fresh air through the use of dedicated 100% outside air rooftop units. Each Residential Unit bathroom is ventilated by a toilet exhaust system; this system terminates at the roof within an energy recovery unit. The bathrooms are exhausted at the code-required rate of 50 CFM per water closet. Residential Units' range hoods are direct exhaust to the outdoors and are rated at 250 CFM per range hood. The Building contains a series of exhaust air risers that connect to variable speed exhaust fans located on the roof. Residential Unit dryers are connected to a common dryer exhaust system with a fan located on the roof.

(8) The corridors of the building are supplied with 100% outside air from a dedicated packaged roof top air conditioner unit. This air conditioner unit is located on the roof and includes supply ductwork to each of the levels in the Building. The corridors are ventilated at the code-required rate 0.5 CFM per square foot.

(9) Radiant floor electric heating system will be provided for all Master Bathrooms within the Residential Units.

(10) The common areas of the building are heated and air-conditioned by water cooled air conditioning units each with hot water coils. The heat rejection is to cooling towers located on the roof. The air conditioning units are controlled by direct digital controllers which are connected to the facilities BMS head-end PC. Dedicated exhaust type ventilation systems are provided for trash rooms, electric rooms, storage rooms, etc. The common exhaust system fans for these locations are located on the roof of the Building.

(11) Vertical shafts including stairs will be provided with openings at the roof for smoke venting. In addition all elevator shafts will be provided with smoke venting.

(12) The Retail Unit shall be served from the Retail Unit Owner's own local air cooled units. Base Building system to provide valved outlets on condenser water system to each individual retail space. Exterior louvers on the building façade shall be used for cooling condenser units outside air and exhaust requirements (general and toilet). In addition there will be a kitchen exhaust duct provided from the cellar to the main roof for a future restaurant space.

(13) Miscellaneous Systems: Elevator rooms will be mechanically cooled by air cooled units and automatic smoke venting will be provided. Ventilation and or air conditioning will be provided for switchboard rooms, pump rooms, and mechanical rooms. Parking Garage ventilation system shall consist of exhaust ductwork, fans, air outlets and controls. Make-up air will be provided by exterior louvers located on the building façade and introduced into the space.

(14) Heat tracing systems will be provided for all piping systems subject to freezing.

(n) Electrical Systems:

(1) The main electrical service enters the building underground from Pacific Street. The service has the capacity of 4,000 amps at 208 volt, 3-phase. Fused switches in accordance with the New York City Electrical Code shall protect the wiring. There is one (1) meter room located in the cellar switchgear room. Residential Unit sub-meters are installed in electric closets on the residential floors. Separate main disconnect switches and metering equipment are provided for the Residential building house loads, and for the Non-Residential Units. In the dwelling units AFCI protection is provided for all 120 volt 15 and 20 amp branch circuits in the bedrooms, living rooms, closets, hallways and similar rooms. Listed Tamper resistant receptacles are provided in children play areas as well as for all 120 volt 15 and 20 amp receptacles in dwelling units and all other public spaces. Listed Weather resistant receptacles and covers are provided in all exterior areas as well as for all other designated "wet and damp" locations. Three way switches are provided at each end of all basement corridors as well as all spaces and rooms with two entry doors. Emergency power generator: An emergency generator is not required by code for this project. Battery pack type light fixtures and EXIT signs will be provided throughout and will provide the code required lighting levels.

(2) Each Residential Unit has a forty-two (42) pole panel, which contains approximately one (1) circuit for each air conditioning unit, appliance circuits, one (1) dishwasher circuit, one (1) microwave oven circuit and several general lighting circuits as required. Each Residential Unit Owner is sub-metered.

(3) Residential Units Lighting

a. Entry Vestibule

i. Each Residential Unit's entry vestibule will be illuminated with a surface mounted or semi-recessed LED decorative downlight centered in the vestibule to create a glow in ceiling as well as providing essential light levels in this space for circulation. *Target average illumination level is 10 – 15 fc measured at the floor.*

ii. Depending on closet size, an additional linear surface mounted LED closet light will be mounted in the closet at entry hall. This light fixture will be controlled via contact closure sensor.

b. Corridors

i. The lighting of corridors in residential units will be provided by recessed round aperture LED downlights centered at doors where needed. Recessed round aperture LED wall washers will provide brightness to corridor walls. *Target average illumination level is 5 – 10 fc measured at the floor.*

c. Living Room

i. Ambient lighting at living room will be chosen by the homeowner to suit their personal specifics and furniture layout. A junction box will be provided centered in the room for future decorative pendant or surface ceiling light fixture.

ii. A switched outlet will give flexibility to the Residential Unit owner to choose plug-in Living Room lighting.

d. Dining

i. The lighting at dining area will be chosen by the owner. A junction box will be provided centered above the table for future decorative pendant or surface ceiling light fixtures to accent the tabletop.

e. Kitchen

i. Kitchen will be illuminated with adjustable recessed round aperture LED downlights which will provide essential ambient light levels at this area. *Target average illumination level is 5 - 10 fc measured at floor.*

ii. Linear LED under cabinet fixtures will illuminate cabinet top counter and work surfaces. *Target average illumination level is 25 -40fc measured at 3' AFF*

f.Master Bedroom

i. Master bedroom entry hall will be illuminated with a recessed round aperture LED downlight.

Target average illumination level is 3 -5 fc measured at floor.

ii. A switched outlet will give flexibility to the Residential Unit Owners to choose plug-in bedroom lighting.

iii. A junction box will be provided centered in the room for future decorative pendant or surface ceiling light fixture.

iv. Linear surface mounted LED closet light will be mounted in the walk-in closet and will be controlled via occupancy sensor.
Target average illumination level is 20 -40 fc measured at 4' AFF.

g. Master bathroom

h. General lighting at master bathroom will be provided by recessed wet labeled round aperture LED downlight centered in the space. Wall mounted vanity lights above the mirror will provide adequate light levels on vertical faces. In addition one recessed wet labeled downlight will be mounted in each shower/tub.

Target average illumination level at shower is 5 - 10 fc measured at 3' AFF.

Target average illumination level at toilet is 10 - 20 fc measured at floor.

Target average illumination level at Vanity is 20 - 30 fc measured at 3' AFF and 20-30 fc at 5' vertical plane.

i. Bedroom

i. Bedroom entry hall will be illuminated with a recessed round aperture LED downlight where required. This downlight will also illuminate the narrow closet located in bedroom's entry corridor.
Target average illumination level is 3 -5 fc measured at floor.

ii. A switched outlet will give flexibility to the Residential Unit Owners to choose bedroom plug-in lighting.

j. Bathrooms

i. General lighting at bathrooms will be provided by recessed wet labeled round aperture LED downlight centered in the space. Wall mounted vanity lights will provide adequate light levels on vertical faces. In addition one recessed wet labeled downlight will be mounted in each shower/tub.

Target average illumination level at shower is 5 - 10 fc measured at 3' AFF.

Target average illumination level at toilet is 10 - 20 fc measured at floor.

Target average illumination level at Vanity is 20 - 30 fc measured at 3' AFF and 20-30 fc at 5' vertical plane.

k. Laundry Room

i. Laundry room work surface will be lit by a recessed round aperture LED downlight. *Target average illumination level is 20-30 fc measured at 3' AFF.*

l. Powder Room

i. Recessed round aperture, LED downlight will provide general lighting at powder room. A junction box will be provided above the mirror for future lighting by Residential Unit Owners. *Target average illumination level is 10-15 fc measured at 3' AFF.*

m. Energy Code Compliance

Units will utilize a minimum of %75 high efficacy fixtures for all permanently installed light fixtures.

(4) Intercommunication between the front lobby area and each Residential Units shall be provided via video/intercom system. The following features and functions shall be included with the intercom system:

a. Video display which allows the resident to view the person placing the call to the unit.
b. 2-way audio communication down to the front lobby area to allow the resident to communicate with the person placing the call to the unit.
c. The ability to release and unlock the front door to allow the person to enter into the building after the resident properly screen the person.
d. Allows the building to send messages and emails of package devilries, or another building relative events that will occur in the future.
e. Has the ability to allow residences have their personal cell or LAN phone number programed into the system for added features.
f. The Intercom System (IS) specified is Siedle Access IP System.

The mode of operation is as follows:

1. The security communication system shall provide full "duplex" (hands-free operation at Door Station) communications between major system components.

2. The IS shall provide full duplex communication between Master Station and Door stations, Master Station and Master Substations, Master Substation and Apartment Stations, Master Substations and Door Stations, Master Substation and Apartment Station, Apartment Station and Master or Master Substations.

3. The IS shall be a de-centralized (no one main central) fully "digital", microprocessor-based system programmable by any main station with programming authorization.

(5) Entry door buzzer at entrance to each Residential Unit is included.

(6) The Building is equipped with alarm monitoring electronic access and CCTV video surveillance system for the entrances, lobby, and below grade common corridors. The security and operations of the Building is further enhanced by a video intercommunications system that connects Residential Units, front desk/concierge, and visitors at building entrances.

(7) The Video Surveillance System (VSS) (aka security closed circuit TV) manufacturers for 505 Pacific Street Brooklyn, NY is S2 Video Management Systems. The mode of operation is as follows:

i. System Operation

1. The VMS and its manufacturer shall provide the following key functions and capabilities:
2. The VMS shall capture video, audio, alarm, associated systems and other data from a single or multiple servers.
3. The VMS shall simultaneously handle recording, archiving, retrieving, playback and live distribution of video and audio. The software shall operate in a continuous recording mode or according to a programmed time/date schedule. Recording functions may also be triggered by events and motion detection.
4. Live and archived video/audio data shall be available to authorized users at any time over local or wide area network connections.
5. The VMS shall incorporate a Web Client so live and recorded video may be viewed via the Internet by authorized users.
6. The VMS shall be capable of exporting video clips or images to CD/DVD's without third party software. All images or clips shall include an executable player that verifies no tampering has occurred and can be played on standard PC's.
7. The VMS shall be capable of integrated operation with other security related systems such as Access Control Systems (ACS) and Video Analytics Systems (VAS) or applications.

ii. Video Surveillance Cameras

1. Cameras will be IP Digital Network Cameras
2. High-performance active infrared illuminator inside the camera
3. Wide range of alarm configuration options for camera tampering and motion detection

(8) Each Residential Unit is provided with a cabling system capable to support telephone, video, broadband data and television services.

(9) Ground fault circuit interrupters have been provided to all areas where they are required by code.

(10) The following amperage is provided for each unit:

Unit #3A: 175A rated panel at 208V/1Ph/60Hz
Unit #3B: 175A rated panel at 208V/1Ph/60Hz
Unit #3C: 150A rated panel at 208V/1Ph/60Hz
Unit #3D: 150A rated panel at 208V/1Ph/60Hz
Unit #3E: 150A rated panel at 208V/1Ph/60Hz
Unit #3F: 150A rated panel at 208V/1Ph/60Hz
Unit #3G: 150A rated panel at 208V/1Ph/60Hz
Unit #3H: 150A rated panel at 208V/1Ph/60Hz
Unit #4A: 175A rated panel at 208V/1Ph/60Hz
Unit #4B: 175A rated panel at 208V/1Ph/60Hz
Unit #4C: 150A rated panel at 208V/1Ph/60Hz
Unit #4D: 150A rated panel at 208V/1Ph/60Hz
Unit #4E: 150A rated panel at 208V/1Ph/60Hz
Unit #4F: 150A rated panel at 208V/1Ph/60Hz
Unit #4G: 150A rated panel at 208V/1Ph/60Hz
Unit #4H: 150A rated panel at 208V/1Ph/60Hz
Unit #5A: 175A rated panel at 208V/1Ph/60Hz
Unit #5B: 175A rated panel at 208V/1Ph/60Hz
Unit #5C: 150A rated panel at 208V/1Ph/60Hz
Unit #5D: 150A rated panel at 208V/1Ph/60Hz
Unit #5E: 150A rated panel at 208V/1Ph/60Hz
Unit #5F: 150A rated panel at 208V/1Ph/60Hz
Unit #5G: 150A rated panel at 208V/1Ph/60Hz
Unit #PH1A: 150A rated panel at 208V/1Ph/60Hz
Unit #PH1B: 200A rated panel at 208V/1Ph/60Hz
Unit #PH1C: 200A rated panel at 208V/1Ph/60Hz
Unit #PH1D: 200A rated panel at 208V/1Ph/60Hz
Unit #PH1E: 150A rated panel at 208V/1Ph/60Hz
Unit #PH1F: 150A rated panel at 208V/1Ph/60Hz
Unit #PH2A: 150A rated panel at 208V/1Ph/60Hz
Unit #PH2D: 150A rated panel at 208V/1Ph/60Hz
Unit #PH2E: 150A rated panel at 208V/1Ph/60Hz
Unit #PH2F: 150A rated panel at 208V/1Ph/60Hz

(11) The Building shall be equipped with electronic access control, video surveillance, and intrusion alarm system for the main lobby, entrances, and below grade common corridors. The following features and functions will be included but not limited to the security system:

a. Proximity key tags shall be provided to each resident to allow them access into the building and common spaces.

b. The ability to allow tenants to use their blue tooth enable smartphones as a replacement of their proximity tags.
c. Electronic access control at each elevator card to allow residence to have secure access to their floors.
d. Video cameras inside each elevator car to provide surveillance up to their designated floor.

(o) Television Reception Facilities

(1) Television systems consist of empty conduit risers for Cable T.V./internet. Riser cabling, communication boxes, and communication equipment is to be provided by local providers. Each Unit has dedicated cable and IT runs to a local demark box n the unit and then to the riser cable interface location in the core service closet.

(2) The system shall capable of accommodating variety service providers such as: cable television (CATV), satellite (SATV), Direct TV, etc.

(p) Public Area Lighting:

A. Entrances & Lobbies

a. The main entry Lobby will be illuminated by multiple layers of light to enhance the architecture of the space and to create a warm welcoming feel. Color of light will be carefully chosen to empower the characteristics and textures of the material used on surfaces. The main feature wall behind reception desk will be washed or grazed.

Additional round aperture recessed downlights will illuminate this space and will provide the necessary ambient light for circulation. Large scale decorative chandelier will be the focal point of the lobby as well as contributing to the general illumination.

Target lighting power density is 1.1 watts / sq ft. Target average illumination level is 10 – 20 fc measured at the floor in daytime and 5 – 10 fc measured at the floor at night time.

b. Local task lighting will be provided at reception desk. *Target average illumination level is 15 – 30 fc measured at 3'-6" AFF.*

B. Public Corridors

c. The lighting of the typical public corridors will take advantage of the raised ceilings at condo entries. Lighting treatment will vary from the low ceiling to high ceiling to emphasize change at entry points. Recessed small aperture LED downlights will provide general lighting.

Target lighting power density is 0.7 watts / sq ft. Target average illumination level is 5 – 10 fc measured at the floor.

C. Service Rooms & Stairwells

d. Exit stairs will be illuminated by lensed, wall mounted fixtures using LED lamps with integral occupancy sensors. Fixtures will be mounted at each floor, as well as each intermediate landing. Sensors will allow for 50% power when unoccupied and 100% power when occupied. *Target lighting power density is 0.7 watts / sq ft. Target average illumination level is 15 – 20 fc measured at the floor.*

e. Service and storage rooms shall be illuminated with utility LED or Fluorescent fixtures. If rooms have suspended ceilings, 2 x 4 lensed, recessed lay-in Fluorescent or LED troffers will be used. For rooms with no suspended ceilings, chain-hung strip fixtures with wire guards will be used. *Target lighting power density is 1.1 watts / sq ft. Target average illumination level is 30 fc measured at 36" AFF*

D. Workout Room

The workout room will be illuminated by linear lensed LED fixtures to achieve a uniform lighting effect throughout the space. Additional surface mounted LED downlights will provide the general lighting in this space.

Target lighting power density is 0.9 watts / sq ft. Target average illumination level is 15 – 20 fc measured at the floor.

(q) Garages and Parking Areas:

(1) There is one (1) attended residential parking garage (Parking Space Area) providing 12 parking spaces located in the ground floor level.

a. Ventilation system shall consist of exhaust ductwork, fans, air outlets and controls. Make-up air will be provided by exterior louvers located on the building façade and introduced into the space.

b. Parking Space Area shall be illuminated with utility LED or Fluorescent fixtures to be chain-hung strip fixtures with wire guards will be used. *Target lighting power density is 1.1 watts / sq ft. Target average illumination level is 30 fc measured at 36" AFF*

c. See paragraph j.2 for Parking Space Area fire protection.

d. The Parking Space Area will have drainage connected to the Buildings storm system.

e. There is no required commercial parking per zoning requirements and none provided.

f. For Residential Parking, per NYC Zoning Resolution parking is waived, however if provided 12 spaces maximum is permitted, and 12 spaces shall be provided (1 space / 40% dwelling units). Parking spaces are being offered for sale to Purchasers of Residential Units under the terms of the Offering Plan pursuant to a licensing arrangement.

g. There will be six (6) sets of double parking hydraulic stacker platform units provided. These units will be operated by the parking attendant who will be a trained operator who will raise a vehicle on the stacker platform from a control device which creates an additional parking space for another vehicle to be stored

below. To retrieve a vehicle the parking attendant removes the vehicle below (at grade position) in order to lower the stacker platform and return the stacked vehicle requested.

(r) Recreation Facilities:

(1) Swimming Pools: N/A.

(2) Tennis Courts: N/A.

(3) Other: N/A.

(4) 3rd Floor and Main Roof Common Residential Roof Terrace: There is an outdoor recreational roof terrace located on the 3rd floor and will be equipped with precast concrete pavers with some landscaping.

Fitness Center (Gym) and Children's Play Room located in cellar level, approximately 1,200 square feet area total. It will include exercise equipment to accommodate aerobic and weight training.

- Gym to have painted walls, with partial height mirror along the South wall. Flooring to be resilient rubber floor tiles, Flexco Starlight PSF204 Rubber interlocking tiles 36" square, ½" thickness. Lighting to include linear wall grazers with acrylic wall washer lens, and ceiling mounted LED downlights. Fitness equipment to include the following:
(3) Discover SE Treadmills
(1) Discover SE Flex Strider
(1) Discover SE Cross Trainer
(1) Discover SE Upright Bike
(1) Discover SE Recumbent Bike
(1) LifeCycle GX Group Exercise Bike
(1) Hammer Strength Select Seated Leg Press
(1) Stability ball rack with stability balls
(2) Yoga Mats
(1) Medicine ball racks with medicine ball
(1) Hammer Strength 3 tier dumbbell rack
(2) Hammer Strength multi adj. bench
(1) Cable motion dual adj. pulley with screen

-Children's Playroom to have painted walls, colorful carpet tile flooring, lighting including perimeter wall grazers and semi-recessed round oculus fixtures in varying colors.

(s) Permits and Certificates:

(1) Permits required were as follows:

New York City Department of Buildings:

New Building	Required
Excavation/Foundations	Required
Structural/General Construction	Required
Mechanical	Required
Sprinkler	Required
Plumbing	Required
Standpipe	Required
Boiler	Required
Elevator	Required
Certificate of Occupancy	Required
Fire Protection Plan	Required
Fire Alarm	Required
Construction Fence	Required

NYC Department of Highways:

Builders Pavement	Required
Sidewalk Closing	Required

Miscellaneous:

Water Main Tap Connection	Required
Bureau of Electrical Control	Required

(2) Inspections required were as follows:

Sub grade	Architect/Engineer: Final sign-off required
Underpinning	Architect/Engineer: Final sign-off required
Boiler	Boiler Safety: Annual inspection required
Sprinkler/Standpipe	Fire Department: 5-year inspection required
Plumbing	Licensed Plumber or Building Inspector: Final sign-off required
Fire stopping	Architect/Engineer: Final sign-off required
Masonry Units	Architect/Engineer: Final sign-off required
Smoke Test	Architect/Engineer: Final sign-off required
Concrete	Architect/Engineer: Final sign-off required
Concrete Design Mix	Architect/Engineer: Final sign-off required
Concrete Test Cylinders	Architect/Engineer: Final sign-off required
Mechanical	Engineer: Final sign-off required
Ventilation	Engineer: Final sign-off required
Welding	Architect/Engineer: Final sign-off required
High Strength Bolts	Architect/Engineer: Final sign-off required
High Pressure Steam	Architect/Engineer: Final sign-off required
Spray on fireproofing	Architect/Engineer: Final sign-off required
Structural Stability	Architect/Engineer: Final sign-off required

(t) Violations:

(1) There are no violations outstanding.

(2) Department of Building Violations: There are no outstanding violations.

(u) Unit Information:

(1) There is one (1) Retail Unit on the first floor and cellar level.

(2) For measurement purposes, the approximate square foot area of each Unit is measured horizontally on each of one or more floors from the exterior side of the glass or the exterior walls of the Building to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the midpoint of the interior walls and partitions separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or to the opposite exterior side of the glass or the exterior walls of the Building, as the case may be, however, columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits in all Units are not deducted from measurement of each Unit. Measured vertically, each Unit will consist of the volume from the top of the floor slab (located under the finished flooring and sub-floor materials) to the underside of the floor slab above.

(3) Unit Finish Schedule:

Room	Floor	Base	Wall	Ceiling
Entrance Hall:	engineered hardwood	painted wood	painted gypsum wall board	painted gypsum wall board
Living / Dining:	engineered hardwood	painted wood	painted gypsum wall board	painted gypsum wall board
Kitchen:	engineered hardwood	painted wood	painted gypsum wall board	painted gypsum wall board
Master Bedrooms & Bedrooms	engineered hardwood	painted wood	painted gypsum wall board	painted gypsum wall board or painted kadex
Master Bathrooms:	stone tile	stone tile	stone tile & painted GWB	painted gypsum wall board
Bathrooms:	Stone tile	Stone tile	stone tile & painted GWB	painted gypsum wall board
Powder Rooms:	engineered hardwood	painted wood	painted gypsum wall board & stone tile	painted gypsum wall board

(4) Wood floors: engineered rift cut White Oak, custom wire brushed finish, matte oil top coat. Thickness: 5/8", To be installed as a floating floor.
(5) Ceilings: primed and painted, flat finish, color tbd
(6) Walls: Interior PVA latex wall primer, level 5 finish, with 2 coats of paint

(7) Kitchen Cabinetry: Walnut Veneered doors, 7/8" thickness, drawers, and appliance panels, with routed inset drawer pulls. Interior cabinets in melamine. Upper cabinets with touch latch hardware, drawers to have soft close mechanism. Kitchen islands to have like finishes.
(8) Kitchen Countertops: White Marble, Calacatta Lincoln slab. Same marble will be used at the backsplash.
(9) Unit Bathroom Fixture Schedule: Fixtures are typical for bathroom types unless stated otherwise.

Master Bathrooms			
Fixture	**Manufacturer**	**Model Number**	**Material**
Vanity Sink	Kohler	K2330GO Kathryn Undermount sink	Vitreous China
Lavatory Faucet	Hansgrohe	Axor Citterio M #34010001 Single Hole Mixer	Chrome
Bathtub	Bain Ultra	Origami 6030undermount bath tub	Acrylic
Bathtub Faucet	Hansgrohe	Axor Citterio M 4 hole Roman tub set #34444001	Chrome
Shower Set	Hansgrohe	Axor Citterio M Volume Control Lever, Thermostat Trim Lever, Raindance Royale Showerhead and wall arm, Unica handshower wall bar set with Fix Fit outlet	Chrome
Toilet	Duravit	Starck 3 Toilet, one piece #214109	Vitreous China

Bathrooms			
Fixture	**Manufacturer**	**Model Number**	**Material**
Vanity Sink	Kohler	K2330GO Kathryn Undermount sink	Vitreous China
Lavatory Faucet	Lacava	Cigno 1580L Deck Mount Single Hole Faucet	Chrome
Bathtub	MTI	Cameron 2 Alcove Tub with integrated	Acrylic

		apron and tile flange	
Bathtub / Shower Set	Lacava	Cigno Pressure balance with diverter, Thermo valve with volume control, tilting rainshower head, handheld shower with intake where rq'd.	Chrome
Toilet	Duravit	Starck 2 One Piece toilet #213301	Vitreous China

Powder Rooms			
Fixture	**Manufacturer**	**Model Number**	**Material**
Vanity Sink	Duravit	Vero Wall Mount Sink	Vitreous China
Lavatory Faucet	Vola	HV1+30single handle mixer with swivel spout	Color 16 Chrome
Toilet	Duravit	Starck 2 One piece toilet #213301	Vitreous China

(10) Unit Kitchen Appliance and Laundry Schedule: Fixtures are typical for all kitchens unless stated otherwise. All kitchen countertops are to stone slabs with base / wall cabinets to be catalyzed lacquer wood finish.

1-2 Bedrooms		
Appliance	**Manufacturer**	**Model Number**
Refrigerator / freezer	Miele	KF19X3Vi – 36"
Single Oven	Miele	H6180BP
Dishwasher	Miele	G4975SCVi – 24"
Cook top	Miele	KM3474G – 36"
Wall Hood	Miele	DA3490 – 36"
Kitchen Sink	Elkay	ELUH2816PDBG
Kitchen Faucet	Hansgrohe	Talis S 14872001 1-spray high arc faucet
Clothes Washer	LG	Front Load Steam WM3050CW 27"washing machine
Clothes Dryer	LG	Front Loadgas Dryer DLG3051W with stack kit as needed KSTK1 27"
3-4 Bedrooms		

Appliance	Manufacturer	Model Number
Refrigerator / freezer	Miele	KF19X3Vi – 36"
Single Oven	Miele	H6180BP
Dishwasher	Miele	G4975SCVi – 24"
Cook top	Miele	KM3474G – 36"
Wall Hood	Miele	DA3490 – 36"
Speed Oven	Miele	H6100BM
Kitchen Sink	Elkay	ELUH2816PDBG
Kitchen Faucet	Hansgrohe	Talis S 14872001 1-spray high arc faucet
Clothes Washer	LG	Front Load Steam WM3050CW 27"washing machine
Clothes Dryer	LG	Front Load gas Dryer DLG3051W with stack kit as needed KSTK1 27"

Penthouse		
Appliance	**Manufacturer**	**Model Number**
Refrigerator Column	Miele	K1803Vi
Freezer Column	Miele	K1413Vi
Wine Chiller	Miele	KWT6322UG-1 - 24 UC Wine
Speed Oven	Miele	H6100BM
Dishwasher	Miele	G4975SCVi – 24
Cooktop	Miele	KM3484G - 42
Wall Hood	Miele	DA2210 – 42
Single Oven	Miele	H6180BP – 30
Kitchen Sink	Elkay	ELUH2816PDBG
Kitchen Faucet	Hansgrohe	Talis S 14872001 1-spray high arc faucet
Clothes Washer	LG	Front Load Steam WM3050CW 27"washing machine
Clothes Dryer	LG	Front Load gas Dryer DLG3051W with stack kit as needed KSTK1 27"

(v) Finish Schedule of Spaces Other than Units:

Note:
Lobby Floors: 7" wide solid wood flooring, rift + quartered White Oak, with Medium wire brush, matte oil finish
Corridors: Mohawk Broadloom carpet, Humble Lux KC187 # 575 Cosmo, Nylon, Tufted, 12' roll.

Room	Floor	Base	Wall	Ceiling
Floors 2-6:				
Typical Tenant Corridor	Carpeting	Painted wood	painted gypsum wall board	painted gypsum wall board
Typical Trash Room	VCT	rubber	painted gypsum wall board	acoustical ceiling tile
1st Floor Level:				
Residential Lobby	Stone and wood	Stone and wood	Stone, brick, painted GWB	painted gypsum wall board
Mail Room	wood	Stone and wood	painted gypsum wall board	painted gypsum wall board
Parcel Closet	wood	rubber	painted gypsum wall board	acoustical ceiling tile
Retail Space	unfinished concrete	none	unfinished CMU	unfinished concrete
Egress /service vest. & corridor	sealed concrete	none	painted CMU	painted concrete
Cellar Level:				
Service Rooms, Storage & Corridor	sealed concrete	none	painted CMU	painted concrete
Retail Storage	unfinished concrete	none	unfinished CMU	unfinished concrete
Residential Corridor	LCT	rubber	painted gypsum wall board	ACT & painted GWB soffits
Fitness Center (Gym)	rubber tile	rubber	Painted gypsum wall board & mirror	painted gypsum wall board
Managers Office / Breakroom	VCT	rubber	painted gypsum wall board	ACT
Restrooms	Porcelain tile	ceramic tile	ceramic tile & painted GWB	ACT
Egress Stairs	sealed concrete	none	painted CMU	painted concrete

(w) Fire and Safety Warning Devices:

(1) Hard-wired, 120 volt carbon monoxide and smoke detection devices are installed in each Residential unit as per NYC Building Code requirements.

(2) There will be an addressable central fire alarm system for the project installed as per NYC Building Code requirements. Upon activation of any sprinkler head, a flow switch will be activated; this signal will be transmitted to the smoke and sprinkler alarm control panel in the Engineers office with remote annunciation at the Residential lobby. In addition, area

smoke detectors will be located in all MEP spaces and in elevator lobbies. The alarm signals will be transmitted to a central reporting station. A one-way voice communication system will also be provided between each residential unit and the main fire alarm panel.

(3) An alarm system as required by code for the Retail Unit will be the responsibility of the Retail Unit Owner.

(x) Additional Information:

(1) A site plan is attached.

(2) Floor plans of each Unit (drawn to scale) indicating room dimensions and unit boundaries are attached.

(3) Floor to ceiling heights. Exclusive of dropped ceiling areas at kitchens, bathrooms, halls, soffits, mechanical equipment including ducts and plumbing elements, structural offsets and boxed out structural beams, ceiling heights in Residential Units located in the Building are the following (all heights are approximate and are taken from top of structural slab to underside of structural slab above. In addition at various locations there may be soffits that may reduce ceiling heights in certain areas.):

Cellar:	15'-1" / 15'-8" / 16'-9" (varies per location)
1st Floor:	
Retail:	18'-0" / 18'-11" (varies per location)
Residential lobby:	19'-1 1/2"
3rd Floor:	10'-8"
4th Floor:	10'-5 1/2" / 11'-0 1/2" (varies per location)
5th Floor:	10'-6" / 11'-6" (varies per location)
6th Floor:	10'-7"
7th Floor:	10'-9"
Bulkhead:	8'-4" / 12'-8" (varies per location)

Key plans showing Unit boundaries and the relationship of Units to each other is attached.

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

(y) Special Conditions:

No such conditions are known at the present time which requires additional testing and/or monitoring.

(z) Future Development:

No such plans are known at the present time regarding the sponsor's intention to carry out any further development on this site.

(aa) Asbestos:

No such conditions are known at the present time.

(bb) Lead-based Paint:

No such conditions are known at the present time.

(cc) Special Risk Factors:

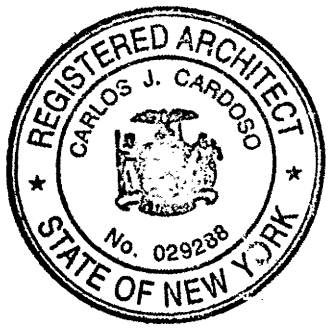
The owners of Residential Units with roof terraces shall not install or permit any item or improvement upon the roof which exceeds a maximum 100 pounds/sq. foot load. Should any desired improvements exceed this maximum load it will be the Unit Owner's responsibility to have a professional structural engineer design additional support to increase the load-bearing capacity of the desired level provided that the Condominium Board first approves a request by the Unit Owner for such heavy loads.

(dd) Energy Conservation Construction Code of New York State:

To the best of my knowledge, belief and professional judgment, these plans and specifications are in compliance with the Energy Conservation Construction Code of New York State, using Chapter 5.
Note that the observations were accurate as of this writing and that these conditions may change over time.

(ee) **Documents To Be Transferred To The Condominium Management:**
The following documents shall be transferred to the condominium management upon transfer of control-Operation & Maintenance (O&M) manuals for mechanical equipment; Electronic system manual; Re-commissioning manual (as applicable); equipment warranties; Roof Warranty; Major equipment Start-Up Sheets; Control System As-Built; Original Test & Balance Report for HVAC System; In-Door Air Quality report. Final As-Built drawings as maintained during construction, i.e., structural, mechanical, electrical, plumbing, shop drawings.

Signed:



Carlos J. Cardoso, Partner
Beyer Blinder Belle Architects & Planners, LLP

Dated: March 4, 2016

Description of Property and Specifications

Exhibit "A"

Inconsistencies between the Floor Plans in Part II and the Plans and Specifications

Purchasers are advised that the Plans and Specifications are currently inconsistent in some respects with the Floor Plans contained in Part II of the Plan due to recent reconfigurations of certain areas of the Building. Sponsor is in the process of amending the Plans and Specifications to resolve these inconsistencies such that the Plans and Specifications will be updated to match this Description of the Property and Improvements and the Floor Plans set forth in Part II of the Plan.

Below is set forth a summary of the changes being made to the Plans and Specifications. The Floor Plans set forth in Part II of the Plan already reflect all these changes and therefore should be relied on by Purchasers for the most updated information. All measurements set forth below are approximate.

Units:

- Unit 2A , 3A 4A (renamed to 3A, 4A and 5A):
  - Kitchen has been relocated and has been resized to be 14'-7" x 8'-8"
  - Master Bedroom will be 13'-9" x 13'-2"
  - Bedroom 2 will be 11'-0" x 12'-3"
  - Bedroom 3 will be 11'-0" x 10'-0"
  - Bedroom 4 has been added and will be 11'-0" x 12'-3"
  - Powder room revised to be full bath and relocated
  - Laundry room renamed to be utility room and relocated
  - Master bathroom fixtures relocated
- Unit 2B and 3B (renamed to 3B and 4B, respectively):
  - Kitchen appliances/fixtures relocated, island revised
  - Master Bedroom will be 12'-2" x 21'-5"
  - Bedroom 2 will be 10'-4" x 13'-7"
  - Bedroom 3 will be 10'-4" x 13'-7"
  - Powder room relocated
  - Entry WIC relocated
  - Master bathroom fixtures relocated
- Unit 2C and 3C (renamed to 3C and 4C, respectively):
  - Master bathroom fixtures relocated
- Unit 2D and 3D (renamed to 3D and 4D, respectively):
  - Master bathroom fixtures relocated
- Unit 2E and 3E (renamed to 3E and 4E, respectively):
  - Master bathroom fixtures relocated
- Unit 2F, 3F and 4E (renamed to 3F, 4F and 5E, respectively):
  - Kitchen relocated within unit
  - Dining room relocated within unit
  - Master bathroom fixtures relocated
  - Powder room revised to be full bath
  - Bathrooms F08 and F10 combined to be one bathroom
- Unit 2G, 3G and 4F (renamed to 3G, 4G and 5F, respectively):

  - Kitchen revised
  - Master bathroom fixtures relocated
- Unit 2H, 3H and 4G (renamed to 3H, 4H and 5G, respectively):
  - Kitchen revised
  - Master bathroom fixtures relocated
- Unit 4B (renamed to 5B):
  - Fenestration at corner revised
  - Kitchen appliances/fixtures relocated, island revised
  - Master bathroom fixtures relocated
- Unit 4C (renamed to 5C):
  - Kitchen appliances/fixtures relocated, island revised
  - Master bathroom fixtures relocated
- Unit 4D (renamed to 5D):
  - Kitchen appliances/fixtures relocated, island revised
  - Master bathroom fixtures relocated
- Unit 5A (renamed to 6A):
  - Unit is no longer a duplex; all bedrooms and bathrooms are on this floor
  - Footprint of unit has increased to the south
  - Kitchen relocated/revised to be 16'-5" x 9'-0"
  - Living/Dining relocated/revised to be 20'-2" x 21'-1"
  - Master bedroom will be 19'-11" x 12'-2"
  - Bedroom 2 will be 9'-10" x 10'-11"
  - Bedroom 3 will be 9'-10" x 10'-11"
  - Bathrooms and closets revised
- Unit 5B (renamed to 6B):
  - Stair to upper level of duplex relocated
  - Fenestration at corner revised
  - Kitchen relocated/revised to be 16'-4" x 8'-7"
  - Living/Dining to be 23'-0" x 21'-9"
  - Family room relocated to be 10'-9" x 12'-0"
  - Powder room revised to be full bathroom
- Unit 5C (renamed to 6C):
  - Stair to upper level of duplex relocated
  - Kitchen relocated/revised to be 10'-7" x 12'-4"
  - Family room relocated/revised to be 15'-4" x 23'-5"
  - Powder room revised to be full bathroom
  - One bathroom omitted
- Unit 5D (renamed to 6D):
  - Unit is no longer a duplex; all bedrooms and bathrooms are on this floor
  - Kitchen relocated/revised and will be 11'-10" x 11'-7"
  - Living/Dining revised and will be 14'-0" x 16'-7"
  - Family room omitted
  - Master bedroom will be 13'-7" x 12'-6"
  - Bedroom 2 will be 10'-6" x 10'-7"

  - Bathrooms and closets revised
- Unit 5E (renamed to 6E):
  - Unit is no longer a duplex; all bedrooms and bathrooms are on this floor
  - Fenestration at corner revised
  - Kitchen relocated and will be 14'-9" x 8'-7"
  - Family room omitted
  - Living/Dining revised and will be 19'-2" x 20'-3"
  - Master bedroom will be 16'-0" x 13'-0"
  - Bedroom 2 will be 11'-0" x 10'-6"
  - Bedroom 3 will be 11'-0" x 10'-6"
  - Bathrooms and closets revised
- Unit 5F (renamed to 6F):
  - Unit is no longer a duplex; all bedrooms and bathrooms are on this floor
  - Footprint of unit has increased to the north
  - Kitchen relocated and will be 14'-7" x 8'-10"
  - Family room omitted
  - Master bedroom will be 12'-8" x 15'-4"
  - Bedroom 2 will be 11'-0" x 10'-11"
  - Bedroom 3 will be 11'-0" x 10'-11 "
  - Bathrooms and closets revised
- Unit 6A (renamed to 7A):
  - Unit is no longer a duplex; all bedrooms and bathrooms are on this floor
  - Footprint of unit has increased to the south
  - Terrace added
  - Kitchen will be added and 16'-5" x 9'-0"
  - Living/Dining will be added 15'-0" x 21'-1"
  - Master bedroom will be 19'-11" x 12'-2"
  - Bedroom 2 will be 9'-10" x 10'-11"
  - Bedroom 3 will be 9'-10" x 10'-11"
  - Master bathroom and WIC relocated and revised
- Unit 6B (renamed to 7B):
  - Stair to lower level of duplex relocated
  - Master bedroom will be 13'-8" x 16'-5"
  - Bedroom 2 will be 10'-7" x 14'-0"
  - Bedroom 3 will be 10'-7" x 10'-0"
  - Master bathroom and WIC relocated and revised
- Unit 6C (renamed to 7C):
  - Stair to lower level of duplex relocated
  - Master bedroom will be 13'-6" x 16'-9"
  - Bedroom 2 will be 10'-7" x 11'-2"
  - Bedroom 3 will be 10'-7" x 11'-1"
  - Master bathroom and WIC relocated and revised
  - Office/Den room omitted
- Unit 6D (renamed to 7D):

- Unit is no longer a duplex; all bedrooms and bathrooms are on this floor
- Kitchen has been added and will be 11'-10" x 11'-7"
- Living/Dining has been added and will be 14'-0" x 16'-7"
- Master bedroom will be 13'-7" x 12'-6"
- Bedroom 1 will be 10'-6" x 10'-7"
- Bathrooms have been revised and relocated

- Unit 6E (renamed to 7E):
  - Unit is no longer a duplex; all bedrooms and bathrooms are on this floor
  - Kitchen has been added and will be 14'-9" x 8'-7"
  - Living/Dining has been added and will be 17'-4" x 21'-11"
  - Master bedroom will be 16'-0" x 13'-0"
  - Bedroom 2 will be 11'-0" x 10'-6"
  - Bedroom 3 will be 11'-0" x 10'-6"
- Unit 6F (renamed to 7F):
  - Unit is no longer a duplex; all bedrooms and bathrooms are on this floor
  - Footprint of unit has increased to the north
  - Terrace has been added
  - Kitchen has been added and will be 14'-7" x 8'-7"
  - Living/Dining room has been added and will be 19'-2" x 20'-3"
  - Master bedroom will be 12'-8" x 15'-4"
  - Bedroom 2 will be 11'-0" x 10'-11"
  - Bedroom 3 will be 11'-0" x 10'-11 "

Common Elements:

- Roof:
  - Shared roof amenity area added
  - Passenger elevators extended up to roof/bulkhead level
- Cellar:
  - Amenity subdivided to Children's Play Room with toilet, Gym Room with toilet, and Workout Room
  - Location of bike storage and staff office are reversed
- 3rd Floor:
  - Shared terrace area reduced to 659 SF.

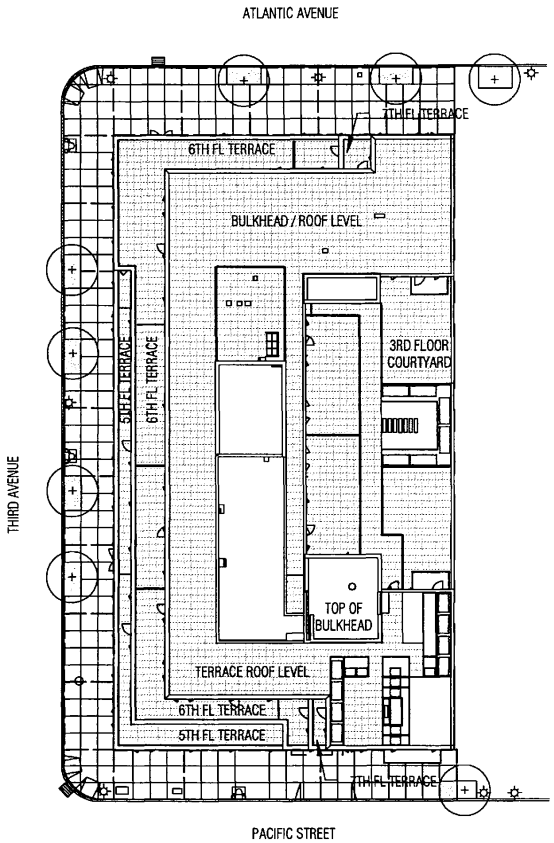
Signed:

Carol J. Cardoso, Partner
Beyer Blinder Belle Architects & Planners, LLP

REGISTERED ARCHITECT
CARLOS J. CARDOSO
No. 020288
STATE OF NEW YORK
[Architect's seal]

Dated: May 6, 2016

FLOOR PLANS



SITE PLAN

ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGES EXCEED USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN THE OFFERING PLAN AVAILABLE FROM THE SPONSOR.

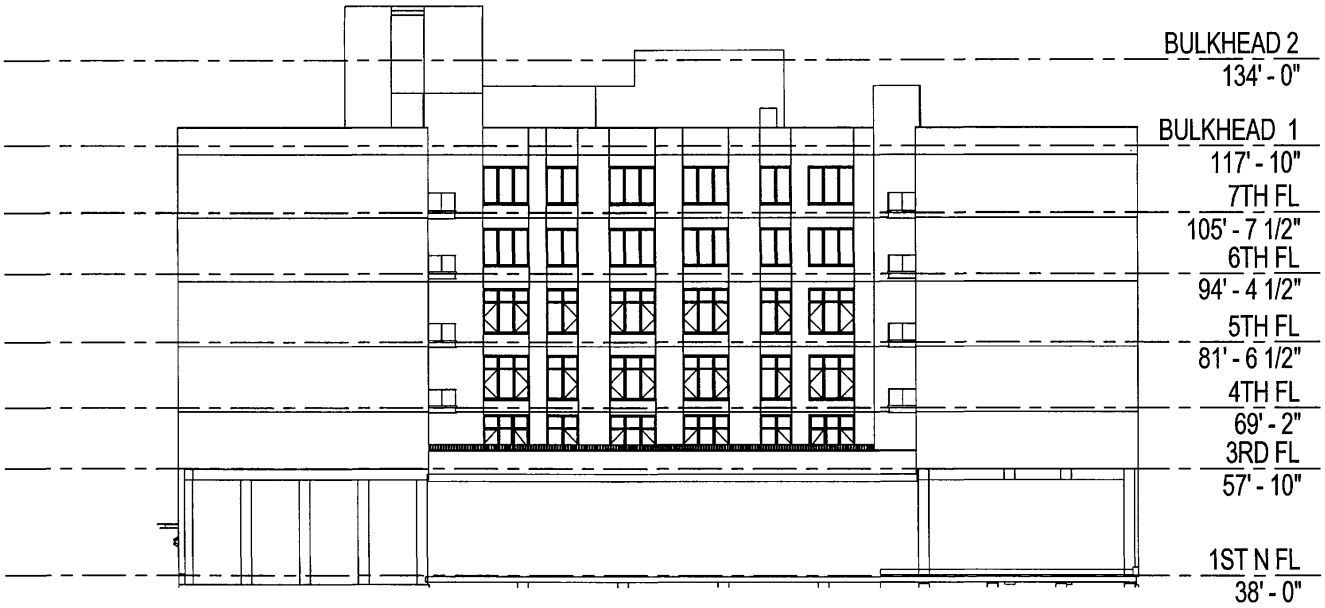
0' 12.5' 25' 50' 75'

SCALE: 1" = 50'-0"

N

509 Pacific

Brooklyn, NY



EAST ELEVATION

WEST ELEVATION

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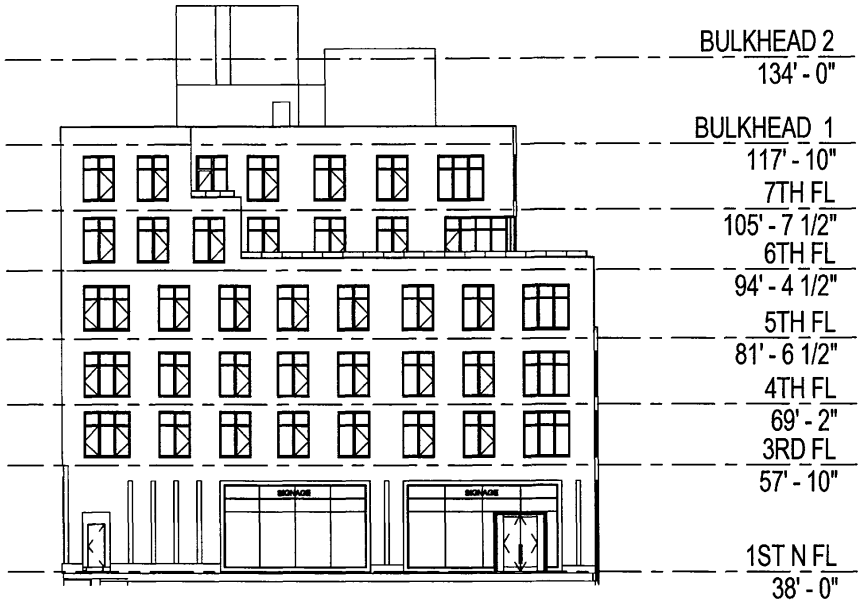
0' 8' 16' 32' 48'

SCALE: 1" = 32'-0"

N

509 Pacific

Brooklyn, NY



NORTH ELEVATION

SOUTH ELEVATION

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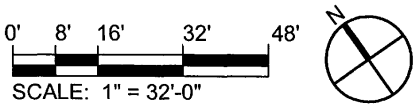
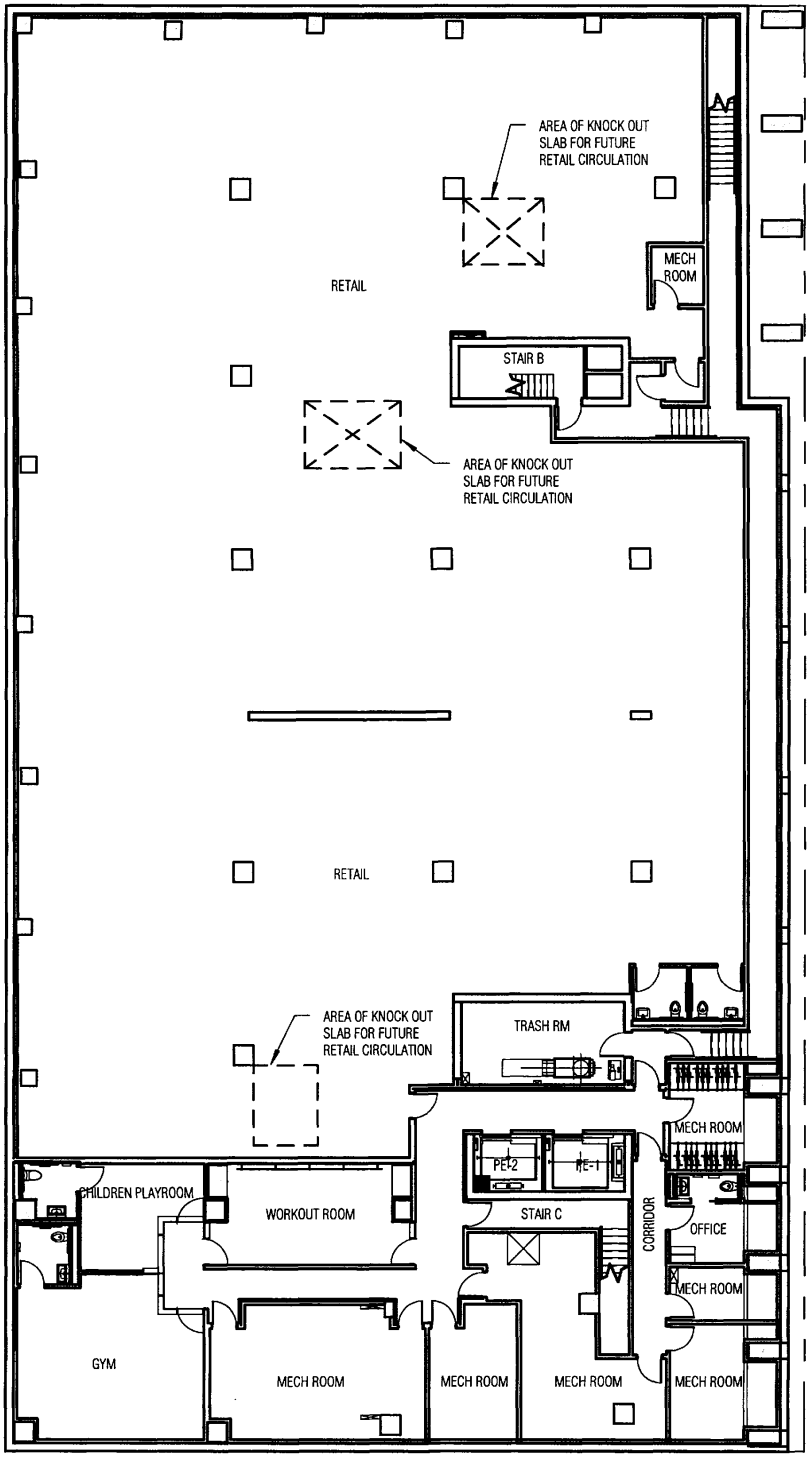


SCALE: 1" = 32'-0"

509 Pacific

Brooklyn, NY



CELLAR LEVEL

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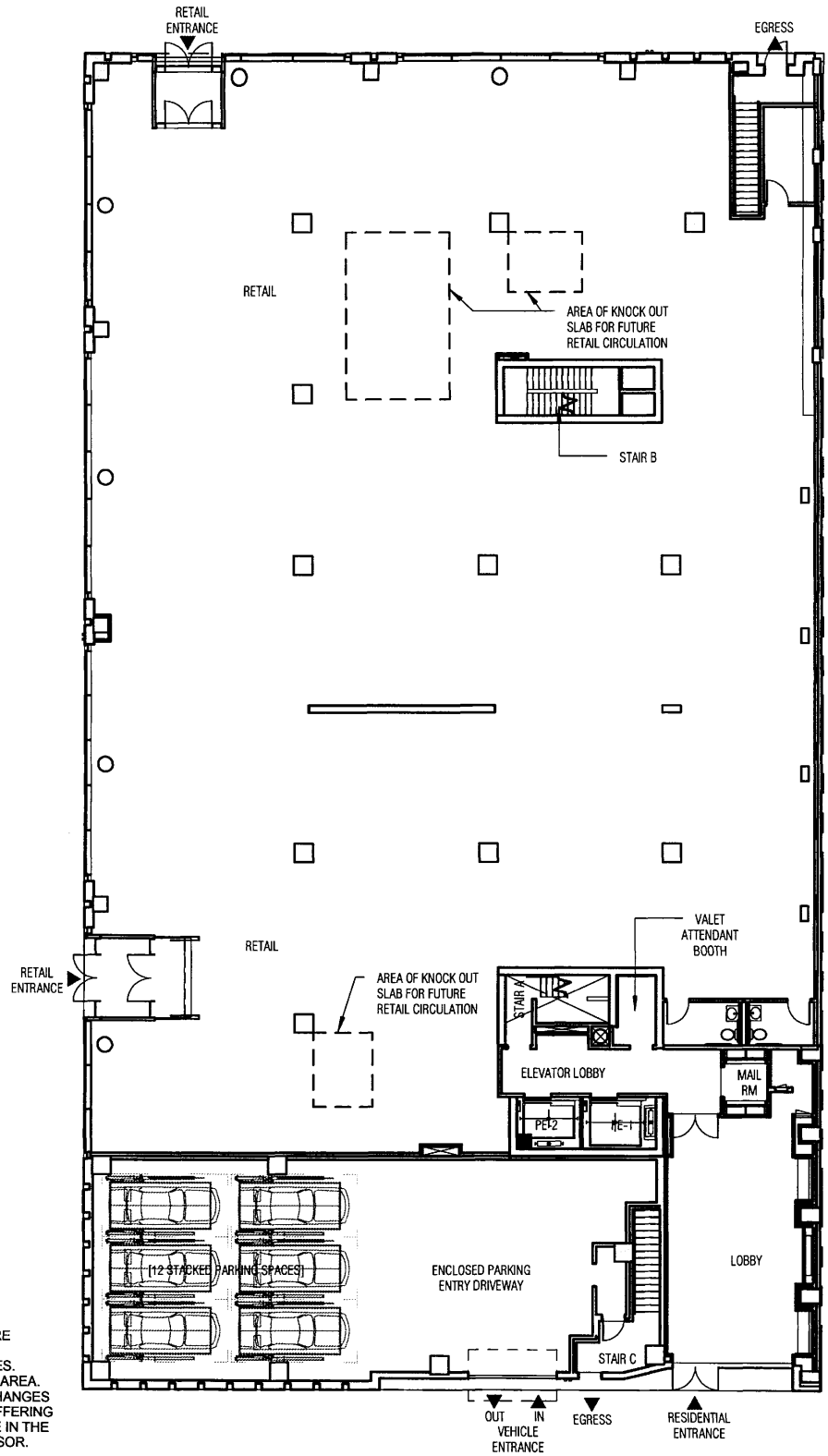
0' 6' 12' 24' 36'

SCALE: 3/64 = 1'-0"

N

509 Pacific

Brooklyn, NY



GROUND FLOOR

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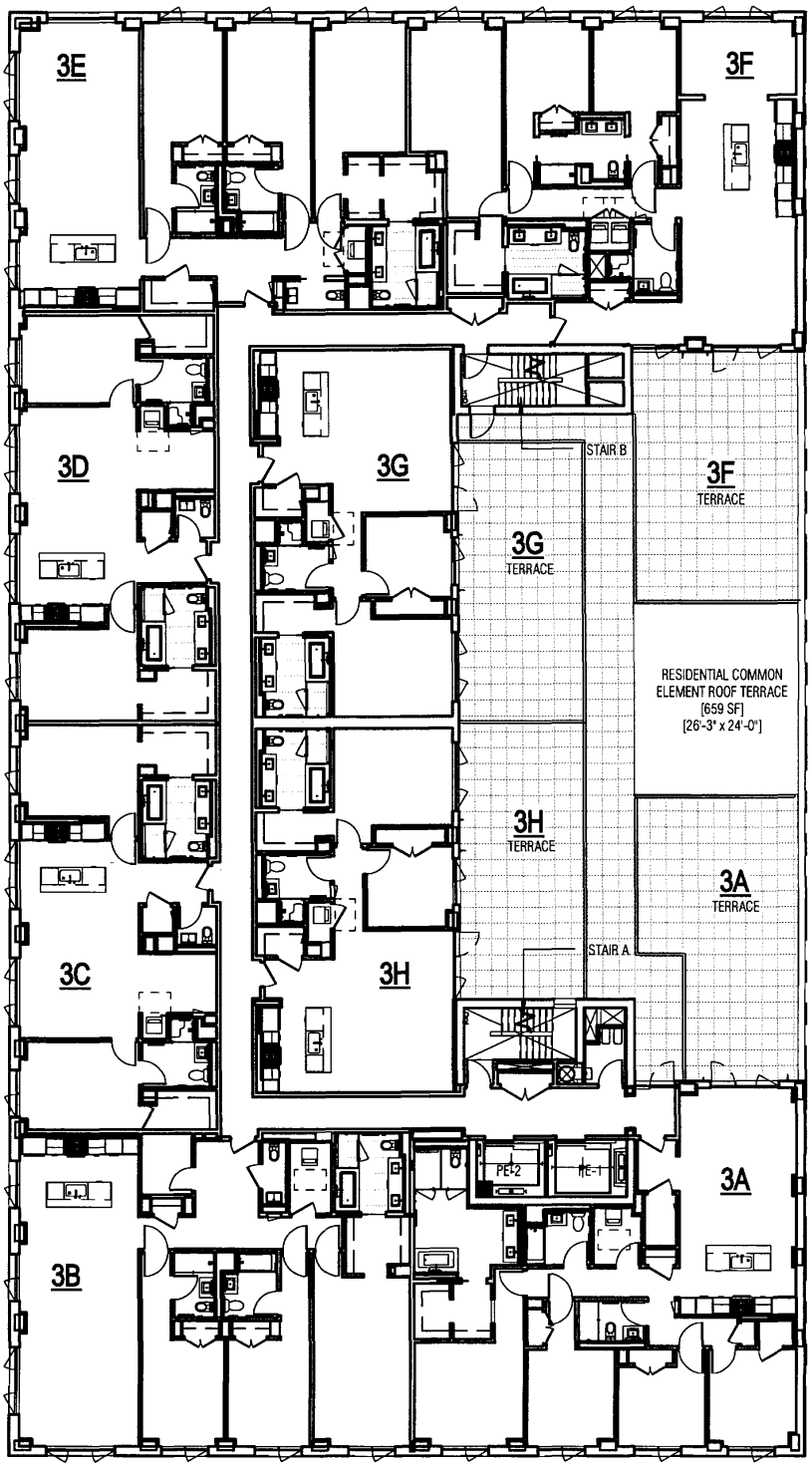
Brooklyn, NY



THIRD FLOOR

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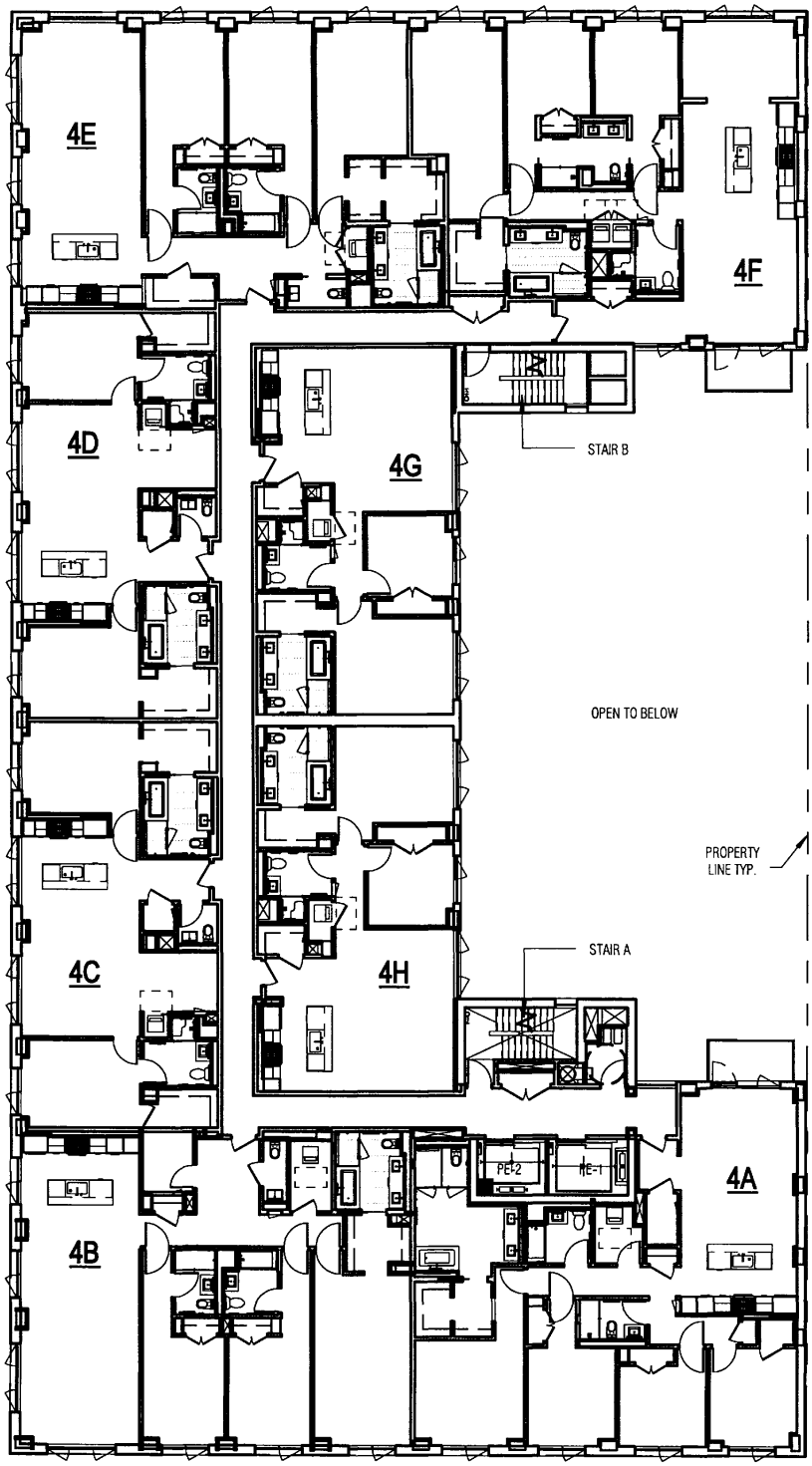
Brooklyn, NY



FOURTH FLOOR

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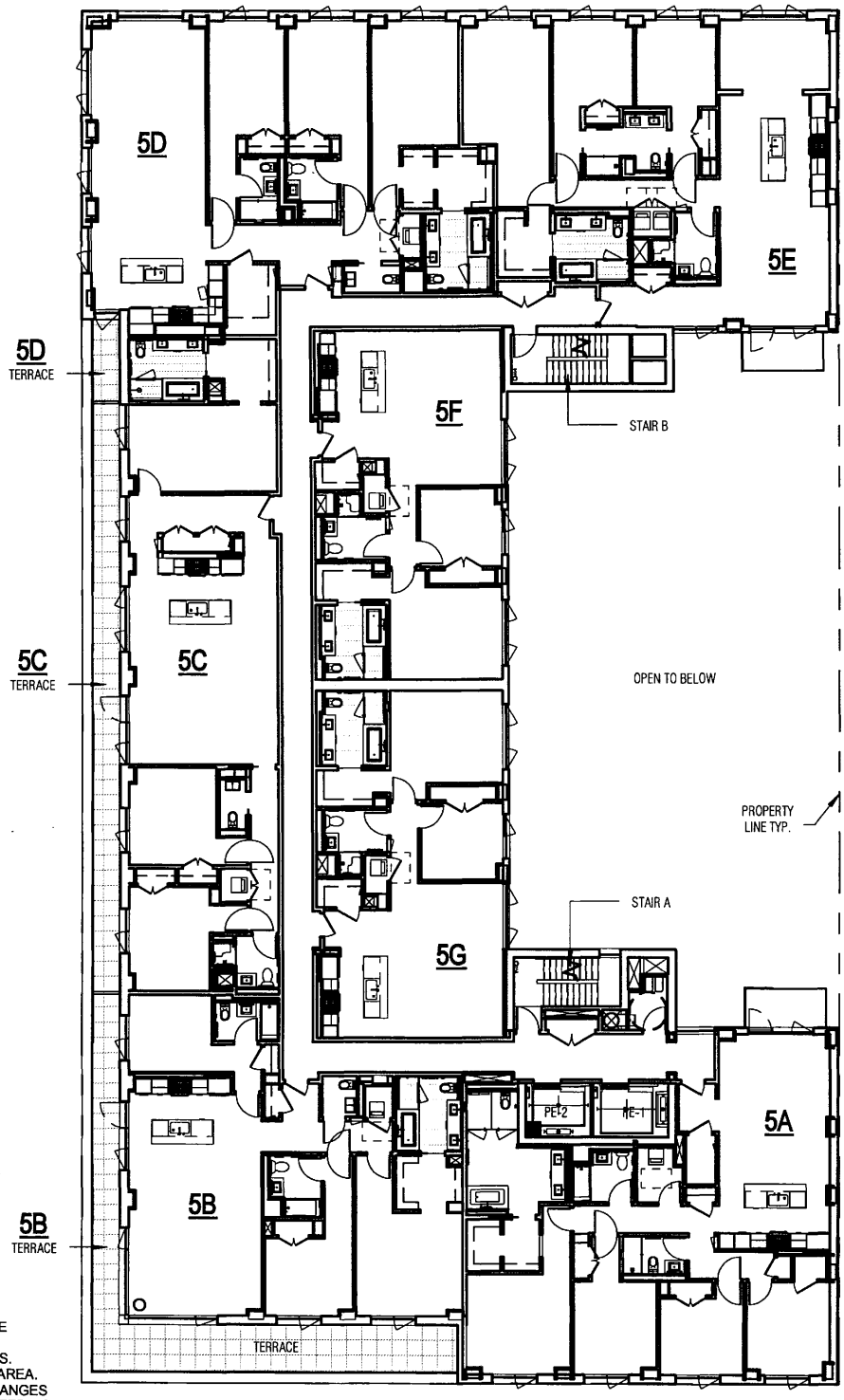
509 Pacific

Brooklyn, NY



FIFTH LEVEL

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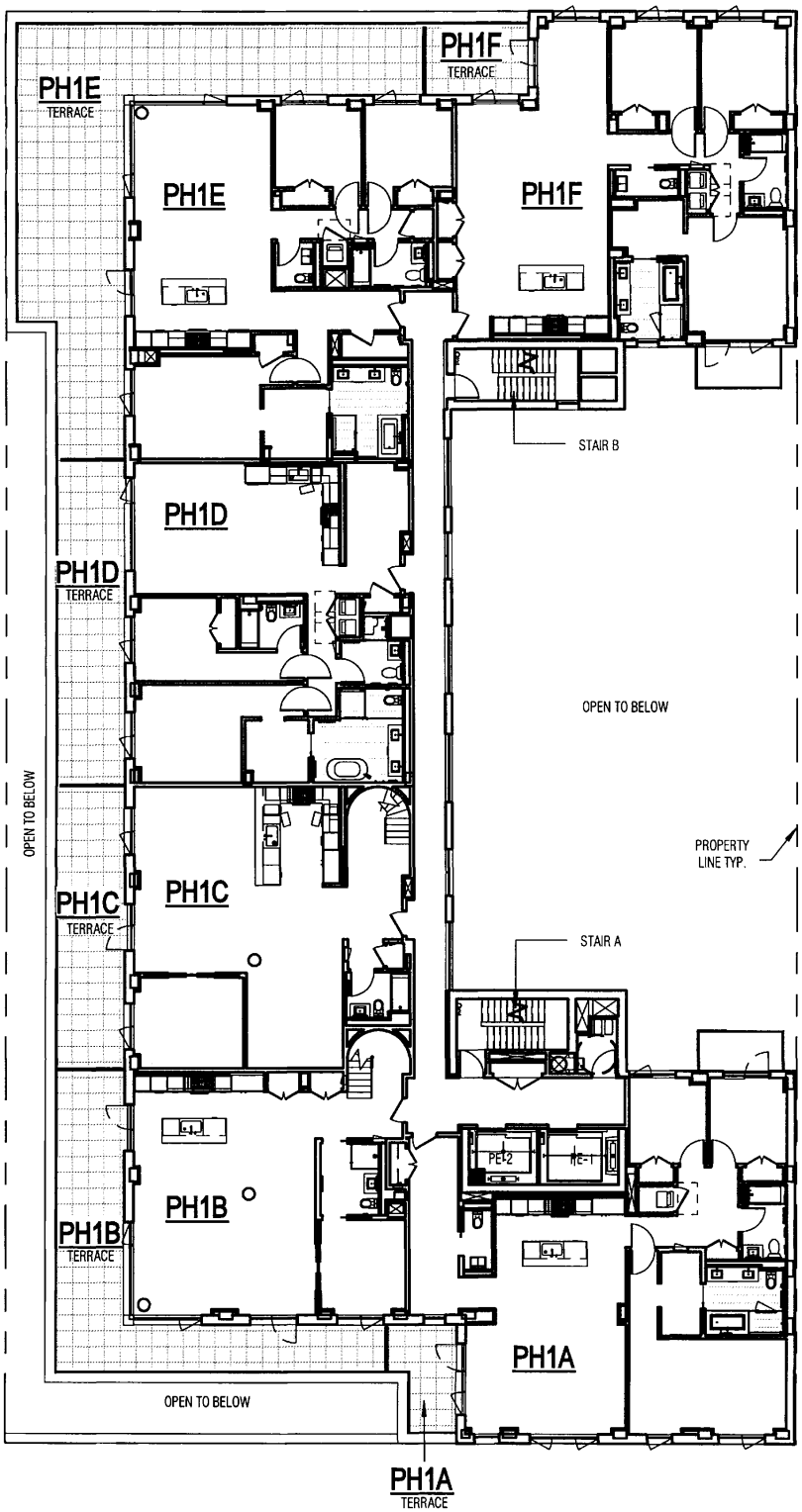
Brooklyn, NY



SIXTH FLOOR

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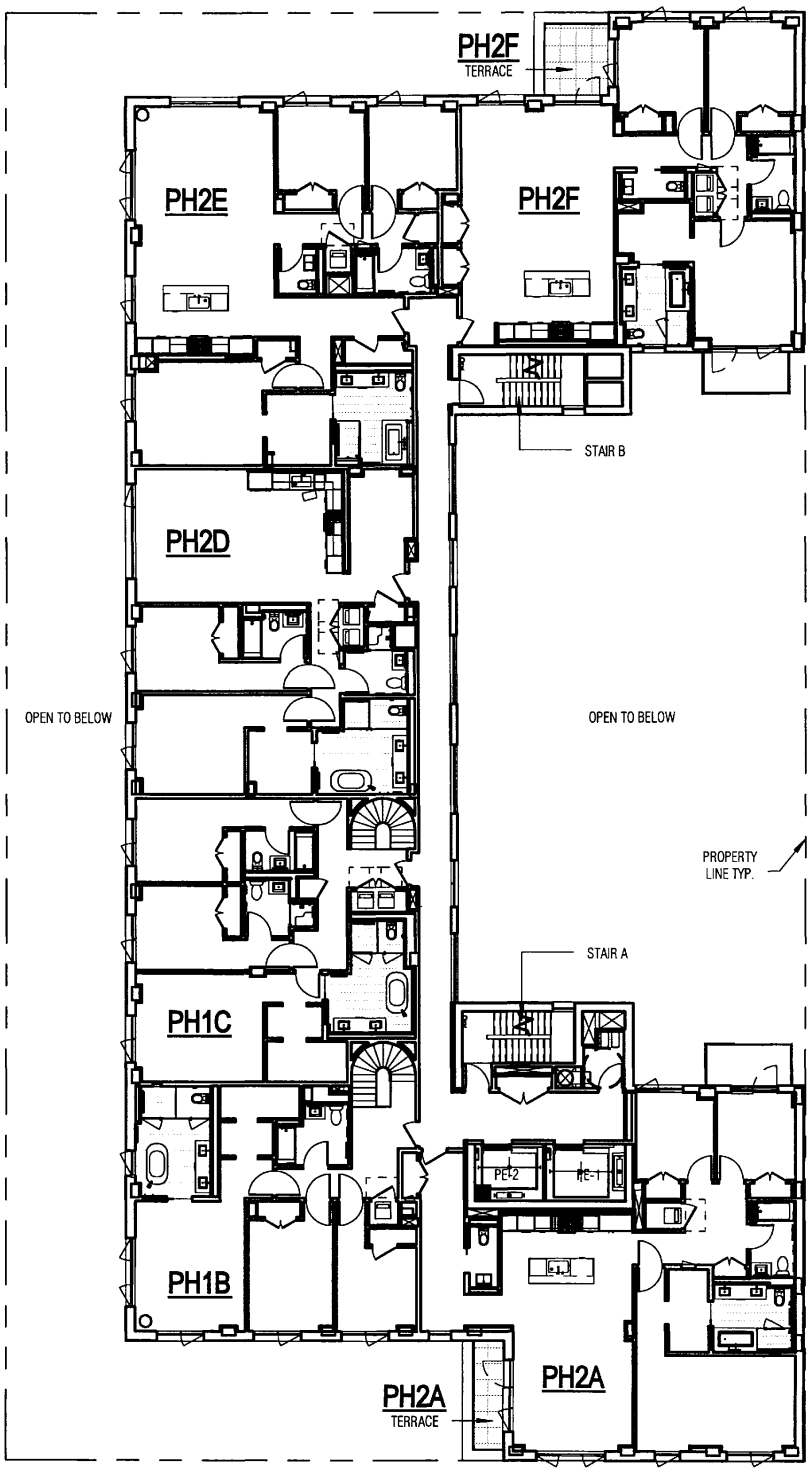
509 Pacific

Brooklyn, NY



SEVENTH FLOOR

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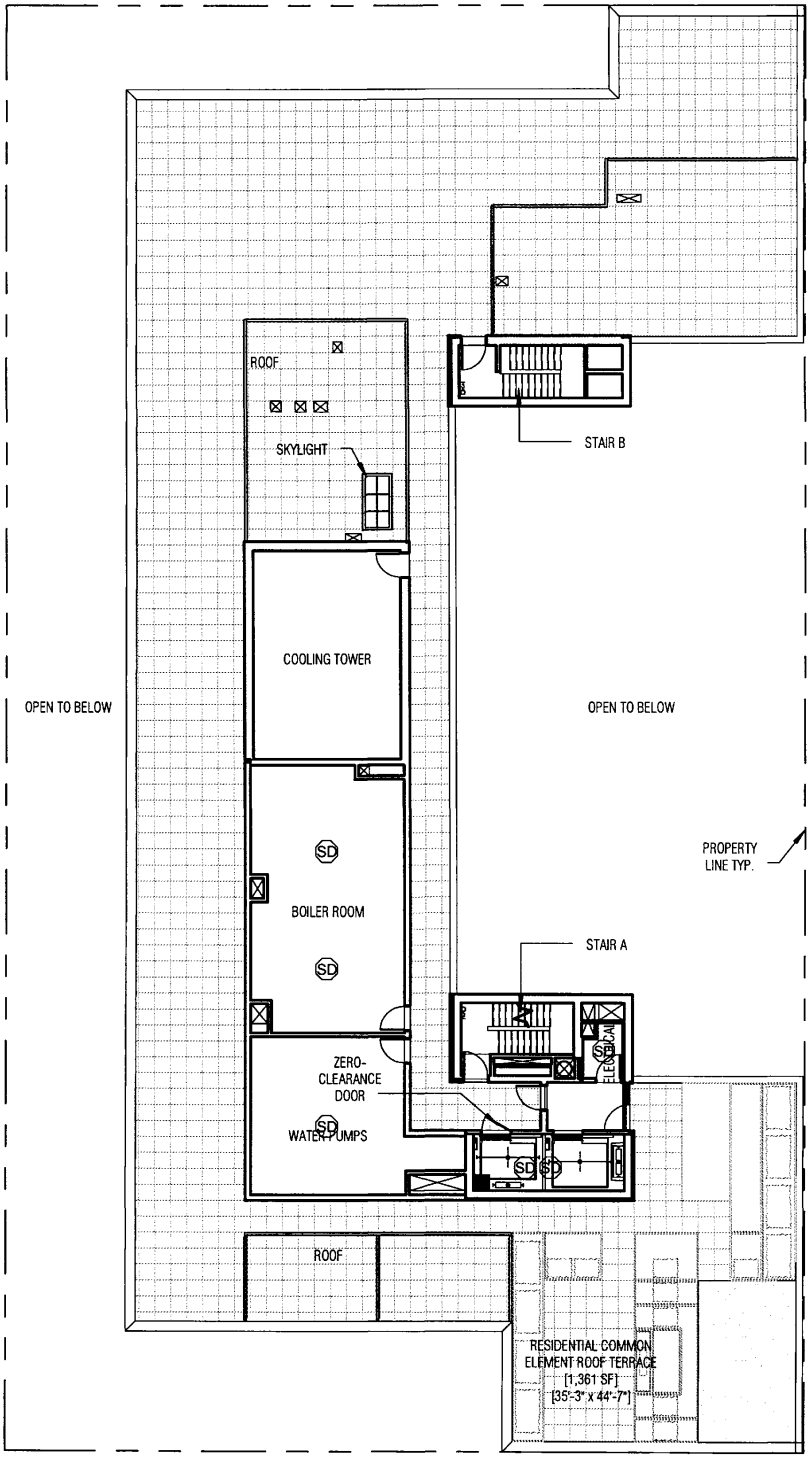
509 Pacific

Brooklyn, NY



BULKHEAD LEVEL 1 / ROOF LEVEL

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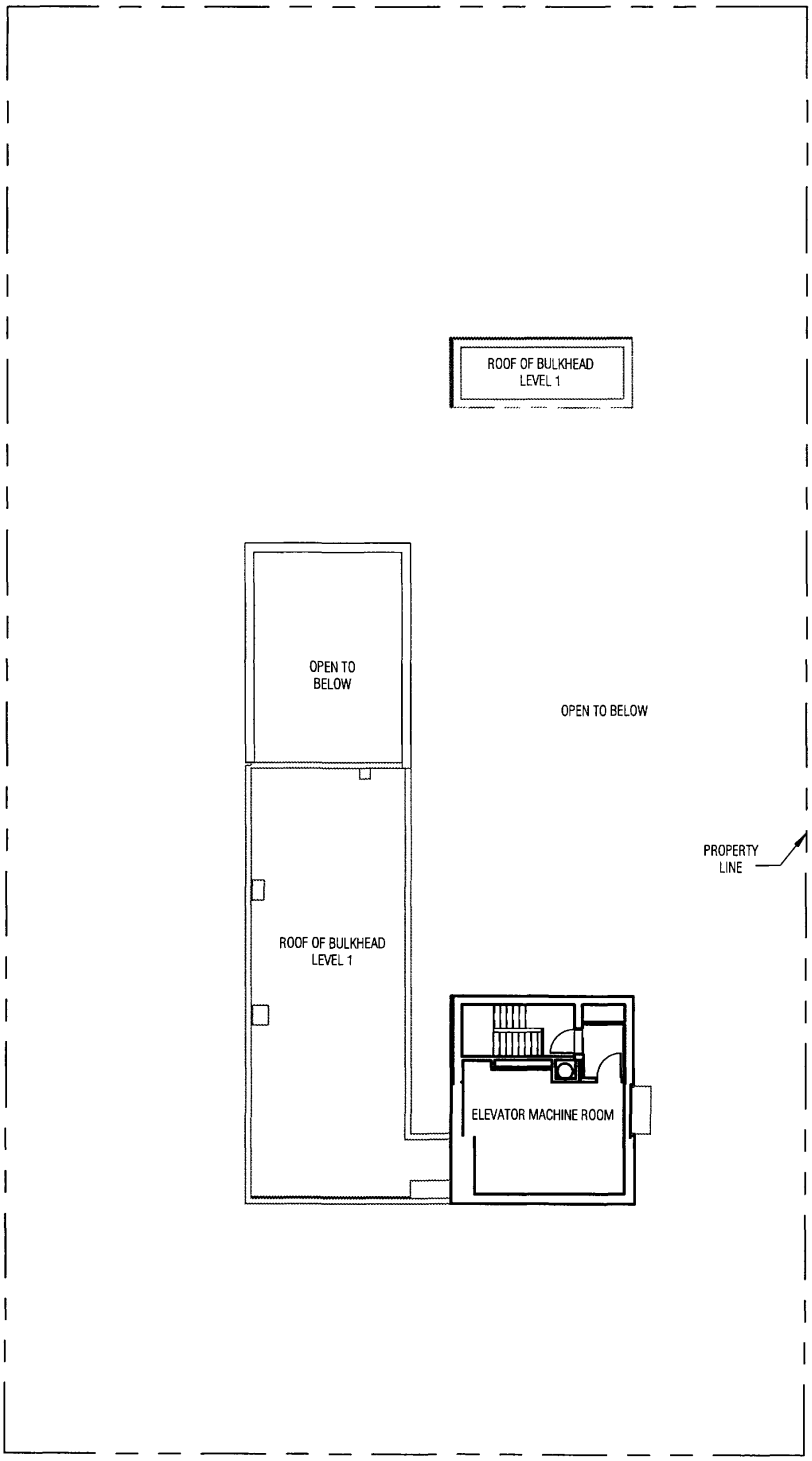
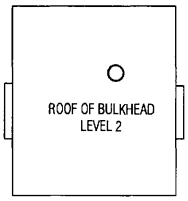
Brooklyn, NY





ROOF OF BULKHEAD LEVEL 2 PARTIAL PLAN

BULKHEAD LEVEL 2

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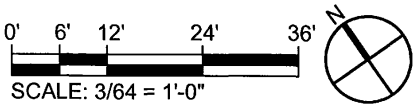
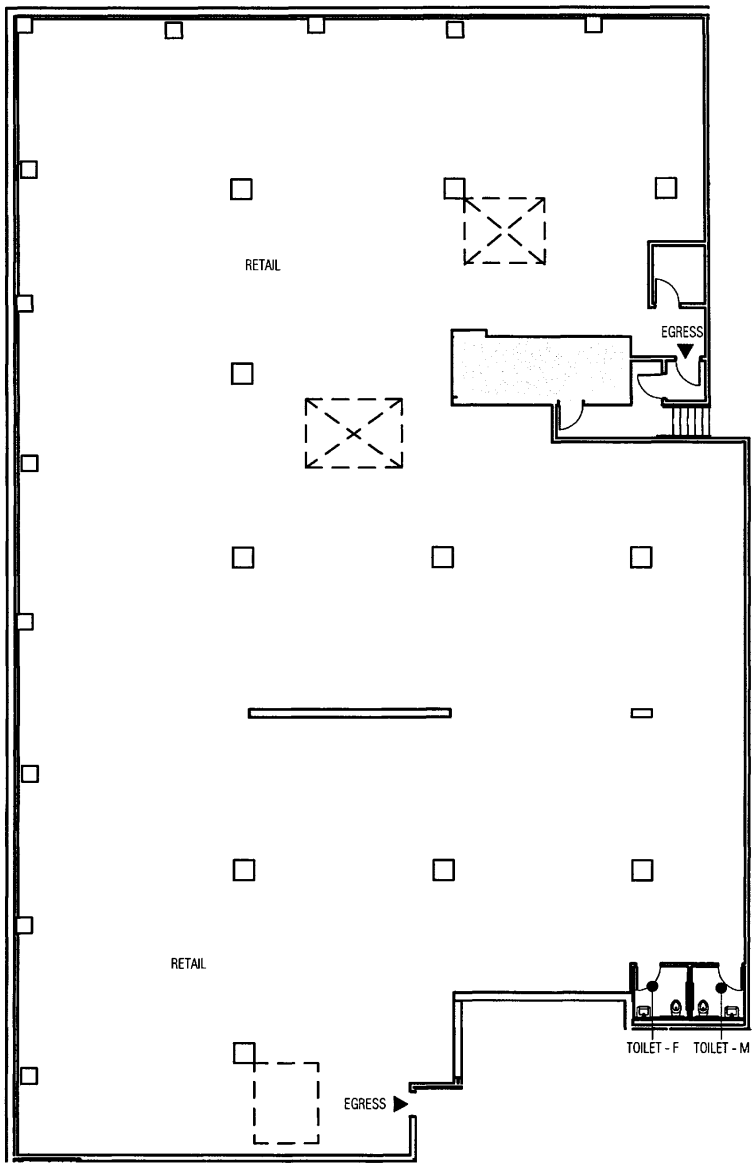


SCALE: 3/64 = 1'-0"

509 Pacific

Brooklyn, NY



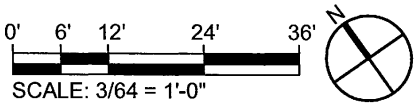
CELLAR LEVEL

RETAIL
CELLAR LEVEL

GROUND LEVEL	13,626 SF
CELLAR LEVEL	12,070SF
TOTAL	25,696 SF

2 TOILET ROOMS

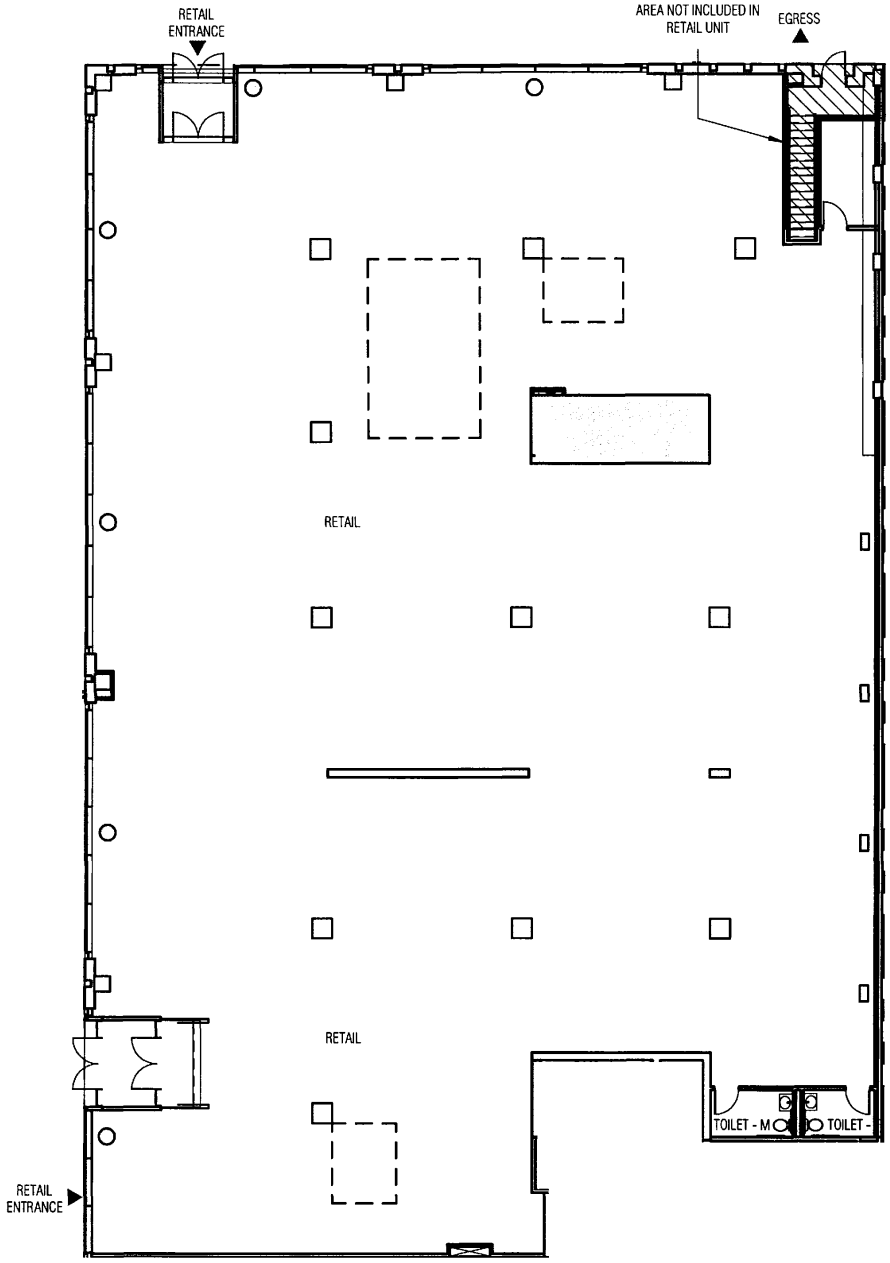
ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGES EXCEED USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN THE OFFERING PLAN AVAILABLE FROM THE SPONSOR.



SCALE: 3/64 = 1'-0"

509 Pacific

Brooklyn, NY



RETAIL
GROUND LEVEL

GROUND LEVEL	13,626 SF
CELLAR LEVEL	12,070SF
TOTAL	25,696 SF

2 TOILET ROOMS

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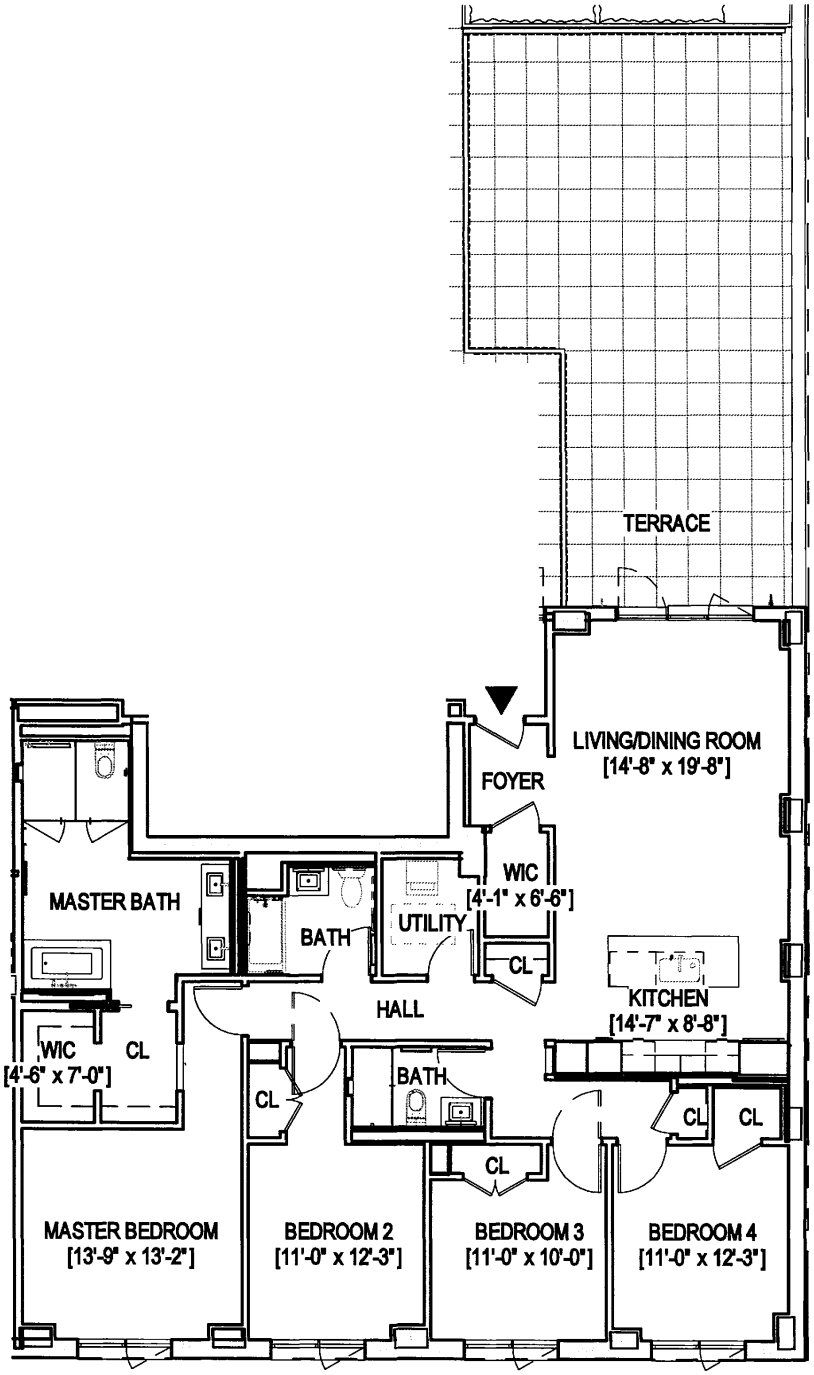
0' 6' 12' 24' 36'

SCALE: 3/64 = 1'-0"

N

509 Pacific

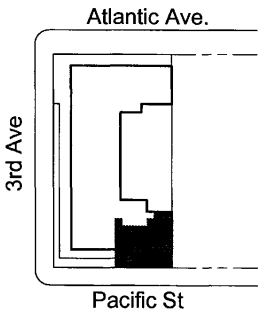
Brooklyn, NY



RESIDENTIAL UNIT 3A

1,899 SF

4 BEDROOMS
3 BATHROOMS
TERRACE 680 SF



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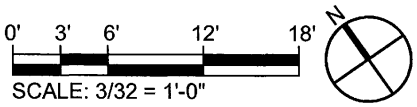
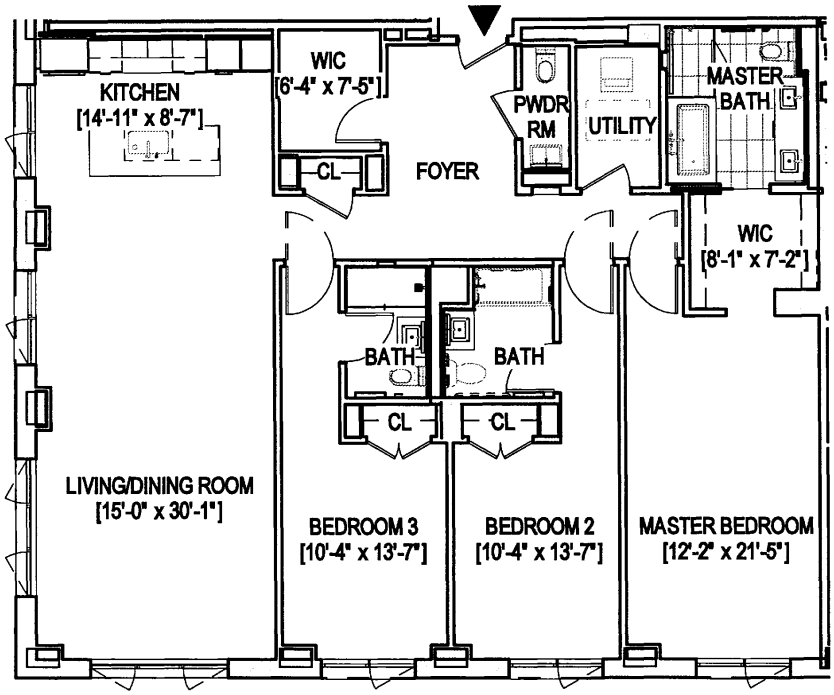
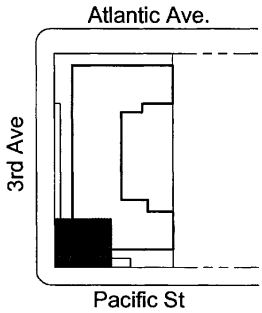


SCALE: 3/32 = 1'-0"

509 Pacific

Brooklyn, NY





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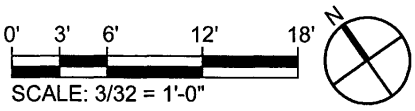


SCALE: 3/32 = 1'-0"

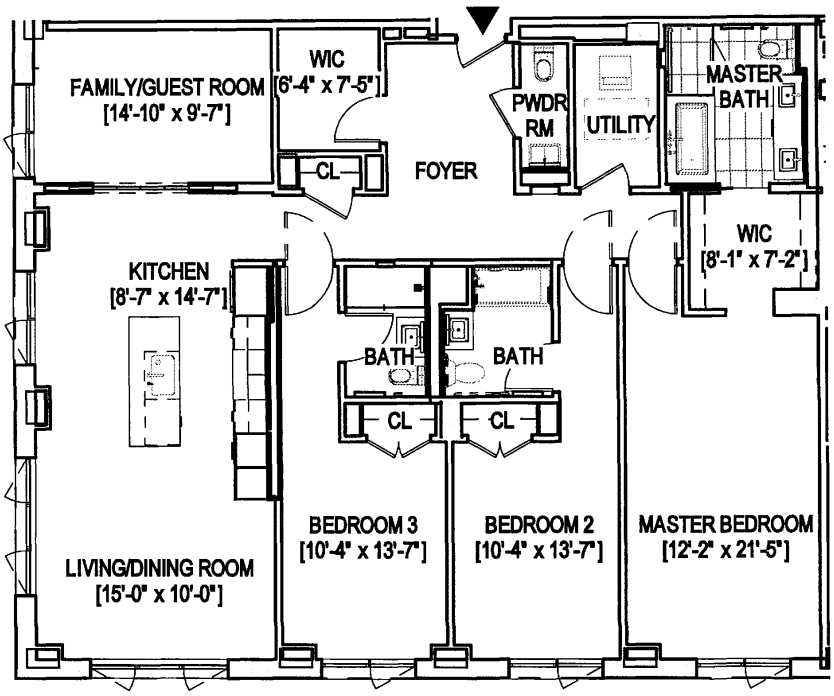
RESIDENTIAL UNITS
3B, 4B
(3-BEDROOM LAYOUT)

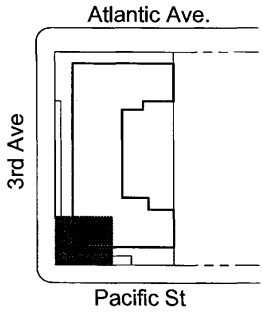
2,059 SF

3 BEDROOMS
3.5 BATHROOMS

509 Pacific

Brooklyn, NY





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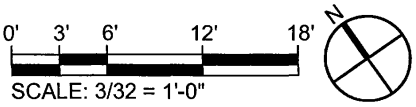


SCALE: 3/32 = 1'-0"

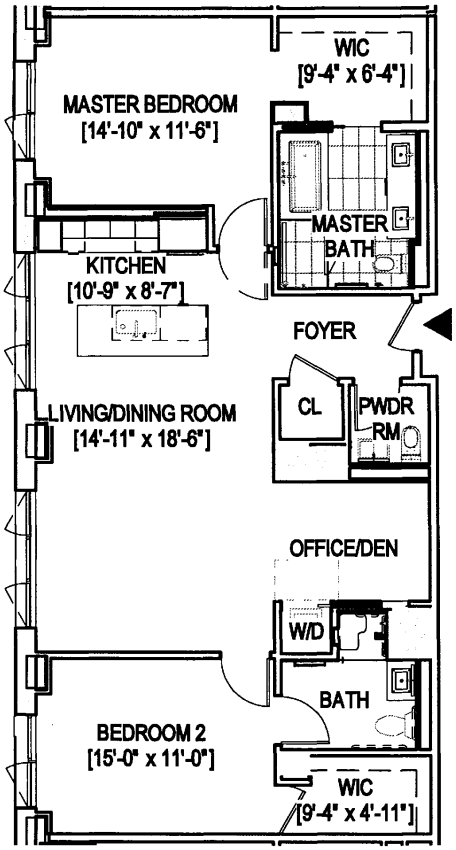
RESIDENTIAL UNITS 3B, 4B (4-BEDROOM ALTERNATIVE LAYOUT)

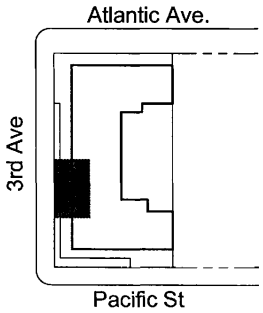
2,059 SF

4 BEDROOMS
3.5 BATHROOMS

509 Pacific

Brooklyn, NY





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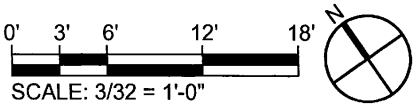


SCALE: 3/32 = 1'-0"

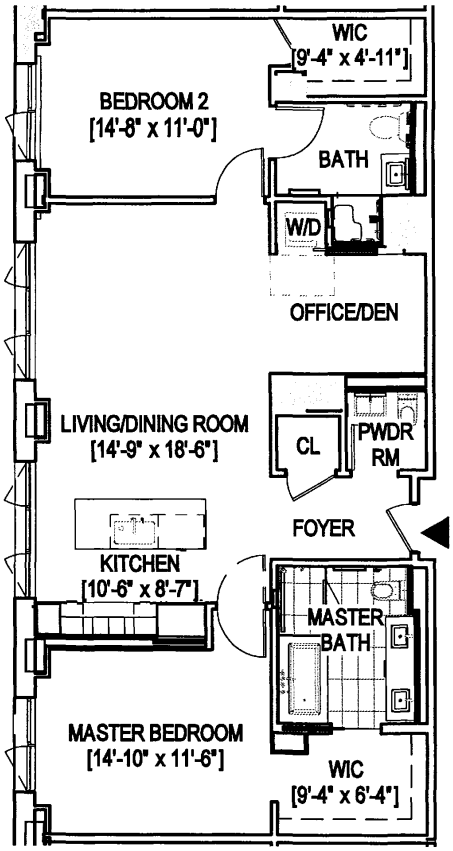
RESIDENTIAL UNITS
3C, 4C

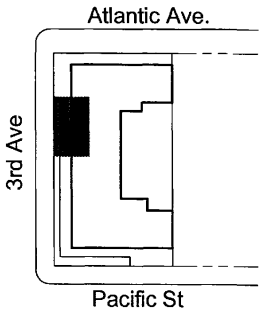
1,337 SF

2 BEDROOMS
2.5 BATHROOMS
1 OFFICE/ DEN

509 Pacific

Brooklyn, NY





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0' 3' 6' 12' 18'

SCALE: 3/32 = 1'-0"

N

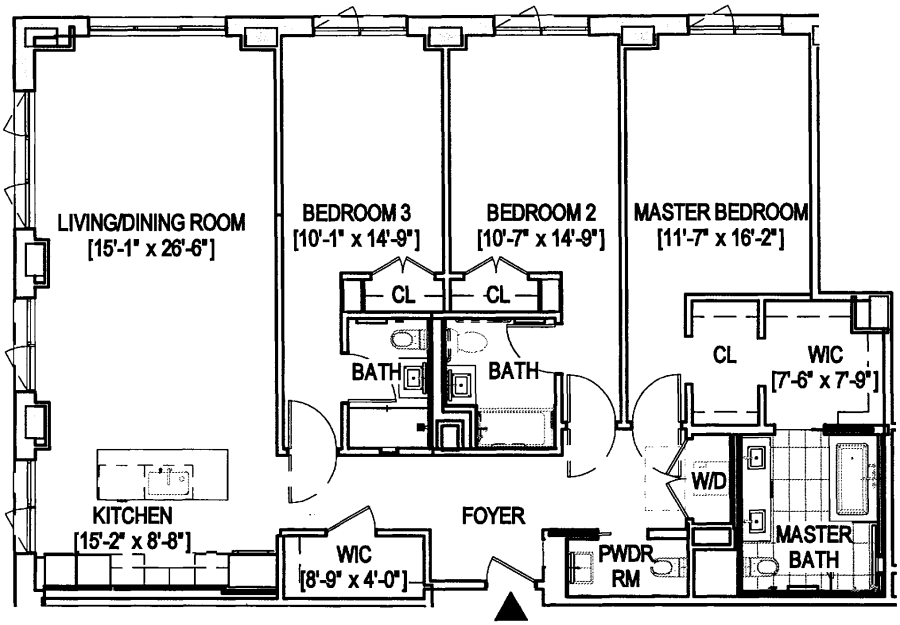
RESIDENTIAL UNITS 3D, 4D

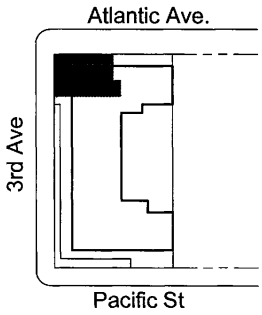
1,327 SF

2 BEDROOMS
2.5 BATHROOM
1 OFFICE/DEN

509 Pacific

Brooklyn, NY





RESIDENTIAL UNITS
3E, 4E
(3-BEDROOM LAYOUT)
1,913 SF

3 BEDROOMS
3.5 BATHROOM

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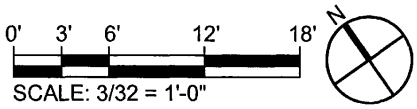
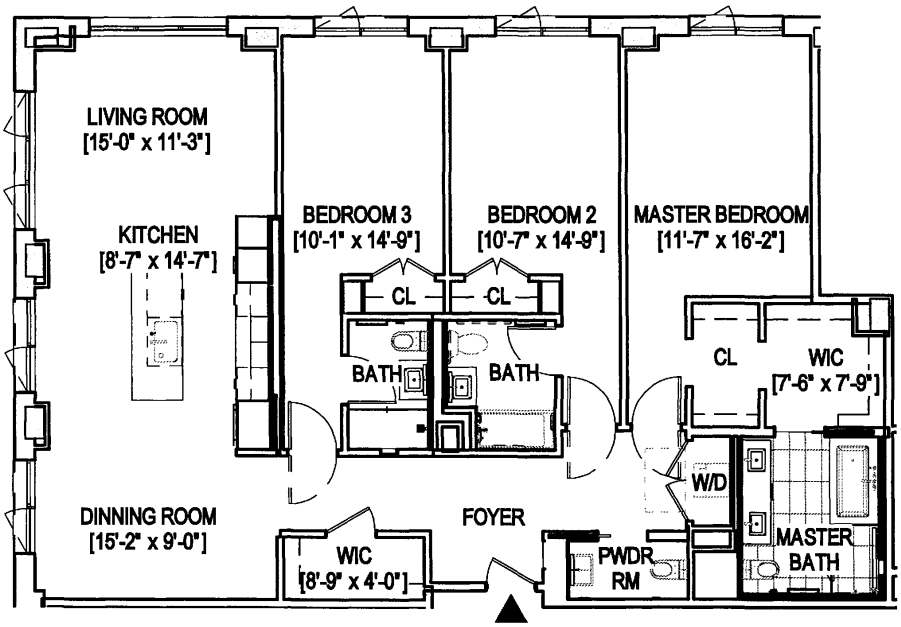
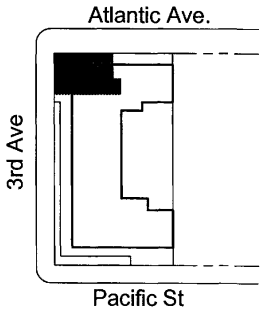


SCALE: 3/32 = 1'-0"

509 Pacific

Brooklyn, NY



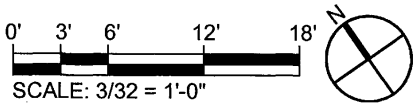


RESIDENTIAL UNITS
3E, 4E (4-BEDROOM
ALTERNATIVE LAYOUT)

1,913 SF

4 BEDROOMS
3.5 BATHROOM

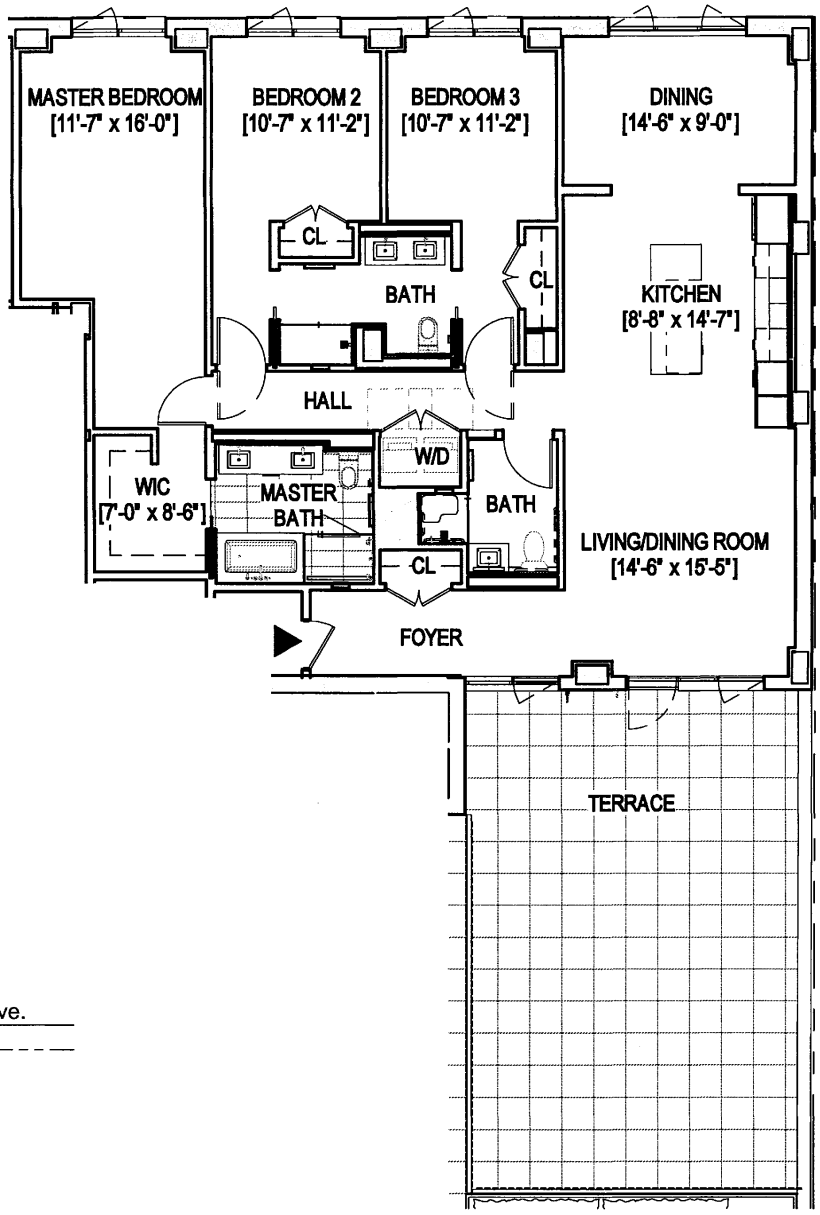
ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGES EXCEED USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN THE OFFERING PLAN AVAILABLE FROM THE SPONSOR.

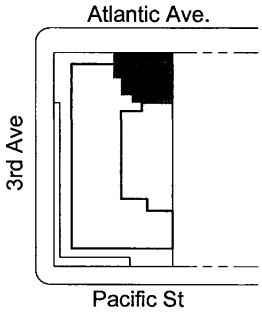


SCALE: 3/32 = 1'-0"

509 Pacific

Brooklyn, NY





RESIDENTIAL UNIT 3F

1,860 SF

3 BEDROOMS
3 BATHROOMS
TERRACE 683 SF

ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGES EXCEED USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN THE OFFERING PLAN AVAILABLE FROM THE SPONSOR.

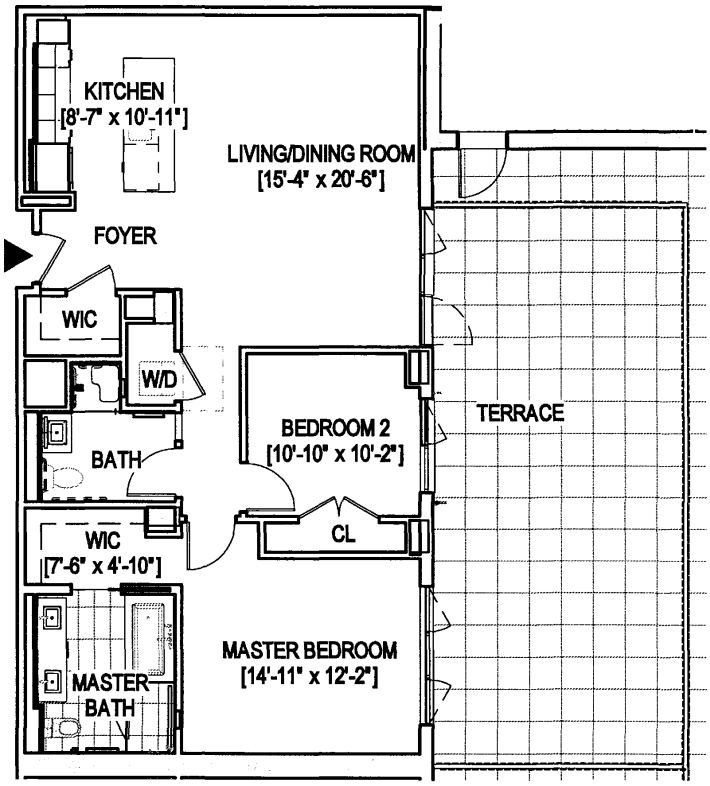
0' 3' 6' 12' 18'

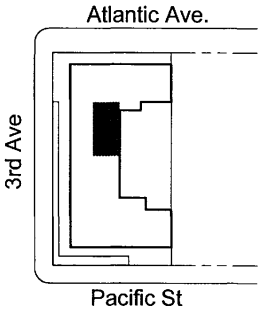
SCALE: 3/32 = 1'-0"

N

509 Pacific

Brooklyn, NY





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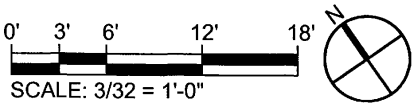


SCALE: 3/32 = 1'-0"

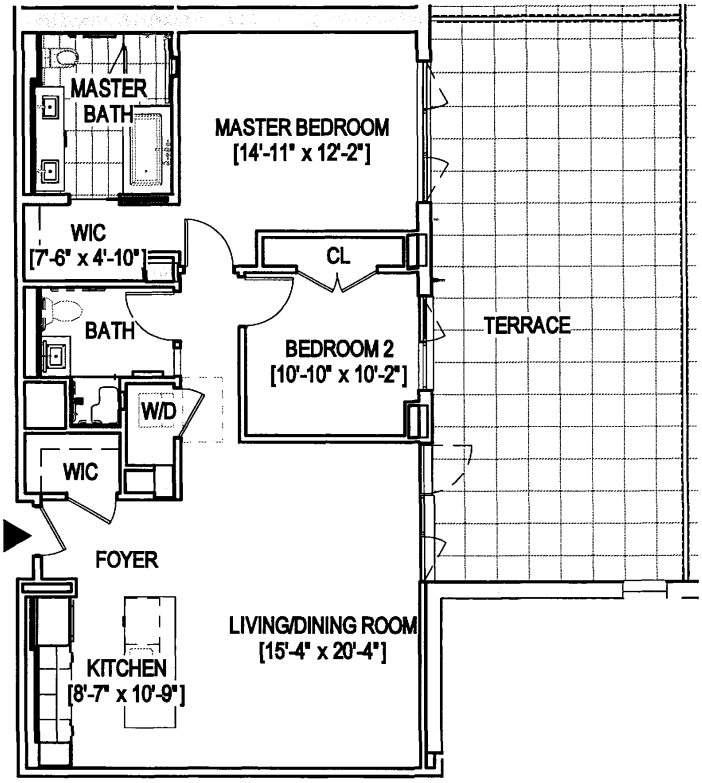
RESIDENTIAL UNIT 3G

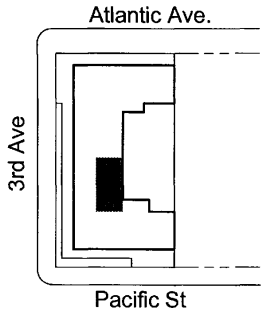
1,199 SF

2 BEDROOMS
2 BATHROOMS
TERRACE 557 SF

509 Pacific

Brooklyn, NY





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0' 3' 6' 12' 18'

SCALE: 3/32 = 1'-0"

N

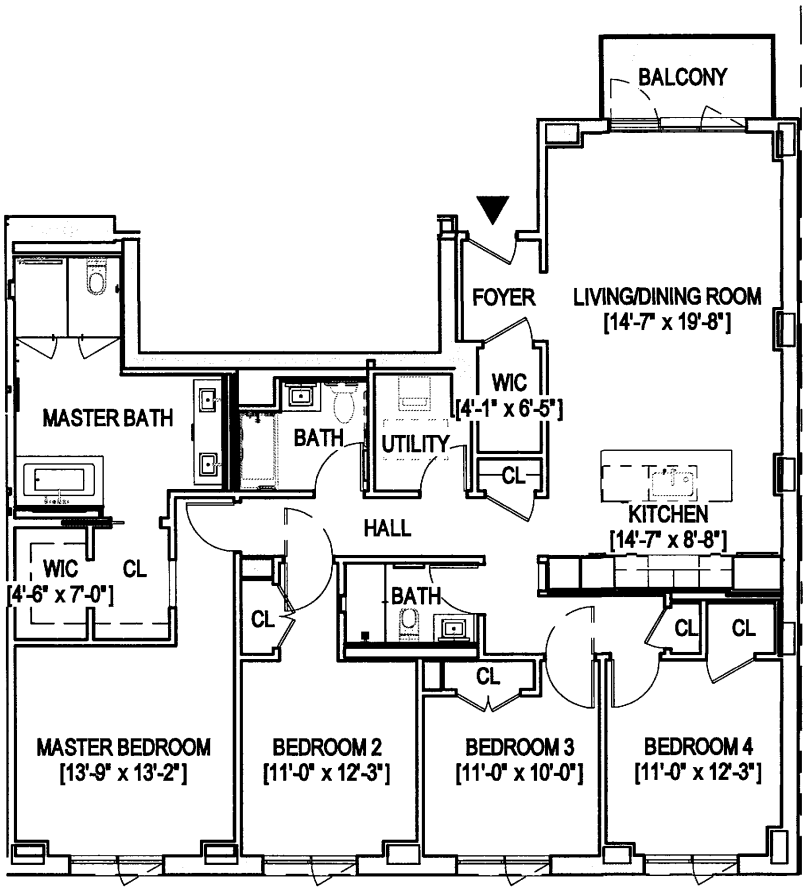
RESIDENTIAL UNIT 3H

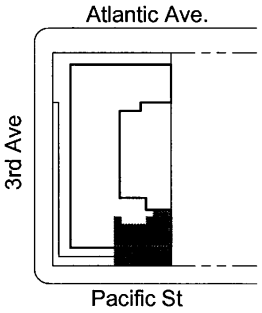
1,193 SF

2 BEDROOMS
2 BATHROOMS
TERRACE 559 SF

509 Pacific

Brooklyn, NY





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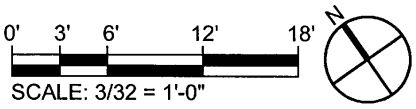


SCALE: 3/32 = 1'-0"

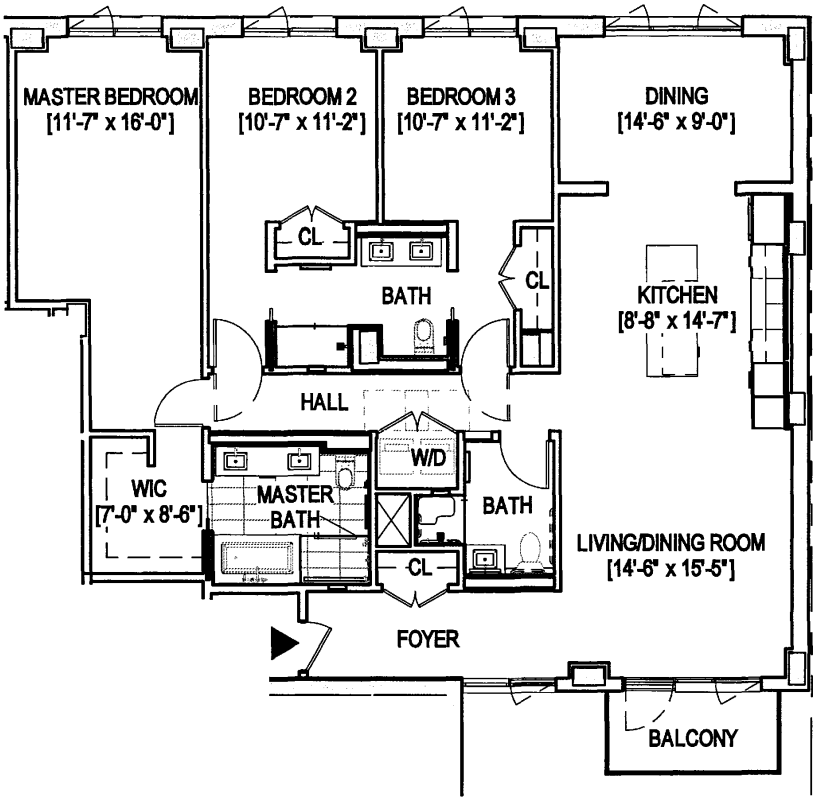
RESIDENTIAL UNIT
4A, 5A

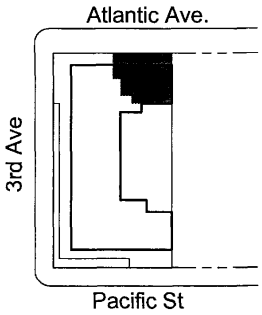
1,897 SF

4 BEDROOMS
3 BATHROOMS
BALCONY 52 SF

509 Pacific

Brooklyn, NY





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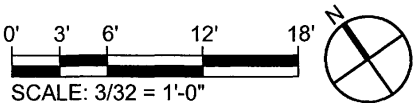


SCALE: 3/32 = 1'-0"

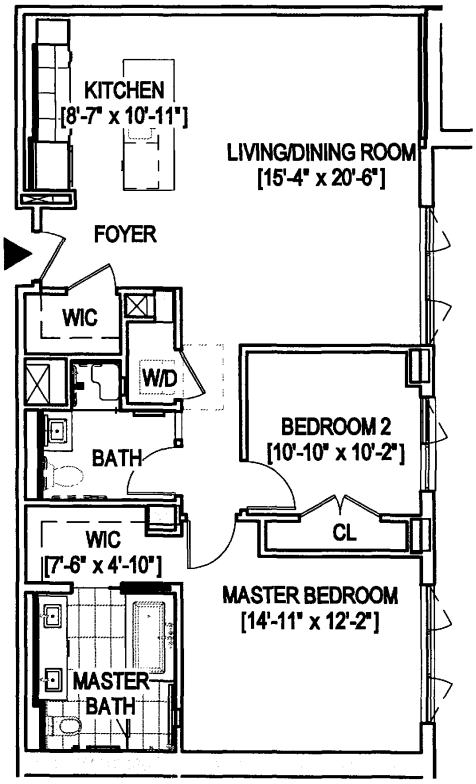
RESIDENTIAL UNITS
4F, 5E

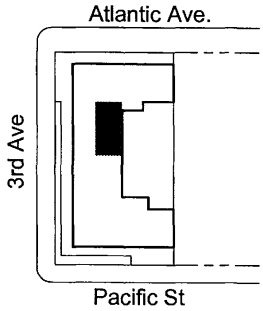
1,860 SF

3 BEDROOMS
3 BATHROOMS
BALCONY 52 SF

509 Pacific

Brooklyn, NY





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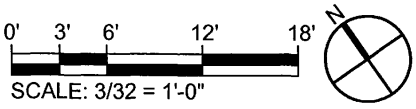


SCALE: 3/32 = 1'-0"

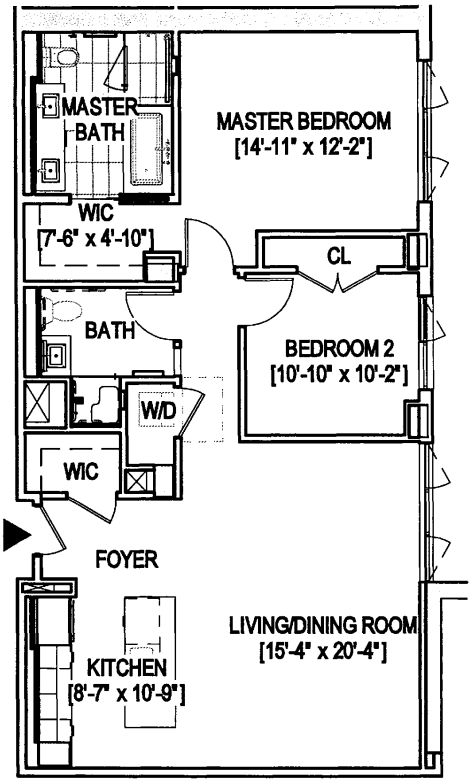
RESIDENTIAL UNITS
4G, 5F

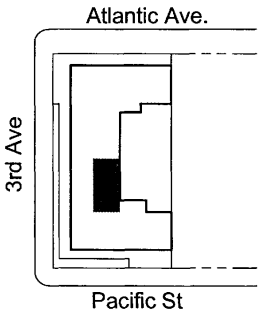
1,199 SF

2 BEDROOMS
2 BATHROOMS

509 Pacific

Brooklyn, NY





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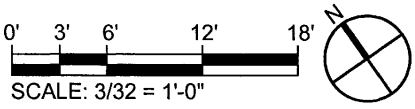


SCALE: 3/32 = 1'-0"

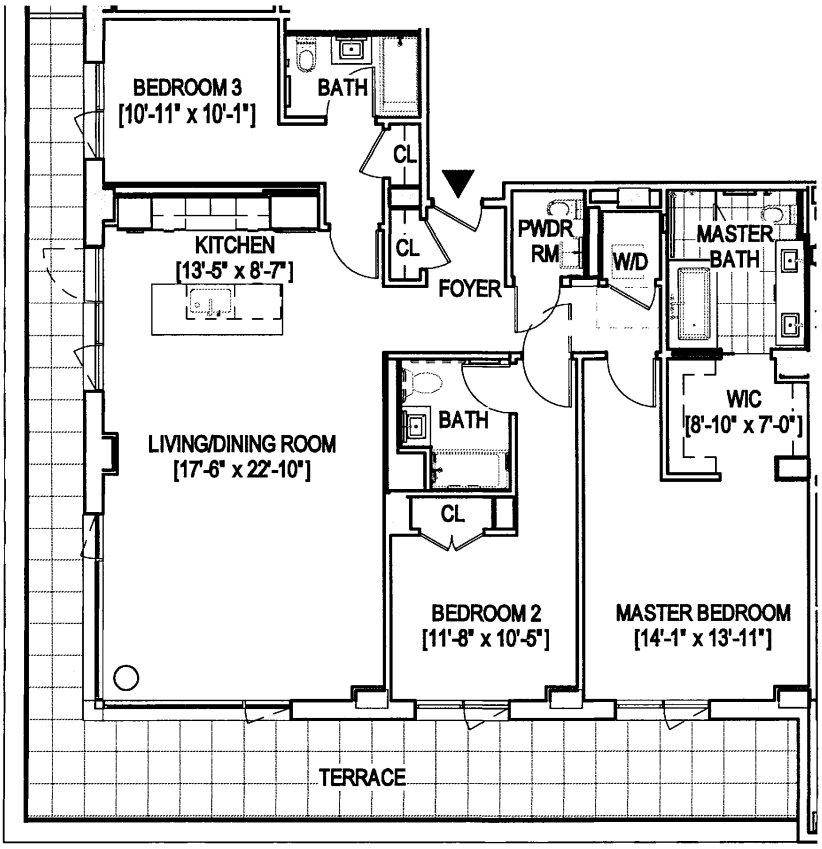
RESIDENTIAL UNITS
4H, 5G

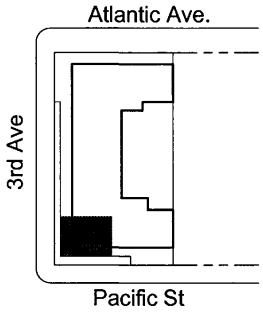
1,199 SF

2 BEDROOMS
2 BATHROOMS

509 Pacific

Brooklyn, NY





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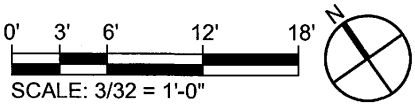


SCALE: 3/32 = 1'-0"

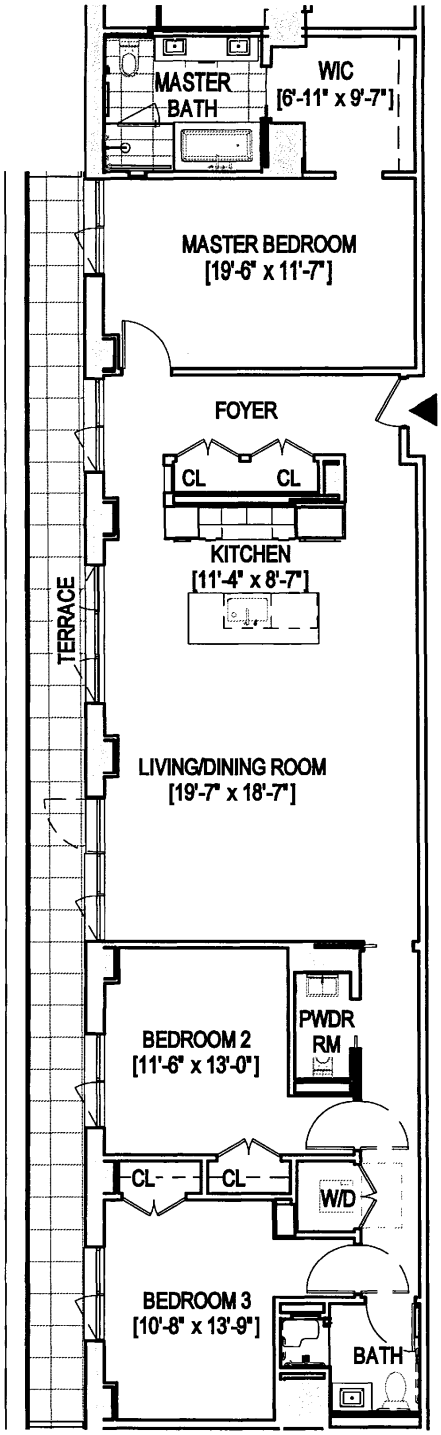
RESIDENTIAL UNIT 5B

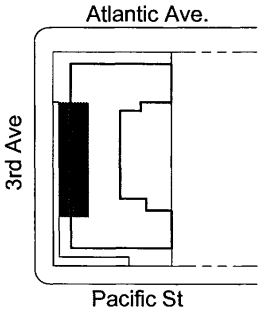
1,734 SF

3 BEDROOMS
3.5 BATHROOMS
TERRACE 597 SF

509 Pacific

Brooklyn, NY





ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGES EXCEED USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN THE OFFERING PLAN AVAILABLE FROM THE SPONSOR.

0' 3' 6' 12' 18'

SCALE: 3/32 = 1'-0"

N

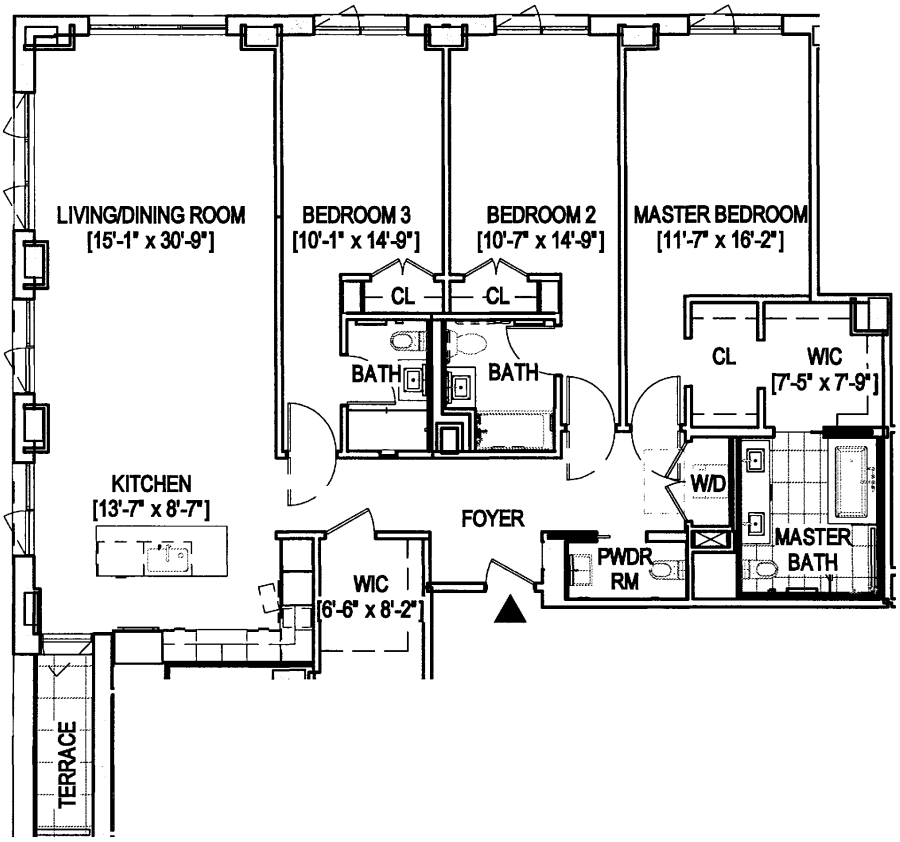
RESIDENTIAL UNIT 5C

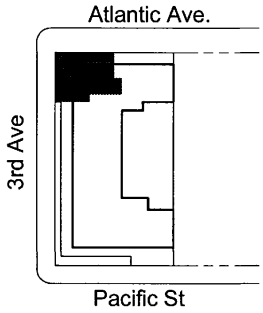
1,844 SF

3 BEDROOM
2.5 BATHROOM
TERRACE 386 SF

509 Pacific

Brooklyn, NY





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0' 3' 6' 12' 18'

SCALE: 3/32 = 1'-0"

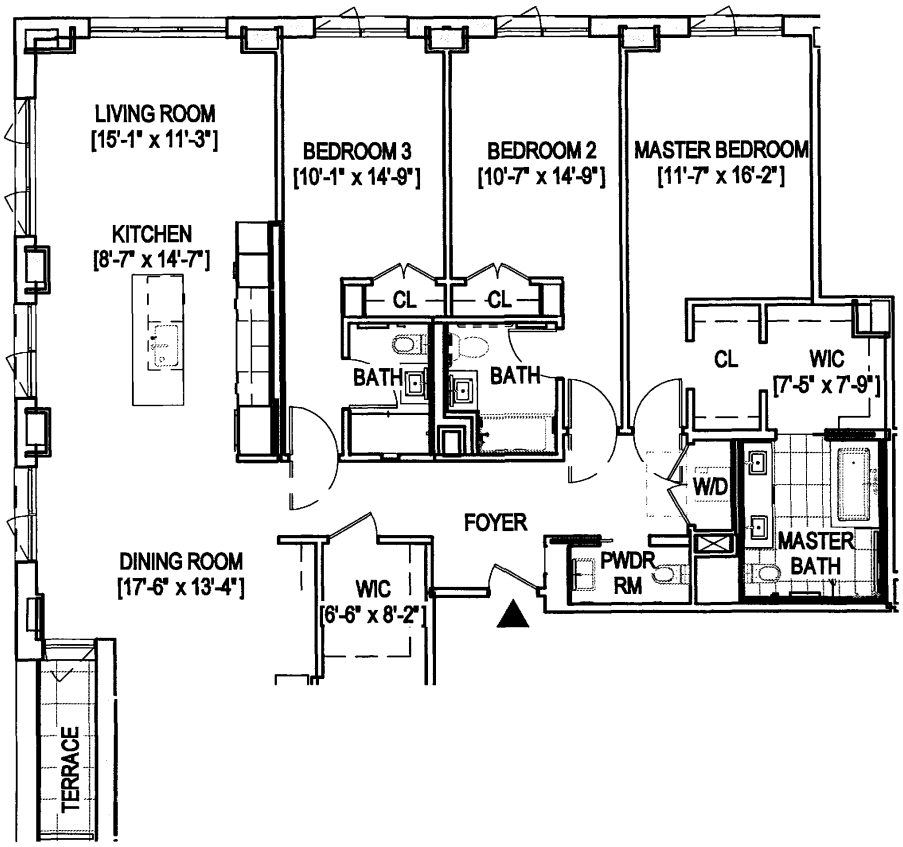
RESIDENTIAL UNIT
5D
(3-BEDROOM LAYOUT)

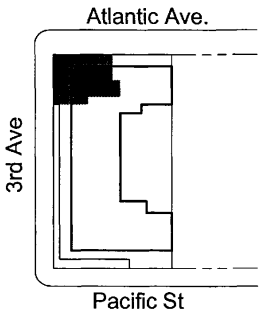
2,019 SF

3 BEDROOMS
3.5 BATHROOMS
TERRACE 55 SF

509 Pacific

Brooklyn, NY





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0' 3' 6' 12' 18'

SCALE: 3/32 = 1'-0"

N

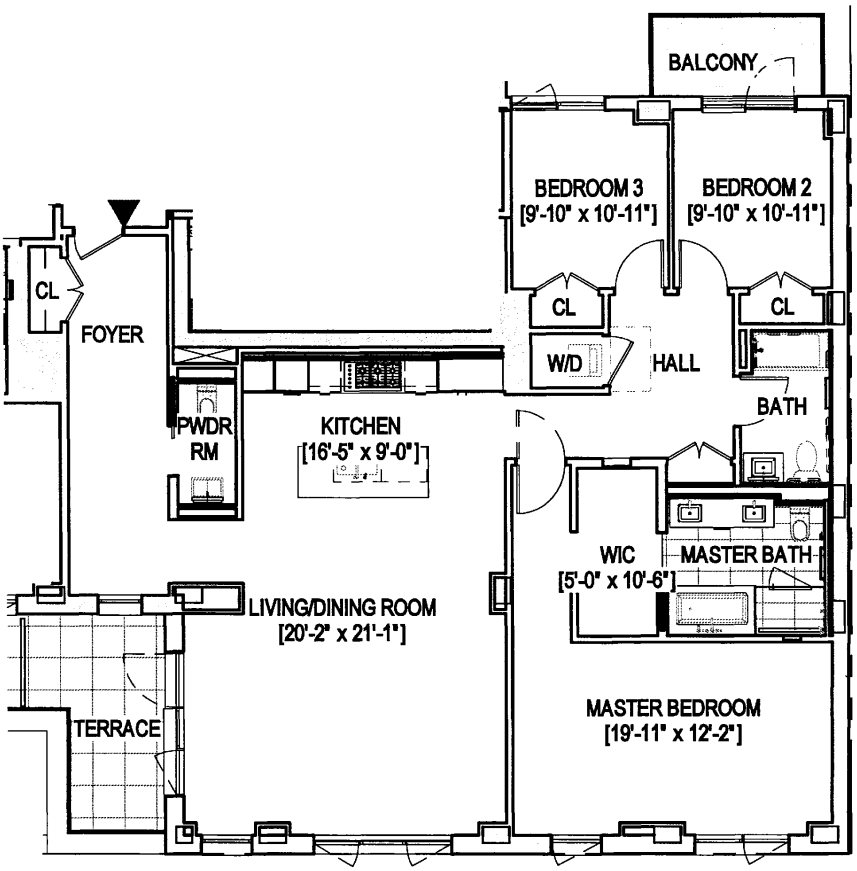
RESIDENTIAL UNIT
5D (4-BEDROOM
ALTERNATIVE LAYOUT)

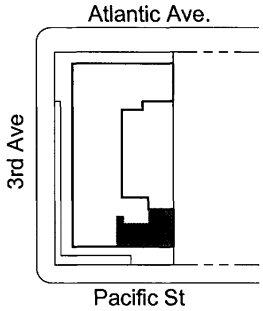
2,019 SF

3 BEDROOMS
3.5 BATHROOMS
TERRACE 55 SF

509 Pacific

Brooklyn, NY





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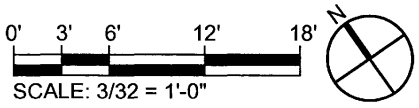


SCALE: 3/32 = 1'-0"

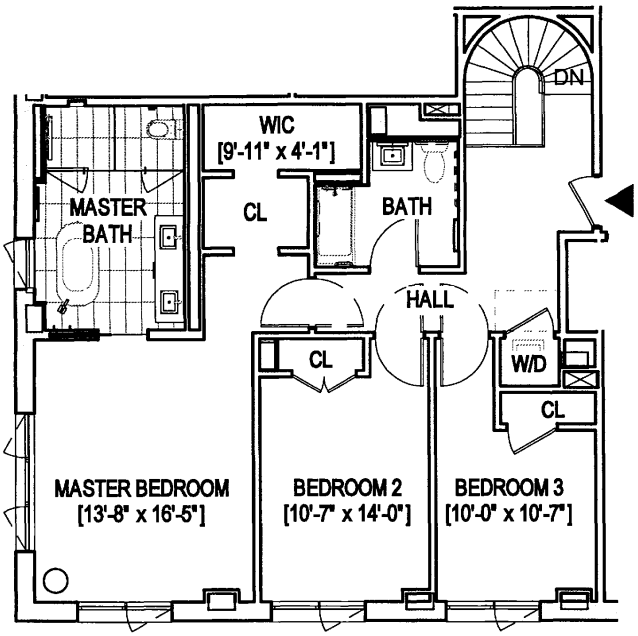
RESIDENTIAL UNIT
PH1A

1,847 SF

3 BEDROOMS
2.5 BATHROOMS
TERRACE 119 SF
BALCONY 52 SF

509 Pacific

Brooklyn, NY

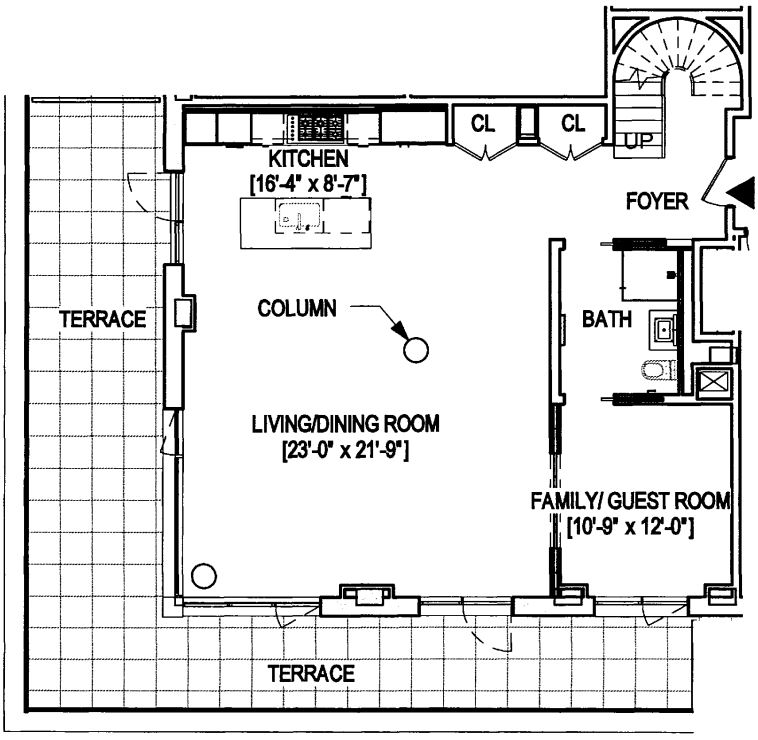


UPPER LEVEL

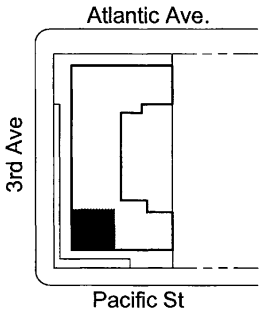
RESIDENTIAL UNIT
PH1B

2,376 SF

4 BEDROOMS
3 BATHROOMS
TERRACE 642 SF



LOWER LEVEL



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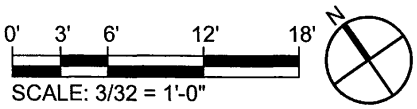
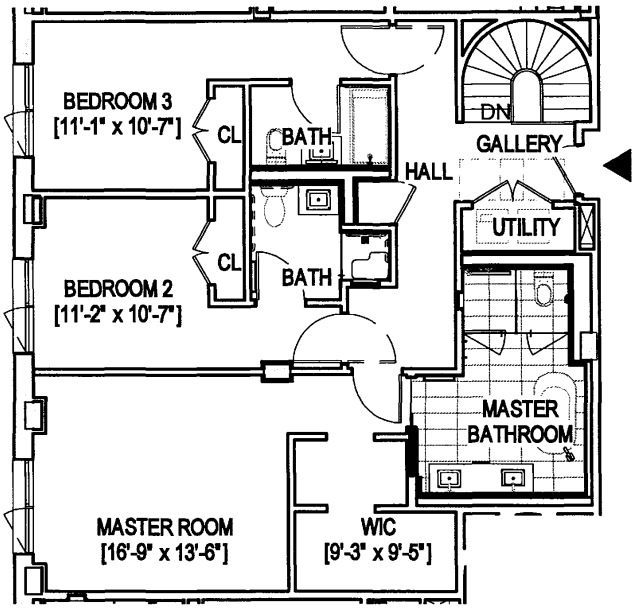


SCALE: 3/32 = 1'-0"

509 Pacific

Brooklyn, NY

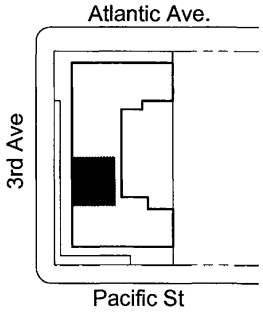


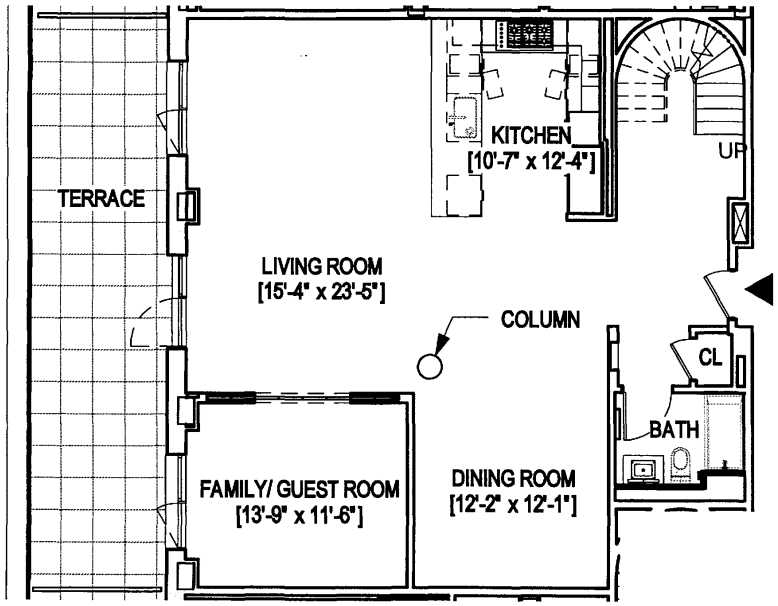
UPPER LEVEL

RESIDENTIAL UNIT
PH1C

2,524 SF

4 BEDROOMS
4 BATHROOMS
TERRACE 360 SF





LOWER LEVEL

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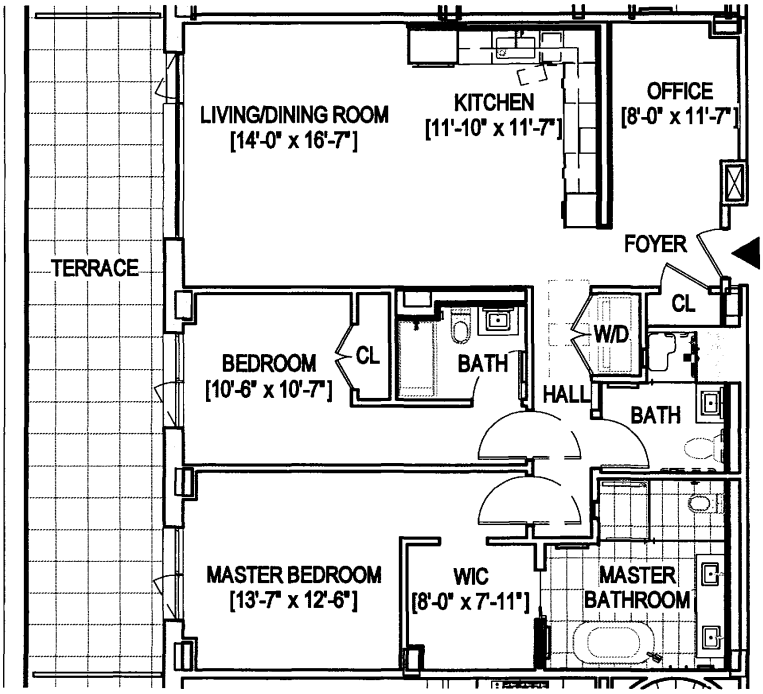
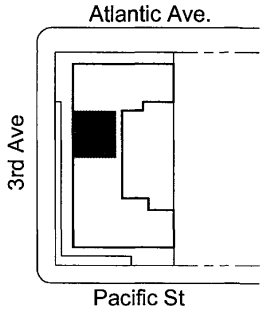
SCALE: 3/32 = 1'-0"

509 Pacific

Brooklyn, NY





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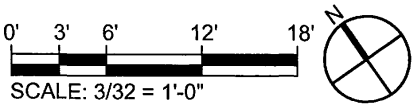


SCALE: 3/32 = 1'-0"

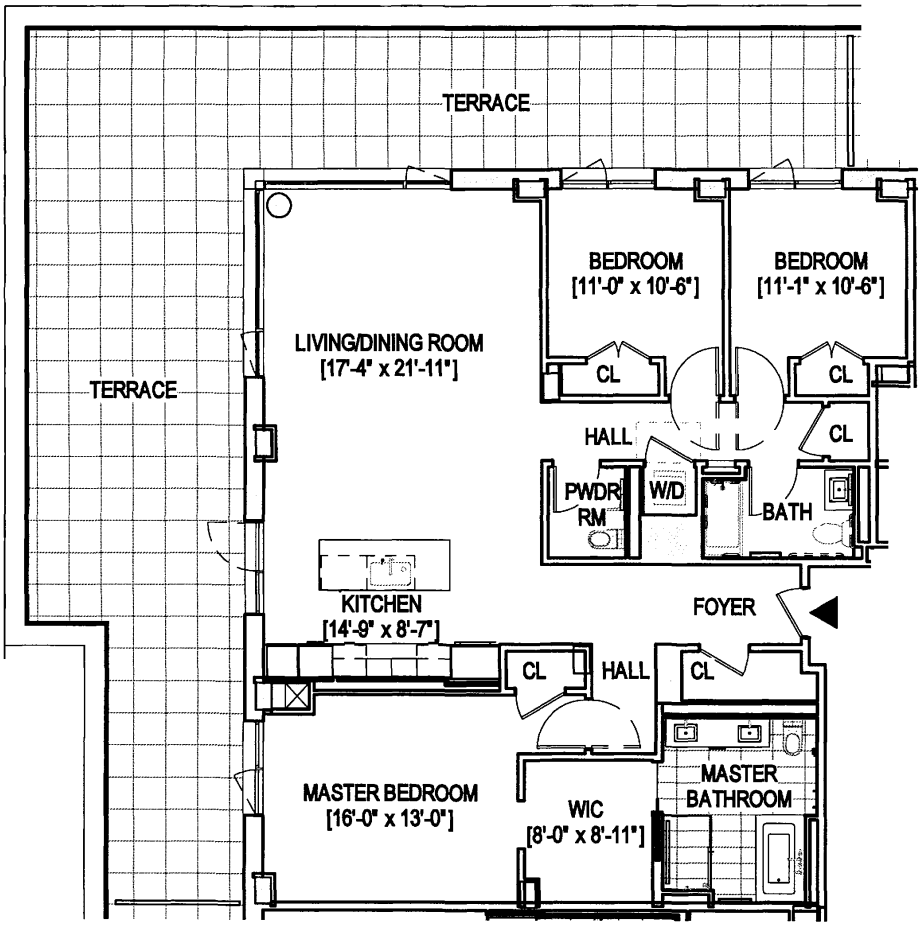
RESIDENTIAL UNIT
PH1D

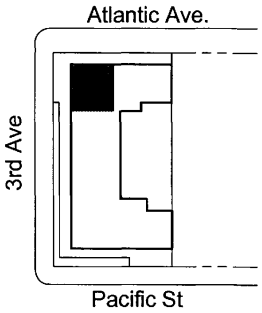
1,477 SF

2 BEDROOMS
3 BATHROOMS
TERRACE 410 SF

509 Pacific

Brooklyn, NY





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0' 3' 6' 12' 18'

SCALE: 3/32 = 1'-0"

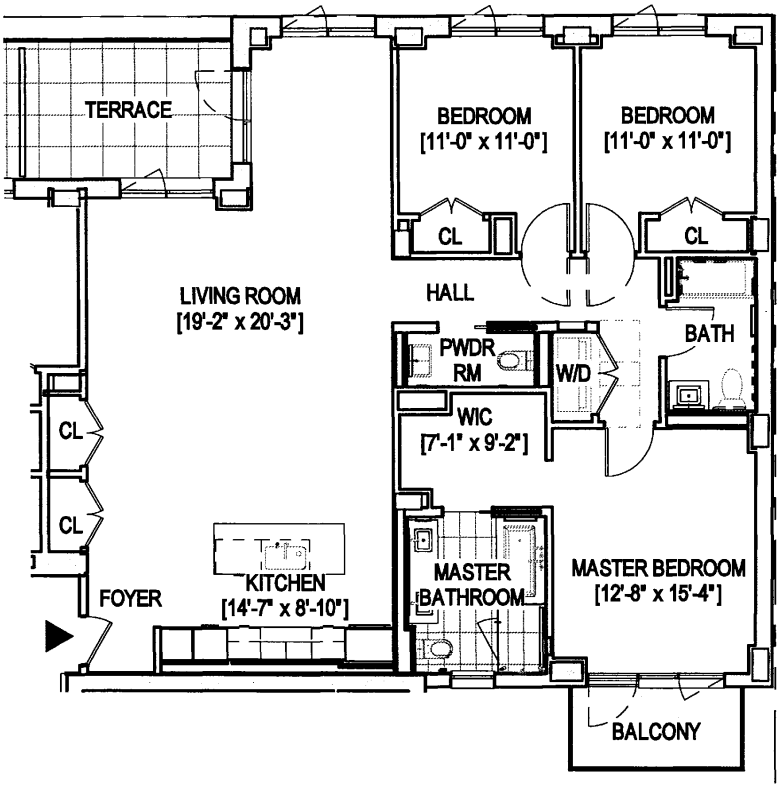
RESIDENTIAL UNIT
PH1E

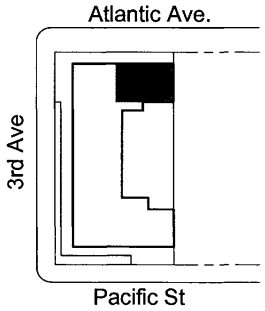
1,758 SF

3 BEDROOMS
2.5 BATHROOMS
TERRACE 1,139 SF

509 Pacific

Brooklyn, NY





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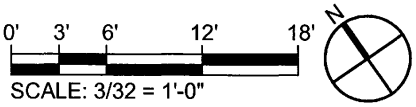


SCALE: 3/32 = 1'-0"

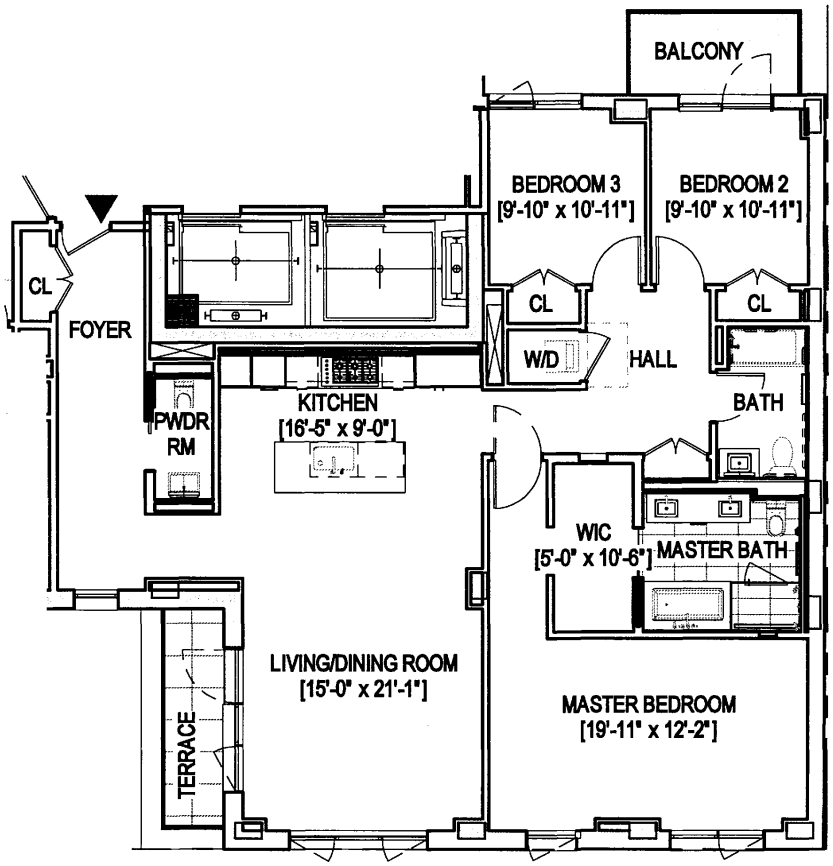
RESIDENTIAL UNIT
PH1F

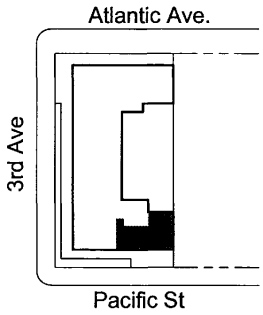
1,718 SF

3 BEDROOMS
2.5 BATHROOMS
TERRACE 132 SF
BALCONY 52 SF

509 Pacific

Brooklyn, NY





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0' 3' 6' 12' 18'

SCALE: 3/32 = 1'-0"

N

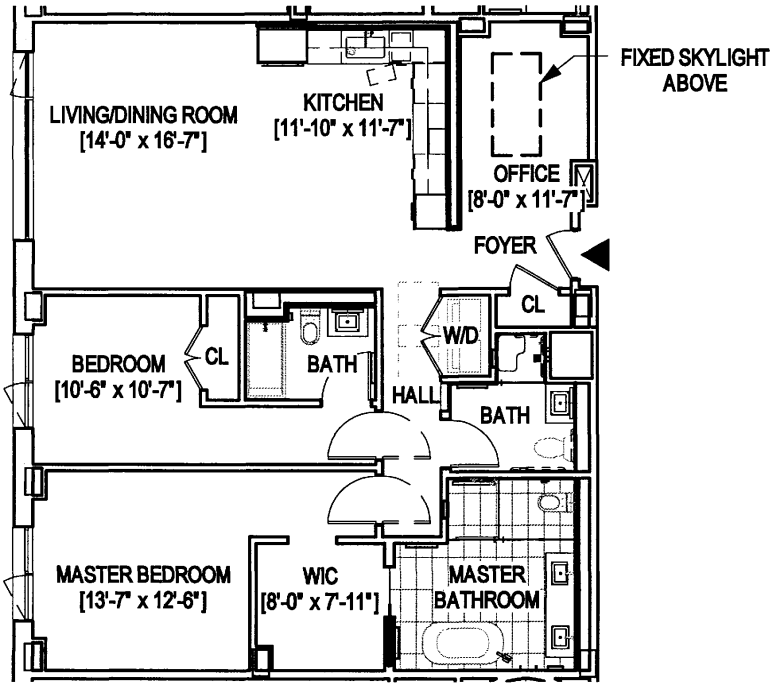
RESIDENTIAL UNIT PH2A

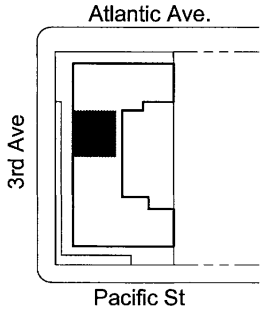
1,743 SF

3 BEDROOMS
2.5 BATHROOMS
TERRACE 78 SF
BALCONY 52 SF

509 Pacific

Brooklyn, NY





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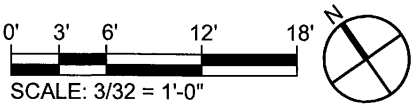


SCALE: 3/32 = 1'-0"

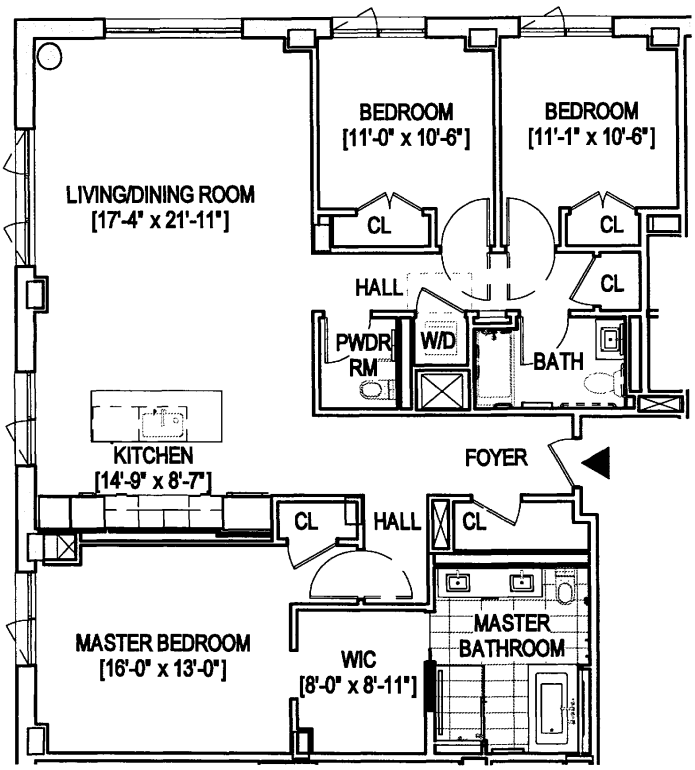
RESIDENTIAL UNIT
PH2D

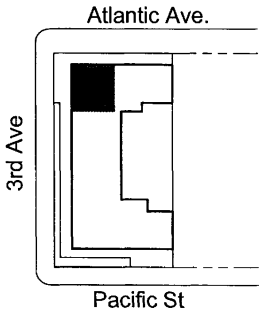
1,477 SF

2 BEDROOMS
3 BATHROOMS
OFFICE

509 Pacific

Brooklyn, NY





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0' 3' 6' 12' 18'

SCALE: 3/32 = 1'-0"

N

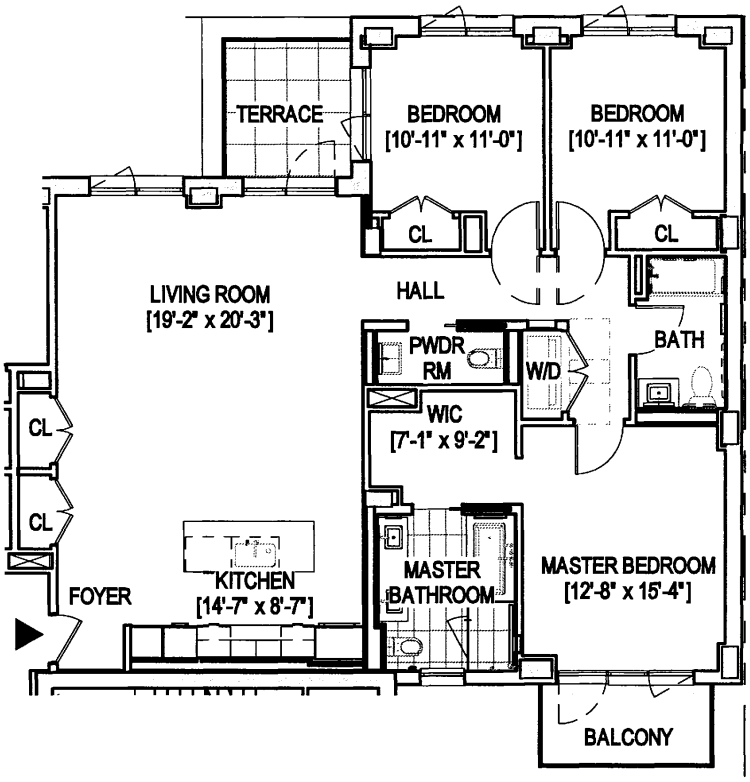
RESIDENTIAL UNIT PH2E

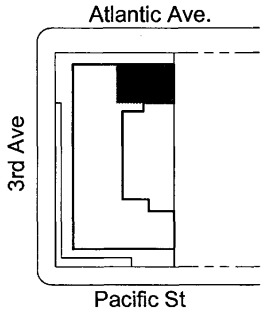
1,761 SF

3 BEDROOMS
2.5 BATHROOMS

509 Pacific

Brooklyn, NY





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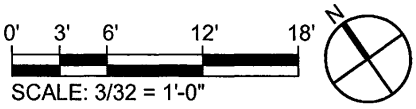

SCALE: 3/32 = 1'-0"

RESIDENTIAL UNIT
PH2F

1,621 SF

3 BEDROOMS
2.5 BATHROOMS
TERRACE 94 SF
BALCONY 52 SF

509 Pacific

Brooklyn, NY

PURCHASE AGREEMENT

522-528 LLC

Sponsor

With

_____

Purchaser

Residential Unit Number _____

THE HENDRIK CONDOMINIUM
509 PACIFIC STREET
BROOKLYN, NEW YORK 11217

PURCHASE AGREEMENT

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SCHEDULE A – PERMITTED ENCUMBRANCES

SCHEDULE B – INSPECTION STATEMENT

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PURCHASE AGREEMENT

RESIDENTIAL UNIT NUMBER ____

THE HENDRIK CONDOMINIUM
509 PACIFIC STREET
BROOKLYN, NEW YORK 11217

AGREEMENT, made as of _____, between Sponsor and Purchaser (defined below).

W I T N E S S E T H :

1. THE PLAN

Purchaser acknowledges having received and read a copy of the Offering Plan for the The Hendrik Condominium and all amendments thereto, if any, filed prior to the date hereof with the Department of Law of the State of New York (hereinafter, collectively, referred to as the "Plan") at least 3 business days prior to Purchaser's signing this Agreement. If Purchaser has not received and read the Plan and all amendments thereto at least 3 business days prior to Purchaser's signing this Agreement, Purchaser shall have the right to rescind this Agreement, by sending written notice of such rescission to Sponsor by certified or registered mail, return receipt requested, or by personal delivery, in either case within 7 days from the date Purchaser delivers an executed Purchase Agreement together with the Initial Deposit to Selling Agent. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan will govern and be binding. Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the Declaration, By-Laws and Residential Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor.

2. DEFINITIONS

Terms used herein which are also used in the Plan shall have the same meanings as they do in the Plan, unless the context requires otherwise.

2.1 "Sponsor" means 522-528 LLC, having an address at 12 West 23rd Street, New York, New York 10010. Sponsor's taxpayer identification number is 38-3945307.

2.2. "Purchaser" means _____ having an address at _____, _____, _____. Purchaser's social security number / EIN is: _____.

2.3 "Attorneys for Sponsor" means Starr Associates LLP, having an address at 220 East 42nd Street, Suite 3302, New York, New York 10017; Attention: Evelyn D'Angelo, Esq. Telephone number: (212) 620-2676. Fax number: (212) 696-5013. E-mail address: edangelo@starr-lawfirm.com.

2.4 "Attorney for Purchaser" means _____, having an address at _____, _____, _____. Attention: _____, Esq. Telephone number: (_____)_____. Fax number: (_____)_____. E-mail address: _____.

2.5 "Selling Agent" means Halstead Property Development Marketing, LLC, having an address at 445 Park Avenue, 12th Floor, New York, New York 10022. Telephone number: (212) 381-4203.

2.6 "Co-Broker" means _____.

2.7 "Escrow Agent" means Attorneys for Sponsor.

2.8 "Title Company" means New York Land Services: Commonwealth Land Title Insurance Company, having an address at 630 Third Avenue, 12th Floor, New York, New York 10017. Telephone number: (212) 490-2277. Fax number: (212) 490-8012.

3. THE UNIT

Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the unit designated as Unit _____ in the Declaration, ("Unit"), together with its undivided _____% interest in the Common Elements appurtenant to such Unit.

4. PURCHASE PRICE

4.1 The Purchase Price of the Residential Unit ("Purchase Price") is $_____.

The Purchase Price is payable as follows:

(a) $_____ ("Initial Deposit"), due upon Purchaser's signing and delivering this Agreement;

(b) $_____ ("Additional Deposit"), due upon the earlier to occur of (i) 6 months after the execution date of this Agreement or (ii) 15 days after the Presentation Date of an amendment declaring the Plan effective; and

(c) $_____ ("Balance of the Purchase Price"), due upon the delivery of the deed to the Unit.

4.2 Purchaser must deliver the payment of any Deposit or the Balance of the Purchase Price by official bank check unless Sponsor offers, in Sponsor's sole discretion, to accept a wire transfer. All instruments (a) in payment of any Deposit shall be made payable directly to the order of "Starr Associates LLP, as Escrow Agent" or wired directly to the escrow account maintained by Escrow Agent pursuant to the Plan, as applicable, or (b) in payment of the Balance of the Purchase Price shall be made payable directly to the order of 522-528 LLC or wired to one or more accounts as directed by Sponsor. All instruments are accepted by Sponsor subject to collection. All checks must be drawn on or issued by a bank or trust company which is a member of the New York Clearinghouse Association. A return of any check delivered in payment of the Initial Deposit, for insufficient funds or for any other reason, shall constitute a non-curable default under this Agreement, rendering this Agreement void *ab initio* and of no further force or effect, in which event Purchaser and Sponsor shall each be released and discharged of all further liability and obligations under this Agreement and the Unit may be sold to another as though this Agreement had never been made. A return of any check delivered in payment of the Additional Deposit or the Balance of the Purchase Price, for insufficient funds or for any other reason, shall constitute a default under this Agreement, entitling Sponsor, at its option, to exercise the remedies set forth in Article 13 hereof. With respect to wire transferred funds, any wiring fees charged by the initiating and/or receiving bank shall be paid by Purchaser. FUNDS DRAWN ON OUT-OF-STATE OR FOREIGN BANKS WILL NOT BE ACCEPTED.

5. DEPOSITS TO BE HELD IN TRUST

All Deposits made pursuant to this Agreement are subject to the requirements of Sections 352-e(2)(b) and 352-h of the New York General Business Law and the Attorney General's regulations promulgated pursuant thereto. All monies received from Purchaser towards a Deposit shall be delivered to Escrow Agent and shall be held in accordance with the Section of the Plan entitled "Escrow and Trust Fund Requirements"

a copy of which is annexed hereto as Schedule C and made a part hereof. By signing this Agreement, Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of all Deposits to Sponsor in the event Sponsor and Purchaser close title under this Agreement. In the event Sponsor cannot convey title to the Unit to Purchaser by reason other than Purchaser's default, all Deposits shall be returned to Purchaser, within 30 business days of Sponsor's notification to Purchaser that it cannot convey title.

6. CLOSING DATE AND PLACE

6.1 The Closing of Title shall be held at the offices of Starr Associates LLP, 220 East 42nd Street, Suite 3302, New York, New York 10017 (or such other place in the City and State of New York as Sponsor may designate to Purchaser) and on such date and hour as Sponsor may designate to Purchaser on not less than 30 days' prior notice ("Initial Closing Notice"). After the Initial Closing Notice, Sponsor may, from time to time, adjourn and reschedule the date and hour for Closing at any time on notice to Purchaser, which new Closing notice shall fix a new date, hour and place for the Closing. The rescheduled Closing shall not be earlier than: (a) the date set forth in the Initial Closing Notice or, (b) 5 days from the date of Sponsor's Closing adjournment notice. These notice provisions may be modified or waived by an agreement signed by Sponsor and Purchaser. If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Attorneys for Sponsor at Closing an extra fee as set forth in the Plan.

6.2 The term "Closing Date" "Closing" "Closing of Title" or words of similar import, whenever used herein, shall mean the conveyance of title to the Unit from Sponsor to Purchaser.

6.3 The Closing of Title shall only occur with or after compliance with the prerequisites to Closing and the Section of the Plan entitled "Terms of Sale."

7. CLOSING DOCUMENTS

7.1 At the Closing of Title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying fee simple title to the Unit to Purchaser, subject only to the liens, encumbrances, and title conditions set forth on Schedule A annexed hereto and made a part hereof. The deed shall be prepared by Sponsor substantially in the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes, and Sponsor and Purchaser shall duly complete and execute before a notary public the New York City and New York State Transfer Tax Return Forms and any other forms then required by Law, all of which shall be prepared by Sponsor.

7.2 At the Closing of Title, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board prepared by Sponsor substantially in the form set forth in Part II of the Plan.

7.3 At the Closing of Title, Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in compliance with IRS Section 1445 as amended, or any successor provision or regulation promulgated thereunder.

7.4 At the Closing of Title, Sponsor and Purchaser shall execute and acknowledge in form for recording such other documents that are reasonably necessary or customary in connection with the conveyance of a condominium unit, including, but not limited to, title affidavits, transfer tax forms, reporting information in respect of real estate transactions, smoke detector affidavit and window guard notices.

7.5 The executed deed, transfer tax forms and power of attorney shall be delivered at the Closing to the representative of the Title Company insuring Purchaser's title (or, if no such representative is present, then to Attorneys for Sponsor) for recording in the Office of the City Register, which recording shall be at

Purchaser's expense. After being recorded the deed shall be returned to Purchaser and the power of attorney shall be returned to the Condominium Board.

7.6 Purchaser's payment of the Balance of the Purchase Price and acceptance of a deed to the Unit shall constitute Purchaser's recognition that Sponsor has satisfactorily performed those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to closing. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the Closing, and nothing herein shall be in derogation of the rights of purchasers under Article 23-A of the General Business Law, the Plan, and Part 20 of the Regulations issued by the Department of Law.

8. STATUS OF TITLE

8.1 At the Closing of Title, Sponsor shall convey to Purchaser and Purchaser shall accept such fee simple title to the Unit as the Title Company will approve and insure without additional premium to Purchaser, provided that the only liens and encumbrances affecting title shall be those set forth in Schedule A annexed hereto and made a part hereof and those expressly agreed to by Purchaser. Any lien and encumbrance or condition which is not set forth in Schedule A annexed hereto shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to Closing to the Title Company, together with the attendant recording or filing fee, if any, or (b) the Title Company (or such other title insurance company Purchaser may utilize), is or would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien. Sponsor shall not be obligated to cause Purchaser's title company to omit any exceptions if the Title Company is willing to insure, without additional premium, Purchaser's title with such exception.

8.2 Sponsor shall be entitled to adjourn the Closing to remove or correct any defect in title which is not set forth in Schedule A. However, if such defect existed at least 10 days prior to the Closing and Purchaser, or Purchaser's attorney, failed to send Sponsor's attorney written notice of such defect in title at least 10 days prior to the Closing of Title, then, for purposes of Article 13 below, Purchaser shall be deemed at fault for not having sent timely notice, and the Closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser. Notwithstanding the foregoing, delivery of a title report to Attorneys for Sponsor at least ten (10) days prior to the Closing shall be deemed written notice of any title defects noted in such title report.

8.3 If, subsequent to the Closing of Title, Purchaser claims that Sponsor did not convey fee simple title to the Unit in accordance with the Plan, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor. Sponsor and Purchaser agree that Sponsor's liability will be limited to any loss or damage not covered by Purchaser's title insurance company. If Purchaser did not obtain title insurance at the Closing, for purposes of this subparagraph, the amount and coverage which Purchaser could have obtained from Purchaser's title insurance company shall be deducted from the loss or damage collectable against Sponsor. Nothing contained in this subparagraph shall be construed to waive any of Purchaser's rights or abrogate any of Sponsor's obligations under the Plan or Article 23-A of the General Business Law. This provision shall survive Closing.

9. CLOSING ADJUSTMENTS

9.1 The following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit:

(a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed;

(b) Common Charges (if Common Charges have been assessed by the Condominium Board) and assessments for the month in which title closes; and

(c) if Purchaser is allowed to occupy the Unit prior to Closing, accrued rent and any other charges pursuant to a use and occupancy agreement, if any, covering the Unit.

9.2 If the Unit has been separately assessed for real estate taxes but the Closing of Title occurs before the tax rate is fixed, adjustment of real estate taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for real estate tax assessments due after the Closing, if any, shall be paid by Purchaser and shall not be considered a defect in title. If the Unit has not been separately assessed for real estate taxes as of the Closing Date for the then current tax period, the adjustment under subsection 9.1(a) hereof shall be based upon the assessment for the Property and the percentage interest in the Common Elements appurtenant to the Unit. In addition, Purchaser shall pay the Unit's proportionate share of real estate taxes for the next ensuing tax period and Sponsor or the Condominium will pay such real estate taxes directly to the City of New York. Sponsor shall not be obligated to reimburse Purchaser after the Closing on account of any difference between the amount of real estate taxes for the then current tax period paid by Purchaser at Closing calculated according to the above formula and the amount of real estate taxes subsequently billed by the City of New York to such Purchaser (as Unit Owner).

9.3 Purchaser agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such real estate taxes to be paid) on Purchaser's Unit, Purchaser and Sponsor will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the Closing of Title.

9.4 Provided Sponsor is ready, willing and able to close title in accordance with this Agreement, if Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date subject to Sponsor's rights under Section 13.2 of this Agreement, (a) the Closing apportionments described in Section 9.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing of Title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's increased carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

9.5 Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be. The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein in the Plan.

9.6 Any errors or omissions calculating apportionments at Closing shall be corrected and, any payment shall be made to the proper party promptly after discovery. This provision shall survive the Closing of Title.

10. MORTGAGE TAX CREDIT

In the event a mortgage recording tax credit becomes available pursuant to Section 339- ee(2) of the New York Condominium Act, it is specifically understood that such credit shall enure to the benefit of Sponsor. Accordingly, at Closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. At the Closing of Title, Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

11. CLOSING COSTS

In addition to those costs and adjustments described in Articles 9 and 10 herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in the Section of the Plan entitled "Closing Costs and Adjustments." All such Closing Costs shall be paid by Purchaser, at Closing, by Purchaser's unendorsed personal certified check or by official bank check, in either event drawn upon a bank that is a member of the New York Clearing House Association.

12. AGREEMENT NOT A LIEN OR ENCUMBRANCE

No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder, except as hereinafter set forth. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage heretofore or hereafter made, including, but not limited to, any construction or Building loan mortgage, and any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

13. DEFAULT BY PURCHASER

13.1 The following shall constitute "Events of Default" hereunder:

(i) Purchaser's failure to close title to the Unit on the scheduled Closing Date; or

(ii) Purchaser's failure to pay when due, or the dishonor of any check delivered by Purchaser to Sponsor in payment of, the Additional Deposit, the Balance of the Purchase Price, or any closing adjustment, closing cost or fee, including, without limitation, attorneys' fees required to be paid by Purchaser as set forth in the Plan or in this Agreement; or

(iii) Purchaser's failure to pay, perform or observe any of Purchaser's other obligations under this Agreement or the Plan; or

(iv) if Purchaser is permitted to become the tenant or occupant of the Unit, Purchaser's failure to pay rent or to otherwise comply with some other lease or occupancy obligation; or

(v) Purchaser's assignment or transfer of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or

(vi) if a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(vii) if a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the judgment or lien; or

(viii) Purchaser's assignment or transfer of this Agreement without the prior written consent of Sponsor; or

(ix) Purchaser's listing the Unit for sale or rental with any broker, placing or authorizing any listing in any broker's listing system or any other listing service or advertising, or otherwise offering, promoting or publicizing the availability of the Unit for sale or rental without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed in Sponsor's sole and absolute discretion; or

(x) an Event of Default by Purchaser beyond any applicable grace period under a Purchase Agreement between Purchaser and Sponsor for another Unit at the Property.

13.2 **TIME IS OF THE ESSENCE** with respect to Purchaser's obligations to pay the Additional Deposit, the Balance of the Purchase Price and to pay, perform or comply with Purchaser's other obligations under this Agreement. Upon the occurrence of an Event of Default, Sponsor, in its sole discretion, may elect by notice to Purchaser to either: (i) cancel this Agreement or (ii) seek specific performance. If Sponsor elects to cancel, Purchaser shall have 30 days from the giving of notice of cancellation to cure the specified default. If the default is not cured within such 30 days, TIME BEING OF THE ESSENCE, then this Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages all Deposits and any interest earned thereon.

Upon the cancellation of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale.

If Sponsor elects to seek specific performance, then Purchaser shall have 30 days from the giving of notice of Sponsor's election to close title to the Unit in accordance with this Agreement, without prejudice to Sponsor's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled under the Purchase Agreement (including, but not limited to, attorneys' fees, disbursements and costs of collection).

14. AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE

The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and all Deposits, together with any interest earned thereon, shall be returned to Purchaser within 30 days from the filing date of the amendment abandoning the Plan. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

15. SPONSOR'S INABILITY TO CONVEY THE UNIT

If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan by reason of a defect in title, substantial damage or destruction of the Building by fire or other casualty, or the taking of any material portion of the Property by condemnation or eminent domain, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability. If Sponsor is not so obligated under the Plan and notifies Purchaser of its election or inability to cure such title defect, and if Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such title defect (without any abatement in, or credit against, the Purchase

Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall, within 30 days after receipt of notice of termination from Purchaser, return to Purchaser all Deposits and all other sums deposited by Purchaser hereunder, together with interest earned thereon, if any. Upon making such payment, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within 15 days after the giving of Sponsor's notice of election not to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

16. FIXTURES, APPLIANCES AND PERSONAL PROPERTY

Only those fixtures, appliances and items of personal property which are described in the Plan as being included in the Unit are included in this sale. No portion of the Purchase Price shall be attributable to such items.

17. CONSTRUCTION

17.1 The construction of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the Plans and Specifications, subject to the right of Sponsor to amend the Plan and the Plans and Specification in order to substitute materials, equipment or fixtures of Equal or Better Quality, provided that the approval of any governmental authorities having jurisdiction is first obtained (if required). The issuance of a PCO for the Building shall be deemed presumptive evidence that the Building and the Unit have been fully completed in accordance with the Plan and the Plans and Specifications. However, nothing herein contained shall excuse Sponsor from its obligation to correct any defects in construction in accordance with the conditions set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

17.2 The construction of the Building and the Unit and the correction of any defects in the construction thereof to the extent required under the Plan are the sole responsibility of Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and Plans and Specifications as indicated in the Section of the Plan entitled "Rights and Obligations of Sponsor" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in such Section.

17.3 The closing of title shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Terms of Sale" in Part I of the Plan. As a result, if all such prerequisites are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without provision for escrow), notwithstanding any construction items noted on Purchaser's Inspection Statement (as herein defined) remaining for Sponsor to complete and/or correct in accordance with its obligation under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building or the Unit.

17.4 The actual date for the First Closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites recited in the Section of the Plan entitled "Closing of Title to Residential Units." Purchaser acknowledges that construction may be delayed by late delivery of material or equipment, labor difficulties, unavailability of Building trades, casualty, inclement weather and other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the Units in the Building will be completed at varying times over a period that could extend well beyond the First Closing. The order in which these Units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against

Sponsor for damages or losses, in the event that the First Closing occurs substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor.

18. INSPECTION OF THE UNIT

18.1 Upon receipt of the Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the interior of the Unit within the 7 days prior to the Closing Date fixed by the Closing Notice. Purchaser or Purchaser's duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement (in the form set forth as Schedule B to this Agreement) and deliver same to Sponsor's representative at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the interior of the Unit within 7 days prior to the Closing Date fixed by the Closing Notice or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from appearing at the Closing, paying the Balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of the Unit as is. However, nothing herein shall relieve Sponsor of its obligations as set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

18.2 Any work set forth on the Inspection Statement shall be completed by Sponsor as agreed in writing and shall not be grounds for delaying the Closing. Purchaser will be obligated to provide Sponsor and its contractors, subcontractors agents and employees, unfettered access to the Unit and any Residential Limited Common Elements appurtenant thereto after Closing in order to complete the work on the Inspection Statement, failing which Sponsor shall be relieved of its obligations to complete the work set forth on the Inspection Statement. Sponsor has no obligation under the Plan to deposit any monies in escrow at Closing as a result of any work set forth on the Inspection Statement.

19. DAMAGE TO THE UNIT

If between the date of this Agreement and the Closing of Title the Unit is damaged by fire or other casualty, the following shall apply:

19.1 The risk of loss to the Unit by fire or other casualty until the earlier of Closing of Title or possession of the Unit by Purchaser is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. If Sponsor elects to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Sponsor and, if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the Closing of Title.

19.2 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), or, if the Declaration has been recorded prior thereto, the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed cancelled and of no further force and effect and Sponsor shall return to Purchaser all Deposits delivered pursuant to this Agreement, together with interest earned thereon, if any, and neither party hereto shall have any further rights, obligations or liability to or against the other hereunder or under the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain all Deposits and other such sums deposited by Purchaser hereunder, together with any interest earned thereon, as and for liquidated damages.

20. NO REPRESENTATIONS

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the purchase of the Unit, or any other data, except as herein or in the Plan specifically represented. Purchaser has relied solely on Purchaser's own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor does not make any representation as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan. Except as otherwise set forth in the Plan, Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans is accurate or correct, and (b) that Purchaser shall not be relieved of any Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error. The provisions of this Article shall survive the Closing of Title.

21. PROHIBITION AGAINST ADVERTISING

Purchaser is prohibited under this Agreement for a period of twelve (12) months from the First Closing (including, without limitation, the time period between the date of this Agreement and the Closing of Title, to the extent applicable) from taking any of the following actions without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed, in Sponsor's sole and absolute discretion: (i) listing the Unit for sale with any broker, (ii) placing or authorizing any listing in any broker's listing system or other listing service, or (iii) advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale. The provisions of this Article shall survive the Closing of Title.

22. BROKER

Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction other than the Selling Agent and the Co-Broker, if any, named in this Agreement, whose commissions shall be paid by Sponsor. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than the Selling Agent and the Co-Broker. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker, other than the Selling Agent or the Co-Broker, in connection with this transaction, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, whether arising as a result of litigation between the Purchaser and Sponsor or between a third party and Sponsor, including legal fees, costs and disbursements. The provisions of this Article shall survive the Closing of Title.

23. AGREEMENT MAY NOT BE ASSIGNED

Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor, in its sole discretion. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Agreement, or for the addition, deletion or substitution of names on this Agreement, then Purchaser shall have such right, provided that (i) Purchaser

designates such assignee at least 10 business days prior to the Closing Date; (ii) Purchaser delivers to Attorneys for Sponsor the fee set forth in the Plan for its services required in connection with the preparation of the assignment and assumption agreement; (iii) the Closing is not delayed as a result of such assignment, (iv) the assignee of this Agreement assumes in writing, by an instrument prepared by Attorneys for Sponsor, the obligations of Purchaser under this Agreement and (v) the assignment is made without consideration. Any purported assignment by Purchaser in violation of this Agreement shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement, and shall be voidable at the option of Sponsor.

24. BINDING EFFECT

The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Sponsor until a fully executed counterpart hereof has been delivered to Purchaser or Attorney for Purchaser. If this Agreement is not accepted within 30 days from the delivery to Sponsor of this Agreement executed by Purchaser together with the Initial Deposit by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed rejected and cancelled and all Deposits shall be returned to Purchaser within 30 days thereafter. Upon such refund being made, neither party shall have any further rights, obligations liability to or against the other hereunder or under the Plan. Prior to Sponsor's countersigning and returning this Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law.

25. NOTICES

25.1 Any notice, election, demand, request, letter, consent or other communication hereunder shall be in writing and either delivered in person, via electronic transmission (e-mail) or sent, postage prepaid, by registered or certified mail return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed to Attorney for Purchaser at the address given at the beginning of this Agreement with a copy by regular mail delivered to Purchaser at the address given at the beginning of this Agreement and to Attorneys for Sponsor at the address given at the beginning of this Agreement, with a copy by regular mail delivered to Sponsor at the address given at the beginning of this Agreement. Either party may hereafter designate to the other in writing a change in the address to which notices are to be sent. Except as otherwise expressly provided herein, a notice shall be deemed given on the date when personally delivered, when sent via electronic transmission (e-mail), when delivered to the overnight courier, or in the case of mailing, three (3) days after the date mailed in a prepaid sealed wrapper, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself.

25.2 Sponsor hereby designates and empowers both the Selling Agent and Attorneys for Sponsor, as Sponsor's agents to give any notice to Purchaser under this Agreement (including, without limitation, a notice of default) in Sponsor's name, which notice so given shall have the same force and effect as if given by Sponsor itself.

25.3 Purchaser hereby designates and empowers Attorney for Purchaser, as Purchaser's agent to give any notice to Sponsor under this Agreement in Purchaser's name, which notice so given shall have the same force and effect as if given by Purchaser.

26. JOINT PURCHASERS

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

27. LIABILITY OF SPONSOR

Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, weather, fire, flood, explosion, war, riot, sabotage, epidemics, quarantine, acts of terrorism, freight embargos, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, governmental restrictions, preemptions or approvals, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the control of Sponsor. Sponsor's time to perform such obligations or undertaking shall be tolled for the length of the period during which such performance was excused.

28. FURTHER ASSURANCES

Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

29. AGREEMENT NOT CONTINGENT UPON FINANCING

The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof), and Purchaser understands and agrees that Purchaser's failure to obtain such financing will not relieve Purchaser of Purchaser's obligations hereunder. Purchaser further understands and agrees that if Purchaser chooses to finance the purchase of the Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment, the imposition by the lender of any additional fees or charges, nor any change in Purchaser's financial status or condition shall release or relieve Purchaser of Purchaser's obligations pursuant to this Agreement and Sponsor shall have no liability as a result of any scheduling or adjournment of the Closing beyond the expiration of the loan commitment.

30. COSTS OF ENFORCING AND DEFENDING AGREEMENT

Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder.

31. SEVERABILITY

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

32. STRICT COMPLIANCE

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

33. WAIVER OF JURY

Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement or the relationship created hereby or in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

34. ENTIRE AGREEMENT

This Agreement, together with the Plan, supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof.

35. CERTAIN REFERENCES

A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The terms "herein," "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Agreement.

36. CAPTIONS

The captions in this Agreement are for convenience of reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

37. SUCCESSORS AND ASSIGNS

The provisions of this Agreement shall bind and enure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and enure to the benefit of Sponsor and its successors and assigns.

38. CONFIDENTIALITY

Sponsor and Purchaser hereby acknowledge and agree to keep all of the terms and conditions of this Agreement confidential, except that Sponsor shall be permitted to disclose that a Purchase Agreement has been executed for the Unit and the purchase price thereunder, but not the identity of Purchaser or its principals. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties' respective lawyers, brokers, architects/engineers, accountants, lenders, Escrow Bank and individuals who "need to know" or governmental agencies shall not be deemed to be a breach by Sponsor or Purchaser of the parties undertaking of confidentiality contained in this Agreement. Any failure by Purchaser to keep the terms and conditions of this Agreement confidential shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

39. LETTER OF CREDIT IN LIEU OF DEPOSITS IN ESCROW

Purchaser acknowledges and agrees that Sponsor has the right, in its sole discretion, to elect to withdraw any Deposits and secure it with a Letter of Credit as more fully set forth in the Plan and Purchaser hereby consents to such withdrawal of the funds from escrow.

40. NO ORAL CHANGES

This Agreement cannot be changed or terminated orally. Any changes or additional provisions must be set forth in a rider attached hereto or in a separate written agreement signed by the parties hereto or by an amendment to the Plan.

41. PERFORMANCE

Where this Agreement by its terms requires the payment of money or the performance of a condition on a Saturday, Sunday or public holiday, such payment may be made or condition performed on the next business day succeeding such Saturday, Sunday or such public holiday, with the same force and effect as if made or performed in accordance with the terms of this Agreement.

42. COUNTERPARTS

This Agreement may be executed in any number of original, email, pdf or facsimile counterparts. Each such counterpart shall for all purposes be deemed an original. All such counterparts shall together constitute but one and the same Agreement.

43. GOVERNING LAW/JURISDICTION AND VENUE/AGENT FOR SERVICES OF PROCESS

43.1 This Agreement was negotiated in the State of New York and the Unit to be conveyed pursuant hereto is located in the State of New York, which State the parties agree has a substantial relationship to the parties and to the underlying transaction embodied hereby, and in all respects, including matters of construction, validity and performance, this Agreement and the obligations arising hereunder shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and performed in such State and any applicable law of the United States of America. Purchaser hereby unconditionally and irrevocably waives any claim to assert that the law of any other jurisdiction governs this Agreement and this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

43.2 Any legal suit, action or proceeding against Sponsor or Purchaser arising out of or relating to this Agreement shall be instituted in any federal or state court in New York County, New York and Purchaser waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, and Purchaser hereby irrevocably submits to the jurisdiction of any such court in any suit, action or proceeding. Purchaser does hereby designate and appoint Attorney for Purchaser as its authorized agent to accept and acknowledge on its behalf service of any and all process which may be served in any such suit, action or proceeding in any federal or state court in New York, New York, and agrees that service of process upon said agent at said address and written notice of said service of Purchaser mailed or delivered to Purchaser in the manner provided herein shall be deemed in every respect effective service of process upon Purchaser (unless local law requires another method of service), in any such suit, action or proceeding in the State of New York. Purchaser (i) shall give prompt notice to Seller of any changed address of its authorized agent hereunder, (ii) may at any time and from time to time designate a substitute authorized agent with an office in New York, New York (which office shall be designated as the address for service of process), and (iii) shall promptly designate such a

substitute if its authorized agent ceases to have an office in New York, New York or is dissolved without leaving a successor.

44. WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY.

44.1 The provisions of this Article shall survive the Closing of Title or the termination of this Agreement for the purpose of any suit, action, or proceeding arising directly or indirectly, out of or relating to this Agreement or the Condominium Documents.

44.2 If Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to diplomatic or sovereign immunity, Purchaser expressly and voluntarily waives such immunity and consents to any suit, action or proceeding arising out of or relating to this Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement or the Condominium Documents, and hereby designates and authorizes a lawful agent to receive process for and on behalf of Purchaser in any state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement or the Condominium Documents.

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

45. PURCHASER'S REPRESENTATIONS

45.1 Purchaser is not now, nor shall at any time prior to or at the Closing of Title, be a Person with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") or otherwise. Neither Purchaser nor any Person who owns an interest in Purchaser, is now nor shall be at any time prior to or at the Closing of Title, be 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, (i) is prohibited from transacting business; or (ii) with whom U.S. Persons may only, subject to the imposition of significant fines and/or penalties, transact 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.

44.2 Purchaser has taken, and until the Closing of Title shall continue to take, such measures as are required by applicable Law to assure that the funds used to pay to Sponsor the Purchase Price are derived: (i) from transactions that do not violate United States law, and 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 at Closing will 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 International Emergency Economic Powers Acts, 50 U.S.C. Section 1701 et. seq., and the sanctions and regulations promulgated pursuant thereto by OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957, as amended from time to time.

45.3 The provisions of this Section shall survive the Closing of Title to the Unit or the earlier termination of this Agreement.

46. RESALE FEE

46.1 In the event that Purchaser enters into an agreement ("Resale Agreement") to sell such Residential Unit prior to the first anniversary of the First Closing ("Resale"), Purchaser shall be obligated to pay to Sponsor a portion of the proceeds of the Resale ("Resale Fee"). Purchaser will be required to provide Sponsor with notice of the Resale Agreement within ten (10) days after entering into the Resale Agreement. The Resale Fee paid to Sponsor at the closing of the Resale shall be equal to 50% of the "Gross Profit," i.e. the difference between (A) the "Net Profit," i.e. the sales price of the Residential Unit set forth in the Resale Agreement less the following expenses actually paid by Purchaser (to the extent applicable): (i) brokerage commissions not exceeding 6% in the aggregate; (ii) transfer taxes imposed by Law, if paid for by Purchaser, and (iii) actual legal fees not exceeding $5,000, and (B) the Purchase Price under this Agreement.

46.2 The Resale Fee shall be paid to Sponsor by wire transfer at the Closing of the Resale. Any deductions for allowable expenses paid by Purchaser must be supported by documentation acceptable to Sponsor. At such time as Sponsor no longer owns any Unsold Residential Units, the obligation to pay the Resale Fee shall no longer be applicable. The provisions of this Section shall survive the Closing of Title.

47. CERTIFICATION OF SPONSOR AND PRINCIPALS

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

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

522-528 LLC

By:_____
Name: Jeffrey Gershon
Title: Managing Member

SCHEDULE A

PERMITTED ENCUMBRANCES

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.

2. Any state of facts which an accurate survey or personal inspection of the Property would show, provided such state of facts would not render title uninsurable without additional premium to Purchaser and would not prevent the use of the Unit for dwelling purposes.

3. The terms, burdens, covenants, restrictions, conditions, easements and Residential Rules and Regulations, all as set forth in the Declaration, the By-Laws (and the Residential Rules and Regulations made thereunder), the Power of Attorney from the Purchaser to the Condominium Board, and the Tax Lot Drawings as all of the same may be amended from time to time.

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

5. Any easement or right of use in favor of any utility company for construction, use, maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.

6. Revocability of licenses for vault space, if any, under the sidewalks and streets.

7. Any easement or right of use required by Sponsor or its designee to obtain a temporary, permanent or amended Certificate of Occupancy for the Building or any part of same.

8. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations.

9. Leases and service, maintenance, employment, concessionaire and Parking Space Licenses, if any, of other Units or portions of the Common Elements.

10. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, or vault charge, provided the same are adjusted at the Closing of Title.

11. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and the Purchaser shall pay all assessments due from and after the Closing Date.

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

13. Any encumbrance as to which the Title Company (or such other New York State Land Title Association member title insurance company which insures the Purchaser's title to the Unit) would be willing, in a fee policy issued by it to the Purchaser, to insure the Purchaser that such

encumbrance (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien.

14. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

15. Any lease covering the Unit(s) made from Sponsor to the Purchaser.

16. Any violation against the Property (other than the Unit) which is the obligation of the Condominium Board, or another Unit Owner to correct.

17. Standard printed exceptions contained in the form of fee title insurance policy then issued by the Title Company.

18. Any TCO or PCO for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

19. Any encumbrance, covenant, easement, agreement, or restriction against the Property set forth in the form of Unit Owner's Specimen Title Policy prepared by the Title Company set forth in Part II of the Plan, as the same may be updated from time to time prior to the Closing.

SCHEDULE B

INSPECTION STATEMENT

Date: _____

522-528 LLC
12 West 23rd Street
New York, New York 10010

Re: Residential Unit No: _____ ("Unit")
The Hendrik Condominium
509 Pacific Street
Brooklyn, New York 11217 ("Condominium")

Ladies and Gentlemen:

1. On the date hereof, the undersigned ("Purchaser") and/or Purchaser's agent ("Purchaser's Rep") inspected the Unit which Purchaser is acquiring from Sponsor and have found the Unit to be in good condition, except as otherwise noted on the attached schedule as Exhibit "A."

2. Purchaser acknowledges that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, towel bars, kitchen cabinets, vanity knobs and mechanical chimes will be installed just prior to the date Purchaser moves into the Building. Purchaser agrees to sign-off each item requiring adjustment, or repairs, if any, as they are completed.

3. In the event Purchaser performs work in the Unit of any kind affecting any of the areas or items listed above after the Closing, Sponsor will be relieved of any and all obligations related to the items listed on Exhibit A.

4. Purchaser hereby agrees to provide Sponsor and its contractors, subcontractors, agents and employees, unfettered access to the Unit and any Residential Limited Common Elements appurtenant thereto after Closing in order to complete the work set forth on the Inspection Statement, failing which Sponsor shall be relived of its obligations to complete the items listed on Exhibit A.

PURCHASER(S):

_____
(signature)

_____
(signature)

PURCHASER'S REP:

_____
(signature)

_____
Sponsor's Representative

EXHIBIT A

PUNCHLIST ITEMS:

SCHEDULE C

RIDER TO PURCHASE AGREEMENT RE: ESCROW PROVISIONS

This Rider is made as of _____, between Sponsor, Purchaser and Escrow Agent.

Re: Residential Unit No: _____ ("Unit")
The Hendrik Condominium
509 Pacific Street
Brooklyn, New York 11217 ("Condominium")

1. ESCROW AND TRUST FUND REQUIREMENTS

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

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

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

All Deposits made by Purchasers prior to the Closing of each individual transaction will be placed in a segregated special escrow account of Starr Associates LLP, the escrow agent ("Escrow Agent"), whose address is 220 East 42nd Street, Suite 3302, New York, New York 10017 and whose telephone number is (212) 620-2680. As of the date of this Rider, the attorneys who are signatories on these accounts authorized to withdraw funds, acting singly, are: Allan Starr, Esq., Andrea L. Roschelle, Esq., Samantha Sheeber, Esq. and Adam Kriegstein, Esq. ("Authorized Signatories"). All Authorized Signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any Authorized Signatory is the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

Escrow Agent has established an escrow account entitled "Starr Associates LLP, Escrow Account" ("Escrow Account") at JP Morgan Chase located at 270 Park Avenue, New York, New York 10017 ("Escrow Bank"). Escrow Bank is authorized to do business in the State of New York.

All instruments to be deposited into the Escrow Account shall be made payable directly to the order of "Starr Associates LLP, as Escrow Agent" or wired directly to the Escrow Account maintained by

Escrow Agent pursuant to the Plan, as applicable, and shall be accepted subject to collection. Endorsed instruments will not be accepted. All checks must be drawn on or issued by a bank or trust company which is a member of the New York Clearinghouse Association. A return of any check delivered in payment of the Initial Deposit, for insufficient funds or for any other reason, shall constitute a non-curable default under the Purchase Agreement, rendering the Purchase Agreement void *ab initio* and of no further force or effect, in which event Purchaser and Sponsor shall each be released and discharged of all further liability and obligations under the Purchase Agreement and the Plan and the Unit may be sold to another as though the Purchase Agreement had never been made. A return of any check delivered in payment of the Additional Deposit, for insufficient funds or for any other reason, shall constitute a default under the Purchase Agreement, entitling Sponsor, at its option, to exercise the remedies provided therefor under the Purchase Agreement. With respect to wire transferred funds, any wiring fees charged by the initiating and/or receiving bank shall be paid by Purchaser.

All Deposits will be placed initially in the non-interest bearing portion of the Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8 (Certificate of Foreign Status) in the forms set forth in Part II to the Plan, to Attorneys for Sponsor (or Escrow Agent) at the time Purchaser signs and delivers the Purchase Agreement and the Initial Deposit. Properly tendered Deposits will be placed in the Escrow Account within 5 business days of delivery to Escrow Agent. If a Deposit is accompanied by a completed and signed Form W-9 or Form W-8, the Deposit will thereafter be promptly transferred to an individual interest bearing sub-escrow account in the name of Purchaser. If a Purchaser does not deliver the Form W-9 or Form W-8, the Deposit will remain in the non-interest bearing portion of the Escrow Account. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow account to the non-interest bearing portion of the Escrow Account so that checks may be drawn thereon. The Escrow Account is not an IOLA account.

All Deposits are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, until such time as Sponsor is entitled to such Deposits as per GBL § 352-h.

The sub-escrow account number and the initial interest rate, if any, will be disclosed to each Purchaser, as appropriate, in a letter from Escrow Agent to each Purchaser sent within 10 business days after the delivery of the Initial Deposit. If Purchaser does not receive notice that the Initial Deposit has been placed in the Escrow Account within 15 business days after delivery of the Initial Deposit, Purchaser may cancel the Purchase and rescind the Purchase Agreement so long as the right to rescind is exercised within 90 days after delivery or crediting of the Initial Deposit by notice delivered to Sponsor and to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Initial Deposit was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations. However, Escrow Agent will not be required to send the aforementioned letter to any Purchaser in connection with any subsequent Deposits delivered by Purchaser after the Initial Deposit, including, without limitation, the Additional Deposit or any funds in connection with any changes in the interest rate.

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

Under current Law, the sub-accounts at the Escrow Bank are insured by the Federal Deposit Insurance Corporation ("FDIC") to a maximum of $250,000 per individual Deposit. The following are SPECIAL RISKS of this offer: (i) if a Purchaser makes a Deposit in excess of $250,000 such Deposit will not

be FDIC insured in excess of $250,000; and (ii) while the Deposit is in the non-interest bearing portion of the Escrow Account, the Deposit may not be fully FDIC insured even if the Deposit does not exceed $250,000. No representation is made with respect to any further changes in Law which may increase or decrease such limit.

All Deposits delivered subsequent to the Initial Deposit, including, without limitation, the Additional Deposit, may be delivered by Purchaser to Sponsor or Selling Agent by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested, overnight courier or express mail service. Such Deposits shall be deemed delivered by Purchaser on the date it is actually received by Sponsor or Selling Agent.

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

If a Purchaser delivers a Deposit without an executed Purchase Agreement, Sponsor shall have the right to reject the Deposit and return it to Purchaser: (i) within 5 business days after delivery, if the Deposit has not been deposited into escrow, and (ii) within 10 business days, if the Deposit has been deposited into escrow and the Purchase Agreement has not yet been delivered by Purchaser.

The checking account portion of the Escrow Account will not be interest-bearing. The sub-escrow account portion of the Escrow Account will be interest-bearing. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return all Deposits. All interest will be credited to Sponsor only in the event there is a Consummation of the Plan (as such term is defined in the Attorney General's regulations) and Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts. As of September 1, 2015, the interest rate for the Escrow Bank is 0.15%. The interest rate is subject to change by the Escrow Bank. Sponsor makes no representation of, and shall have no liability to Purchaser for changes to, the interest rate. Interest will begin to accrue within: (x) 3 business days, if the Deposit is cash or cash equivalent, or (y) 5 business days, if the Deposit is other than cash or cash equivalent, of the transfer of the Deposit from the checking account portion of the Escrow Account into the sub-escrow account portion of the Escrow Account, as determined by whether and when the Deposit clears.

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

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

Escrow Agent shall release the Deposits if so directed:

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

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

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

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

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

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

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

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

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

Escrow Agent is acting merely as a stakeholder. Upon the release of any Deposits pursuant to the Plan, Escrow Agent shall be fully released from all liability and obligation with respect to such Deposits.

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

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

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

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

protection under the United States Bankruptcy Code, the enforcement of any rights, or defense of any claims against Escrow Agent in any bankruptcy proceeding, or any other matter arising in or in connection with Sponsor's bankruptcy case.

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

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

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

2. DEFINITIONS

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the Purchase Agreement to which this Rider is annexed or in the Plan.

3. CONFLICTS

In the event of any inconsistency between the provisions of this Rider and those contained in the Purchase Agreement to which this Rider is annexed, the provisions of this Rider shall govern and be binding.

4. FULL FORCE AND EFFECT

Except as set forth in this Rider, all of the terms and conditions of the Purchase Agreement remain unchanged and in full force and effect.

5. COUNTERPARTS

This Rider may be executed in any number of original, e-mail, pdf or facsimile counterparts. Each such counterpart shall for all purposes be deemed an original. All such counterparts shall together constitute but one and the same Rider.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

522-528 LLC

By:_____
Name: Jeffrey Gershon
Title: Managing Member

ESCROW AGENT:

Executed solely in connection with the provisions set forth in this Escrow Rider.

STARR ASSOCIATES LLP

By: _____
Name:
Title:

RIDER TO PURCHASE AGREEMENT

RE: PARKING SPACE

This Rider is made as of _____, between Sponsor and Purchaser.

Re: Residential Unit No: _____ ("Unit")
The Hendrik Condominium
509 Pacific Street
Brooklyn, New York 11217 ("Condominium")

1. PARKING SPACE LICENSE

1.1 Sponsor agrees to sell and Purchaser agrees to purchase Parking Space #_____ for a Purchase Price of $_____. At Closing, Purchaser shall enter into a Parking Space License to use the specific Parking Space designated by Sponsor, the form of which is set forth in Part II of the Plan.

1.2 The Purchase Price is payable as follows:

(a) $_____ ("Initial Deposit"), due upon Purchaser's signing and delivering this Agreement;

(b) $_____ ("Additional Deposit"), due upon the earlier to occur of (i) 6 months after the execution date of this Agreement or (ii) 15 days after the Presentation Date of an amendment declaring the Plan effective;

(c) $_____ ("Balance of the Purchase Price"), due upon the delivery of the deed to the Unit; and

(d) If Purchaser is signing this Agreement after the Plan is declared effective, the Initial Deposit and Additional Deposit shall be due upon Purchaser's signing this Agreement.

2. RE-DESIGNATION OF PARKING SPACE

Sponsor reserves the right at or prior to Closing to designate a different Parking Space in lieu of the Parking Space set forth above, provided the new Parking Space is equal to or greater in size and has the same Purchase Price.

3. TEMPORARY CERTIFICATE OF OCCUPANCY

Purchaser will be required to consummate the purchase of the Unit and the Parking Space simultaneously at Closing, even though a TCO has not been issued, and access may not be available for the Parking Space Area of the Building. In such event, the proceeds from the sale of the Parking Space will be held in escrow ("Parking Space Escrow") by Escrow Agent until such time as a TCO has been issued for the Parking Space Area in which the Parking Space is located. The Parking Space Escrow will not be held in an interest bearing escrow account, and, therefore, Purchaser will earn no interest on the Parking Space Escrow.

4. DAMAGE TO THE PARKING SPACE AREA

If there is a fire or other casualty to the Parking Space Area and Sponsor does not elect to repair or restore such area following such fire or casualty, then the Purchase Agreement shall be deemed modified to provide for the Closing of Title with respect to the Unit only. In such event, the Balance of the Purchase Price of the Unit shall be reduced by the amount of the Deposits paid pursuant to the terms of this Rider.

5. DEFINITIONS

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the Purchase Agreement to which this Rider is annexed or in the Plan.

6. CONFLICTS

In the event of any inconsistency between the provisions of this Rider and those contained in the Purchase Agreement to which this Rider is annexed, the provisions of this Rider shall govern and be binding.

7. FULL FORCE AND EFFECT

Except as set forth in this Rider, all of the terms and conditions of the Purchase Agreement remain unchanged and in full force and effect.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

522-528 LLC

By:_____
Name: Jeffrey Gershon
Title: Managing Member

UNIT DEED

UNIT DEED

THIS INDENTURE, made the ____ day of _____, ____, between 522-528 LLC, having an office at 12 West 23rd Street, New York, New York 10010 ("Grantor") and _____ having an address at _____ ("Grantee").

W I T N E S S E T H :

That the Grantor, in consideration of Ten and 00/100 ($10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit ("Unit") known as Residential Unit No. ____ in the building ("Building") known as the The Hendrik Condominium ("Condominium") and by the street number 509 Pacific Street, Borough of Brooklyn, County of Kings, City and State of New York, said Unit being designated and described by the above Unit number in a certain declaration dated [DECLARATION DATE], made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York ("Condominium Act") establishing a plan for condominium ownership of the Building and the land ("Land") upon which the Building is situate (which Land is more particularly described in Exhibit A annexed hereto and by this reference made a part hereof), which declaration was recorded in the Office of the Register of The City of New York of the County of Kings ("Register's Office") on [DEC RECORDING DATE], as CRFN# [DEC CRFN #] ("Declaration"). The Unit is also designated as Tax Lot 1 in Block 186 of the Borough of Brooklyn on the Tax Map of the Division of Land Records of The City of New York and on the Tax Lot Drawings of the Building, certified by Beyer Blinder Belle on [ARCHITECT CERT DATE], and filed with the Department of Finance of The City of New York on [FP FILING DATE], as Condominium Plan No. [CONDO PLAN #] and also filed in the Register's Office on [FP RECORDING DATE], as Condominium Map No. [FP MAP #];

TOGETHER with an undivided _____% interest in the Common Elements (as such term is defined in the Declaration);

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

TOGETHER with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws of the Condominium ("By Laws"), as the same may be amended from time to time, all of which constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein.

SUBJECT also to such other liens, agreements, covenants, easements, restrictions, consents and other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are collectively referred to as the "Property").

TO HAVE AND TO HOLD the same unto the Grantee and the heirs or successors and assigns of the Grantee forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium Board or provided in the Declaration or the By-Laws, the Unit is intended for residential use only.

Grantor represents that the Grantor is the same party as the Grantee of the Property under deed dated _____ and recorded in the Register's office on _____ as CRFN _____.

Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and the By-Laws (and any Residential Rules and Regulations adopted under the By-Laws).

Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

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

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

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

All capitalized terms used herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or the By-Laws of the Condominium.

* * * * *

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

GRANTOR:

522-528 LLC

By:_____
Name: Jeffrey Gershon
Title: Managing Member

GRANTEE:

_____
(signature)

_____
(signature)

(ACKNOWLEDGEMENTS)

STATE OF NEW YORK)
) ss.:
COUNTY OF Kings)

On the _____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of whom the individual(s) acted, executed the instrument.

_____
Notary

STATE OF NEW YORK)
) ss.:
COUNTY OF Kings)

On the _____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of whom the individual(s) acted, executed the instrument.

_____
Notary

STATE OF NEW YORK)
) ss.:
COUNTY OF Kings)

On the _____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of whom the individual(s) acted, executed the instrument.

_____
Notary

EXHIBIT A

TO RESIDENTIAL UNIT DEED

DESCRIPTION OF THE LAND

The Hendrik Condominium
509 Pacific Street
Brooklyn, New York 11217
Block: 186

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

[See the Schedule A – Description of the Land in the Specimen Title Report set forth in Part II of the Plan.]

USE AND OCCUPANCY AGREEMENT

USE AND OCCUPANCY AGREEMENT

This use and occupancy agreement ("Use and Occupancy Agreement") for Unit _____ ("Unit") at the The Hendrik Condominium, located at 509 Pacific Street, Brooklyn, New York 11217 ("Premises") is made as of _____, 20___ between 522-528 LLC ("Sponsor") and _____ ("Purchaser") (together, the "Parties").

BACKGROUND

A. Sponsor is the sponsor of an offering pursuant to an offering plan ("Plan") to convert the Premises to condominium ownership.

B. The Parties executed a Purchase Agreement for the Unit dated _____, 20___ as may be amended from time to time ("Purchase Agreement").

C. The Parties executed a Rider to the Purchase Agreement ("Rider") pursuant to which Purchaser was granted the right to enter into a Use and Occupancy Agreement and thereby use and occupy the Unit pre-closing.

NOW THEREFORE, it is agreed by the Parties as follows:

1. All capitalized terms used in this Use and Occupancy Agreement shall have the same meanings ascribed to them in the Plan, Purchase Agreement and Rider, as amended.

2. The term ("Term") of this Use and Occupancy Agreement shall commence on _____, 20___ ("Occupancy Date") and end on a date occurring on the earlier of: (a) the Closing of Title to the Unit pursuant to the terms of the Purchase Agreement, and (b)_____, 20___, unless the date is extended in accordance with the terms of this Use and Occupancy Agreement or (c) the date that either Sponsor or Purchaser cancels the Purchase Agreement in accordance with the terms thereof.

3. Purchaser shall pay to Sponsor without deduction or offset, use and occupancy payments (each a "Payment") in the amount of $_____ per month to be paid on the first day of each month of the Term. If this Use and Occupancy Agreement terminates as a result of the Closing of Title to the Unit, any Payment received by Sponsor for the month in which the Closing of Title takes place shall be adjusted between Sponsor and Purchaser at Closing.

4. Purchaser warrants that the Unit has been inspected and examined and Purchaser shall accept title to the Unit at Closing in the same "as is" condition as existed on the Occupancy Date, except for items set forth on the Inspection Statement executed by Purchaser prior to the Occupancy Date, if any.

5. During the Term, Purchaser shall keep the Unit clean and in good condition and no person other than Purchaser and Purchaser's family may occupy the Unit (subject in all events to the Declaration of Condominium, the By-Laws and the Rules and Regulations of the Condominium) and the Unit may not be sublet, and/or occupied by any other person without the express prior written consent of Sponsor. Purchaser shall not harbor any pets in the Unit without Sponsor's prior written consent. Purchaser shall not perform any alterations, modifications, renovations and/or repairs to or in the Unit without Sponsor's prior written consent. Purchaser acknowledges that while the Unit may be legally occupied, certain services and facilities in the Building may be subject to shut-off or otherwise unavailable as a result of ongoing construction. Purchaser agrees that the interruption or failure of any such services or facilities shall not be an objection or defense by Purchaser to any of the conditions or obligations set forth in this Use and Occupancy

Agreement or under the Purchase Agreement, nor shall Purchaser be entitled to any reduction in the Payments required in paragraph 3 hereunder or in the Purchase Price.

6. It is specifically understood and agreed that Sponsor and the Condominium Board shall be free from any and all liability for any damage or injury to persons or property or arising from any cause or happening whatsoever in, on, or to the Unit from and after the Occupancy Date, except if caused by the willful, affirmative acts on the part of Sponsor, the Condominium Board or their respective agent(s). Commencing on the Occupancy Date and throughout the Term, Purchaser shall obtain and maintain (a) personal general liability insurance against any and all claims for bodily injury death or property damage (including, but not limited to, loss due to water damage) occurring in, upon or from the Unit thereto or any part thereof, with limits not less than $_____ for bodily injury or death arising out of any one occurrence and $_____ for damage to property plus at least $_____ umbrella liability coverage and (b) tenant's "all-risk" property insurance in respect of property damage occurring in upon, or from the Unit or any part thereof (including, but not limited to appropriate coverage for additions, alterations, improvements and betterments and personal property). Such insurance shall name Sponsor and the Condominium Board as additional insured parties and may not be cancelled without prior written notification to Sponsor. Purchaser shall indemnify, defend and hold Sponsor and the Condominium Board harmless from and against any and all costs, expenses, liabilities and/or obligations (including, without limitation, reasonable attorneys' fees and disbursements) arising from any cause or happening whatsoever in, on, or to the Unit from and after the Occupancy Date, except if caused by the willful, affirmative acts on the part of Sponsor, the Condominium Board or their respective agent(s).

7. It is specifically understood and agreed that nothing contained herein shall serve to waive or modify the rights of Sponsor or Purchaser under the Purchase Agreement in the event the parties fail to close title in accordance with the terms of the Purchase Agreement.

8. The parties acknowledge that this Use and Occupancy Agreement is not a lease and that a landlord/tenant relationship is not established by virtue of this Use and Occupancy Agreement or Purchaser's occupancy of the Unit, which is provided solely as an accommodation to Purchaser.

9. In the event Purchaser files a voluntary petition in bankruptcy, or has an involuntary petition in bankruptcy filed against it subsequent to the execution of this Use and Occupancy Agreement, Purchaser acknowledges, warrants and represents, to the maximum extent permitted by law, that, as of the date of this Use and Occupancy Agreement: (i) Purchaser is presently occupying the Unit with no rights of possession, whether legal or equitable, in the Unit, except as otherwise provided in this Use and Occupancy Agreement; (ii) the automatic stay, pursuant to 11 U.S.C. §362(a), does not bar or prevent Sponsor from recovering possession of the Unit, and (iv) a trustee-in-bankruptcy may not assume or reject Purchaser's right to occupy the Unit, pursuant to 11 U.S.C. §365.

10. In the event that (i) Purchaser defaults under the terms of this Use and Occupancy Agreement which default is not cured within 10 days of notice (other than Purchaser's failure to make a Payment within ten (10) days of the first day of the month in which such Payment is due, in which event Sponsor shall not be required to send notice of default and the event of default shall be deemed to have occurred on the 11th day after the date on which such Payment is due) or (ii) the Term expires, Purchaser shall vacate and deliver possession of the Unit to Sponsor in broom-clean condition within 10 days of written notice from Sponsor or its attorney ("Vacate Date").

11. Purchaser acknowledges that it would be difficult, if not impossible, to actually assess the damage that would be suffered by Sponsor as a result of Purchaser's failure to faithfully perform its

obligation to vacate and surrender the Unit on or before the Vacate Date. Therefore, it is expressly agreed that if Purchaser fails to vacate and surrender exclusive possession of the Unit on or before the Vacate Date and/or seek an extension of time to remain in the Unit beyond the Vacate Date and/or fail to deliver the keys to the Unit on or before the Vacate Date, in addition to having liability for the damages available hereunder or available to Sponsor at law or equity, Purchaser shall be liable to Sponsor for liquidated damages in a sum equal to $_____ ("Liquidated Damage Payments", each a "Liquidated Damages Payment") for each day between the Vacate Date and the date on which Purchaser vacates and surrenders exclusive possession of the Unit or Sponsor obtains vacant, legal and physical possession of the Unit. The obligation to make Liquidated Damage Payments begins on the first day following the Vacate Date. The Parties agree that the requirement that Purchaser make Liquidated Damage Payments and that Sponsor recover the attorneys' fees and costs in enforcing the terms of this Use and Occupancy Agreement is fair and reasonable under the circumstances and does not constitute a penalty. This paragraph shall not constitute a modification or waiver of Purchaser's obligation to vacate the Unit on or before the Vacate Date in accordance with the terms of the Use and Occupancy Agreement.

12. At Sponsor's option, Liquidated Damage Payments may be deducted from the Security Deposit (defined below). The Liquidated Damage Payments shall be in addition to the Payment required to be paid by Purchaser in paragraph 3 and is in addition to all other charges Purchaser is required to pay pursuant to this Use and Occupancy Agreement and all of Sponsor's remedies under the Purchase Agreement.

13. Purchaser agrees that, without notice, Sponsor may forthwith commence a summary holdover proceeding for the purpose of enforcing this Use and Occupancy Agreement. Purchaser (i) consents in the holdover proceeding to the personal and subject matter jurisdiction of the court; and (ii) waives any and all substantive and procedural defenses to the holdover proceeding; and (iii) consents to the filing by Sponsor of a Stipulation of Settlement ("Stipulation") (a copy of which is annexed hereto) by which Purchaser, among other things, consents to a final judgment of possession and the execution of a warrant of eviction without further notice. Simultaneously with the execution of this Use and Occupancy Agreement, Purchaser shall execute and deliver to Sponsor the Stipulation, the terms of which are incorporated herein.

14. Purchaser shall be liable for any and all actual and incidental costs incurred by Sponsor in recovering possession of the Unit, including, but not limited to, storage and/or disposal fees for Purchaser's belongings, personal property and attorneys' fees and court costs. At Sponsor's option, all actual and incidental costs may be deducted from the Security Deposit, and Purchaser shall be liable for the balance of the costs that exceed the Security Deposit.

15. As security for the performance of Purchaser's obligations hereunder, including, without limitation, making all Payments, Liquidated Damage Payments, attorneys' fees, and reimbursing Sponsor for any and all expenses attendant to performing repairs to the Unit necessitated by Purchaser's occupancy and other incidental costs and expenses, Sponsor hereby acknowledges receipt of $_____ ("Security Deposit"). The Security Deposit shall be returned to Purchaser (less deductions as set forth in this paragraph) either upon Closing or, if the Purchase Agreement has been terminated, within 15 days after the Unit is surrendered to Sponsor as required by this Use and Occupancy Agreement.

16. Any default by Purchaser under this Use and Occupancy Agreement that continues beyond the applicable grace period shall constitute an Event of Default by Purchaser under the Purchase Agreement entitling Sponsor to exercise any and all remedies provided for in the Purchase Agreement. Any default by Purchaser under the Purchase Agreement that continues beyond the applicable grace period shall constitute a default by Purchaser under this Use and Occupancy

Agreement entitling Sponsor, in its sole option, to terminate this Use and Occupancy Agreement in accordance with its terms and with Law.

17. Purchaser expressly acknowledges Purchaser's obligation to and shall comply with the Condominium Declaration, By-laws and Rules and Regulations.

18. If any Payment due under this Use and Occupancy Agreement is received after the 10th of the month, Purchaser shall pay to Sponsor a late fee in the sum of $_____. If any check delivered by Purchaser to Sponsor is returned for insufficient funds or is uncollectible for any reason, Purchaser shall pay to Sponsor a returned check fee in the amount of $_____. In addition, Sponsor has the right to treat a check from Purchaser that has been returned for insufficient funds as a default under the Purchase Agreement, for which Sponsor may exercise all remedies available under the Purchase Agreement and Law.

19. This Use and Occupancy Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York.

20. In the event of any inconsistency between the provisions of this Use and Occupancy Agreement and those contained in the Plan, the provisions of this Use and Occupancy Agreement shall govern and be binding.

21. Any notices or documents required to be given pursuant to this Use and Occupancy Agreement must be delivered if to Sponsor to 12 West 23rd Street, New York, New York 10010, with a copy to Starr Associates LLP, 220 East 42nd Street, Suite 3302, New York, New York 10017, Attention: Andrea L. Roschelle, Esq.; and if to Purchaser to _____. All deliveries must be made by nationally-recognized overnight courier for next business day delivery and shall be deemed given upon deposit with the courier service.

22. This Use and Occupancy Agreement may only be modified by an agreement in writing signed by the parties hereto. No oral understanding or agreement shall be effective to modify, change or alter the terms or conditions of this Use and Occupancy Agreement.

23. Neither party nor their respective attorney shall be deemed to be the sole drafter hereof, and the parties hereto waive the benefit of any rule of construction relating to the interpretation of a document against the drafter.

24. This Use and Occupancy Agreement may be executed in any number of original, pdf or facsimile counterparts. Each such counterpart shall for all purposes be deemed an original. All such counterparts shall together constitute but one and the same Use and Occupancy Agreement.

[SIGNATURES ON FOLLOWING PAGE]

[SIGNATURES PAGE TO USE AND OCCUPANCY AGREEMENT]

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

522-528 LLC

By:_____
Name: Jeffrey Gershon
Title: Managing Member

CIVIL COURT OF THE CITY OF NEW YORK
COUNTY OF NEW YORK

522-528 LLC

Petitioner-Owner,

- against -

Premises: The Hendrik Condominium
509 Pacific Street
Brooklyn, New York 11217

Respondent-Occupant.

Index No.
L&T -

STIPULATION OF SETTLEMENT
HOLDOVER

WHEREAS, Petitioner and Respondent entered into a certain Purchase Agreement ("Purchase Agreement"), dated as of _____, 20___, pursuant to which Petitioner agreed to convey and Respondent agreed to purchase Unit ____ located in a building known as The Hendrik Condominium, 509 Pacific Street, Brooklyn, New York 11217 ("Premises"); and

WHEREAS, Respondent has been occupying the Premises pursuant to an use and occupancy agreement ("Use and Occupancy Agreement"); and

WHEREAS the term ("Term") Respondent was permitted to occupy the Premises under the Use and Occupancy Agreement has expired, but Respondent continues to use, occupy and possess the Premises past the Term without the permission of Petitioner; and

WHEREAS, Respondent has agreed to vacate the Premises;

NOW, THEREFORE, in for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the mutual covenants contained herein, the parties hereto wish to settle all claims and resolve all disputes and differences among them and do hereby stipulate and agree as follows:

1. Respondent acknowledges having received and was duly served with the Notice of Petition and Petition Holdover by which Petitioner seeks a final judgment of possession for the Premises and a warrant of eviction ("Warrant") removing Respondent from the Premises.

2. Respondent accepts service, waives traverse and all objections to personal and subject matter jurisdiction, if any. Respondent admits as true each and every allegation set forth in the petition, waives trial by jury, waives all defenses, affirmative defenses and counterclaims of any kind or nature and the service of any notice before the Warrant may be executed.

3. Respondent expressly: (i) waives any and all objections of any kind or nature to the service, substance or sufficiency of notices, if any, served prior to the commencement of this proceeding, (ii) acknowledges that the term granted to Respondent under the Use and Occupancy Agreement has expired; (iii) acknowledges that it has no further right, title or interest in or to the Premises and that (iv) Respondent remains in possession of the Premises past the Term without permission as a "holdover" occupant.

4. Respondent consents to the entry of a final judgment of possession for the Premises and to the immediate issuance and execution of the Warrant and agrees to be evicted from the Premises. Respondent agrees that personal property remaining in the Premises after eviction is deemed abandoned.

5. The terms of the Use and Occupancy Agreement shall govern the obligations of the parties, except as modified by the terms of this Stipulation and Order.

6. Respondent hereby waives, abandons, relinquishes and surrenders any rights it may have to (i) an extension of time to cure any breach of condition set forth in this Stipulation and Order (ii) any stay, order or injunction preventing the execution of the Warrant (iii) judicial intervention of any kind or nature to extend, modify or toll the time periods set forth herein or collaterally attack the enforceability of any of the terms or provisions hereunder (iv) appeal from any order of the Court resulting from this Stipulation and Order.

7. If Petitioner shall employ counsel to enforce any of Respondent's obligations under this Stipulation and Order or to defend any litigation commenced by Respondent in connection with this Stipulation and Order, including, without limitation, an application seeking (i) an extension of time to cure any breach of condition as set forth in this Stipulation and Order (ii) any stay, order or injunction preventing the execution of the Warrant, (iii) judicial intervention of any kind or nature to extend, modify, toll the time periods set forth herein or collaterally attack the enforceability of any of the terms or provisions hereunder; or (iv) to appeal from any order of the Court resulting from this Stipulation and Order, notwithstanding the prohibition in this Stipulation and Order against Respondent seeking such relief, or if Petitioner shall be compelled to enforce any of Petitioner's rights hereunder, Respondent shall pay all of the Petitioner's costs and expenses in connection therewith, including, without limitation, attorneys' fees and disbursements.

8. Respondent warrants and represents that, in executing this Stipulation and Order, Respondent has relied on legal advice from an attorney of Respondent's choosing, is entering into this Stipulation and Order voluntarily and without duress and that the terms of this Stipulation and Order have been read and its consequences (including risks, complications, and costs) have been fully explained to Respondent by its attorney. Respondent further represents that it has not relied on any promise or representation made outside this Stipulation and Order.

9. The parties hereto expressly agree that the Court shall retain jurisdiction over the enforcement of the provisions of this Stipulation and Order.

10. The parties hereto shall cooperate fully so as to facilitate the compliance with all of the obligations set forth in this Stipulation and Order. All documents required to be executed by Respondent shall be delivered to Petitioner within three (3) business days, delivery to be made by hand or overnight courier.

11. In the event of a conflict between the terms of the Use and Occupancy Agreement and those of this Stipulation and Order, the terms of this Stipulation and Order shall prevail.

12. This Stipulation and Order constitutes the entire agreement between Petitioner and Respondent with respect to the subject matter hereof and no oral representations have been made by or between the parties with respect thereto. This Stipulation and Order shall constitute an Order of the Court, subjecting a party who violates its provisions to all rights and remedies available for the violation of a Court order.

13. This Stipulation and Order is the product of substantial negotiations between the parties and, as such, no negative inferences shall be drawn against either party as the drafter hereof.

14. This Stipulation and Order shall be filed with the Court and shall become an Order of the Court upon the signature of any judge sitting in the civil court without further notice to either party.

Dated: New York
_____, 20___

By: _____

STARR ASSOCIATES LLP
Attorneys for Petitioner
220 East 42nd Street, Suite 3302
New York, New York 10017
(212) 620-2681

By: _____
RESPONDENT

By: _____
RESPONDENT

SO ORDERED:

_____
JUSTICE OF THE CIVIL COURT

PARKING SPACE LICENSE

PARKING SPACE LICENSE

AGREEMENT made this _____ day of _____ ("Parking Space License") by and between 522-528 LLC, having an office at 12 West 23rd Street, New York, New York 10010 ("Sponsor"), and the Condominium Board of the The Hendrik Condominium on behalf of all Unit Owners, having an address at 509 Pacific Street, Brooklyn, New York 11217 ("Condominium Board") (Sponsor and the Condominium Board are sometimes collectively referred to as "Licensor") and _____ having an address at _____ ("Licensee");

W I T N E S S E T H :

WHEREAS, the The Hendrik Condominium ("Condominium") is governed by a certain Declaration of Condominium recorded in the Office of the Register of the City of New York, County of Kings as the same has been or may be amended from time to time ("Declaration"), the by-laws of the Condominium, as the same has been or may be amended from time to time ("By-Laws") and the Rules and Regulations of the Condominium, as the same has been or may be amended from time to time ("Rules and Regulations") ("Declaration," the "By-Laws" and the "Rules and Regulations" are collectively, referred to as the "Condominium Documents"); and

WHEREAS, the Condominium is located at 509 Pacific Street, Brooklyn, New York 11217 ("Property"); and

WHEREAS, a Parking Space has been installed in a portion of the Property ("Parking Space Area"); and

WHEREAS, Licensee, owns or simultaneously herewith is acquiring Residential Unit No. _____ in the Condominium; and

WHEREAS, the Condominium Board granted Sponsor the exclusive right to sell, without charge, the Parking Space pursuant to a Parking Space license and the Condominium will not be entitled to any of the proceeds from such sale; and

WHEREAS, Licensee desires the right to the exclusive use of a Parking Space ("Parking Space") for so long as Licensee owns a Residential Unit in the Condominium;

NOW THEREFORE, in consideration of the sum of $10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Licensor hereby grants to Licensee, its successors and assigns, a Parking Space License for the exclusive use of Parking Space #____ ("Parking Space License") and Licensee hereby accepts such Parking Space License from Licensor for a term commencing on the date hereof.

2. The Condominium Board has the right to impose fees on Licensee in accordance with the By-Laws. Any fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future, shall constitute "additional Common Charges" under the terms of the Condominium Documents. Licensee's failure to pay the fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future shall constitute a material default under the terms of the Condominium Documents.

3. A Parking Space may be used only for the parking of passenger automobiles and motorcycles. A Parking Space may not be used for sleeping, dining or other occupancy uses (collectively, "Prohibited Uses"). The use of a Parking Space for a Prohibited Use can result in violations being posted against the Building. Any and all costs or expenses incurred by the Condominium or the other Unit Owners as a result of such Prohibited Use shall be borne by the Owner of the Residential Unit to which such Parking Space is appurtenant. Sponsor shall have the right to use any Parking Space for any purpose permitted by Law or to change the permitted use of such Parking Space subject to the provisions of the By-Laws.

4. Except for Sponsor and the Condominium Board, a Residential Unit Owner may not own the Parking Space without also owning a Residential Unit.

5. Licensee shall not (a) store any property outside of the Parking Space; or (b) allow any other Person to use the Parking Space except in accordance with the terms hereof.

6. This Parking Space License may be assigned by Licensee at any time provided that (i) the assignee is a Residential Unit Owner at the Condominium, (ii) the assignee assumes the obligations hereunder in the form annexed hereto, (iii) the assignee delivers notification of the assignment is delivered in writing to the Condominium Board in compliance with its requirements as the same may be modified from time to time, and (iv) the assignee and the Licensee do not owe any outstanding monies to the Condominium. This Parking Space License shall automatically terminate at such time as Licensee no longer owns a Residential Unit in the Condominium unless this Parking Space License is assigned to and assumed by another Residential Unit Owner.

7. Licensee represents that Licensee has made a thorough inspection of the Parking Space and the Parking Space Area and agrees to take same in its "as is" condition as of the date of this Parking Space License.

8. Licensee represents that Licensee shall, throughout the term of this Parking Space License, maintain the Parking Space with a proper manner of care.

9. Neither Licensor nor Licensor's agents or employees shall be liable for any theft or damage to any property stored in the Parking Space Area. Licensee acknowledges that the Parking Spaces and the Parking Space Area will not be serviced by an emergency generator. In the event of a power outage, any resulting loss or damage will be at the sole cost of the Parking Space Licensee. Licensor, Licensor's agents or employees, and Sponsor shall not be liable for any loss or damage caused by power outages, temperature fluctuations or other causes in the Parking Space Area.

10. The terms of this Parking Space License are subject to the terms of the Condominium Documents. Nothing contained herein shall be construed as limiting the rights and obligations of the parties under the Condominium Documents. Any conflict between the provisions of this Parking Space License and the Condominium Documents shall be resolved in favor of the Condominium Documents.

11. If Licensee defaults in Licensee's obligations under this Parking Space License or under the Condominium Documents, the Condominium Board may, in its sole discretion, elect by notice to Licensee to cancel this License, in addition to the other rights and remedies that the Condominium Board has under the Condominium Documents. If the Condominium Board so elects, Licensee shall have thirty (30) day period, from the giving of notice of cancellation to cure the specified default. If the default is not cured within such thirty (30) days, TIME BEING OF THE ESSENCE, then this License shall be deemed terminated. Upon the termination of this License, the Condominium Board will be released and discharged of all further liability and obligations under this License, and the Parking Space may be licensed to another as though this License had never been made, and without any obligation to account to Licensee for any of the proceeds.

12. If Licensee defaults in its obligations hereunder or under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the Parking Space until Licensee cures such default or (ii) if Licensee fails to cure such default within thirty (30) days of written notice by the Condominium Board of such default, terminate this Parking Space License upon written notice to Licensee.

13. The Condominium Board or its agents shall have the right, but not the obligation, to open the Parking Space in an emergency at any time, and, at other reasonable times upon prior notice to Licensee, to inspect and examine the Parking Space Area and to make such repairs, replacements and improvements as the Condominium Board shall deem necessary.

14. This Parking Space License shall constitute a license only and shall not be construed under any circumstances to be a sale of the Parking Space or conveyance of title thereto. In no event shall a landlord/tenant relationship exist between Licensor and Licensee with respect to this Parking Space License.

15. Licensee shall indemnify and hold Licensor and their respective officers, directors, shareholders, unit owners, members, agents and employees, harmless from and against any and all liabilities, claims, penalties and judgments, together with any related costs and expenses, including legal fees and expenses, asserted against or sustained by any of them in connection with any act, omission, or negligence of Licensee or Licensee's family members, servants, employees, agents, guests and invitees in connection with this Parking Space License.

16. Licensee shall be obligated at its sole cost and expense to obtain and maintain insurance in amounts sufficient to cover the property located in the Parking Space.

17. Licensee shall be obligated to reimburse Licensor for any legal fees and disbursements incurred by Licensor in defending the rights of Licensor under this Parking Space License or, in the event Licensee defaults under this Parking Space License beyond any applicable cure period, enforcing Licensee's obligations hereunder.

18. Neither this Parking Space License nor any provision hereof may be waived, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, amendment, discharge or termination is sought and then only to the extent set forth in such instrument.

19. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Parking Space License, which alone fully and completely express their agreement and that this Parking Space License supersedes any and all such understandings and agreements with respect to the subject matter hereof.

20. If any provision of this Parking Space License is invalid or unenforceable as against any party or under certain circumstances, the remainder of this Parking Space License and the applicability of such provision to other parties or circumstances shall not be affected thereby. Each provision of this Parking Space License, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

21. 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 Parking Space License or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

22. Any failure by Licensor to insist upon strict performance by Licensee of any of the provisions of this Parking Space License shall not be deemed a waiver of any of the provisions hereof,

irrespective of the number of violations or breaches which may occur, and Licensor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Licensee of any and all of the provisions of this Parking Space License to be performed by Licensee.

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

IN WITNESS WHEREOF, the undersigned have executed this Parking Space License as of the day and year first above written.

Agreed to and Acknowledged by:

LICENSOR:

The Hendrik Condominium

LICENSEE:

_____

_____

SPONSOR:

522-528 LLC

By:_____
Name: Jeffrey Gershon
Title: Managing Member

ASSIGNMENT AND ASSUMPTION OF PARKING SPACE LICENSE

ASSIGNMENT AND ASSUMPTION OF PARKING SPACE LICENSE

THIS ASSIGNMENT AND ASSUMPTION OF PARKING SPACE LICENSE made as of the _____ day of _____, _____ by and between _____ ("Assignor"), having an address at _____, and _____ ("Assignee"), having an address at _____.

W I T N E S S E T H :

WHEREAS, Assignor executed a certain Parking Space License dated _____, _____ ("Parking Space License") to have the exclusive right to use Parking Space # ___ ("Parking Space") located in the Building known as the The Hendrik Condominium, located at 509 Pacific Street, Brooklyn, New York 11217, in accordance with the terms of the Condominium Offering Plan for the Building ("Plan"), as amended; and

WHEREAS, Assignor desires to assign to Assignee all of Assignor's right, title and interest in and to the Parking Space License; and

WHEREAS, Assignee desires to assume all of the obligations and responsibilities of Assignor in and to the Parking Space License; and

WHEREAS, the parties hereto wish to set forth their agreements with respect to this Assignment and Assumption of this Parking Space License.

NOW, THEREFORE, in consideration of the mutual promises herein contained, and other good and valuable consideration, the parties hereto agree as follows:

1. ASSIGNMENT: Assignor hereby assigns to Assignee, from and after the date hereof, all of Assignor's right, title and interest in and to the Parking Space License, a copy of which is attached hereto and made a part hereof, for a Purchase Price of $_____.

2. ASSUMPTION: Assignee hereby assumes all of the obligations, promises, covenants and responsibilities of Assignor in and to the Parking Space License as if Assignee had signed the Parking Space License originally as "Licensee."

3. AUTHORIZATION AND DIRECTION: Assignor and 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 the Parking Space.

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, Assignor and Assignee have duly executed this Assignment and Assumption of Parking Space License on the day and year first above written.

ASSIGNOR:

_____
(signature)

ASSIGNEE:

_____
(signature)

APPROVED BY:

The Hendrik Condominium

By: _____
Name:
Title:

DECLARATION OF CONDOMINIUM

DECLARATION

Establishing a Plan for Condominium Ownership of the Premises Known as

THE HENDRIK CONDOMINIUM

and having a street address of

509 PACIFIC STREET
BROOKLYN, NEW YORK 11217

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

Name: **The Hendrik Condominium**

Sponsor: **522-528 LLC**
12 West 23rd Street
New York, New York 10010

Date of Declaration: _____, _____

Prepared by:

STARR ASSOCIATES LLP
Attorneys At Law
220 East 42 Street
New York, New York 10017
(212) 620-2680

The land affected by the within instrument lies in Block 186 F/K/A Lot 1, N/K/A Lots _____ - _____ on the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York

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Exhibits

A – DESCRIPTION OF THE LAND

B – DESCRIPTION OF THE UNITS

C – DEFINITIONS

D – BY-LAWS OF THE CONDOMINIUM

E – UNIT POWER OF ATTORNEY

DECLARATION
OF
THE HENDRIK CONDOMINIUM

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

522-528 LLC, a limited liability company organized under the laws of the State of New York, having an office at 12 West 23rd Street, New York, New York 10010 ("Sponsor"), does hereby declare as follows:

ARTICLE 1
DEFINITIONS

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the context in which they are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

ARTICLE 2
SUBMISSION OF THE PROPERTY

2.1 Sponsor hereby submits the Property to the provisions of the Condominium Act and pursuant thereto, does hereby establish a regime for the condominium ownership of the Property as more particularly set forth herein and in the By-Laws.

2.2 Excluded from the Property are any Excess Development Rights, if any, which shall be retained by Sponsor, who shall have the exclusive right to utilize, sell or otherwise transfer any Excess Development Rights. Excess Development Rights shall inure solely to the benefit of Sponsor or other Development Rights Owner.

ARTICLE 3
NAME OF THE CONDOMINIUM

The Condominium shall be known as the The Hendrik Condominium.

ARTICLE 4
THE LAND

Included in the Property is the Land which is more particularly described in Exhibit A annexed hereto.

ARTICLE 5

THE PROPERTY AND THE BUILDING

5.1 Included in the Property are: 33 Residential Units, 12 Parking Spaces, and a Retail Unit contained in a structure comprising six (6) above-grade construction stories, one (1) below-grade level, and one (1) roof level. There is no 2nd floor designation.

5.1.1 The Residential Units will be located on floors 3 through 7.

5.1.2 The Parking Spaces will be located on the ground floor.

5.1.3 The Retail Unit will be located on portions of the cellar and ground floor.

5.2 The Building is classified as being of fire proof construction. The Building structural system consists of cast-in-place concrete flat building with concrete shear walls as the lateral system. The roof consists of reinforced fluid-applied waterproofing membrane assembly and sloped structural slabs.

ARTICLE 6

THE UNITS

6.1 Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; approximate location in the Building; approximate square footage; number of rooms; the portions of the Common Elements to which such Unit has immediate access; and the Common Interest appurtenant to such Unit. The precise location of each Unit is shown on the Tax Lot Drawings.

6.2 For measurement purposes, the approximate square foot area of each Unit (within reasonable tolerances) is measured horizontally on each of one or more floors from the exterior side of the glass or the exterior walls of the Building to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the midpoint of the interior walls and partitions separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or to the opposite exterior side of the glass or the exterior walls of the Building, as the case may be, however, columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits in all Units are not deducted from measurement of each Unit. Measured vertically, each Unit will consist of the volume from the top of the floor slab (located under the finished flooring and sub-floor materials) to the underside of the floor slab above.

6.3 Each Unit includes, and each Unit Owner shall be responsible for, the front entrance door and any other entrance doors to the Unit including Terrace doors (including, without limitation, all locks, peepholes, doorknobs and hardware), hallways exclusively serving such Unit (if any), non-load-bearing interior walls and partitions, floors and floor coverings and ceilings affixed, attached or appurtenant to the Unit, smoke/carbon monoxide detectors, window panes, fireplaces, fireboxes, dampers, mantels and flues, mechanical systems located in the Unit, heating and cooling systems (including HVAC filters and parts), plumbing, gas and heating fixtures and equipment, including but not limited to, refrigerators, dishwashers, washers and dryers, heating, ventilating and air conditioning units (including the internal fans), heating equipment, ranges and other appliances, sinks, bathtubs, waterclosets and all other Facilities as may be affixed, attached or appurtenant to the Unit and serving the Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, water spigots located on Terraces, and any special pipes or equipment which a Unit Owner may install within the walls, ceilings, or floors, but shall not include gas,

water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors, unless such installations were made by the Unit Owner after the Unit Owner acquired title to the Unit, in which event Unit Owner shall be responsible for such installations. Each Unit shall also include all lighting and electrical fixtures and appliances within the Unit, including those located on Terraces and any special equipment, fixtures or Facilities affixed, attached or appurtenant to the Unit, to the extent located within a Residential Unit from the electrical panel (including electrical branch wiring but excluding electrical service riders) and serving or benefiting only that Unit.

6.4 The Retail Unit also includes, in addition to the items listed in Section 6.3 above, to the extent located in the Retail Unit, and the Retail Unit Owner shall be responsible for, any elevator, escalator, staircase, freight or service entrance, driveway, ramp, canopy and all related Facilities servicing the Retail Unit exclusively including, outdoor signage for the Retail Unit, the exterior side of all windows in or opening from the Retail Unit and any loading docks exclusively servicing the Retail Unit.

6.5 Any Common Elements located within a Unit shall not be considered a part of such Unit.

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

6.7 As of the date of the filing of this Declaration with the Register's Office, fee simple absolute title shall automatically vest in Sponsor in all Units and Sponsor shall be deemed a licensee with respect to all Parking Spaces, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

ARTICLE 7

THE COMMON ELEMENTS

7.1 The Common Elements consist of the entire Property, including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements are comprised of the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements. The Common Elements do not include any Excess Development Rights, if any, which shall be initially retained by Sponsor.

7.2 The General Common Elements consist of the Land and those rooms, areas, corridors and other portions of the Building (other than the Units), as well as those Facilities therein, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. Without intending to limit the generality of the foregoing in any respect, the General Common Elements include:

(i) the Land (including the landscaping appurtenant thereto) and any improvements thereon, together with all easements, rights and privileges appurtenant thereto, except for the Development Rights.

(ii) all foundations, columns, beams, joists, supports, piles, footings, pillars, girders, load-bearing walls, exterior walls, interior walls, partitions, floor slabs and ceilings, window casements and frames, roofs and ceilings in, on, or under the Building, separating a Unit from a

General Common Element, and that portion of all such interior walls, partitions, floors and ceilings separating a General Common Element or the Retail Unit from a Residential Unit and/or Residential Common Element and/or a Residential Limited Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such General Common Element or Retail Unit, as the case may be, to the extent that the same are not expressly included as part of the Residential Common Elements pursuant to the terms of Paragraph 7.3 below or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

(iii) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems, which service both the Residential Units and the Retail Unit and/or both the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements, to the extent that the same are not expressly included as a part of the Residential Common Elements pursuant to the terms of Paragraph 7.3 below or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

(iv) the pump room, fire pump room, domestic water room, telephone room, gas meter room, electrical switch gear room, steam meter room and electrical room, each of which are located on the _____ floor of the Building.

(v) all other parts of the Property, and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property.

7.3 The Residential Common Elements consist of those portions of the Building, as well as those Facilities therein, either currently or hereafter existing for the exclusive common use of the Residential Units or of the Residential Unit Owners only. Without intending to limit the generality of the foregoing in any respect, the Residential Common Elements include:

(i) all stairways, passenger elevators and their respective bulkheads, shafts, pits and equipment rooms and the residential hallways.

(ii) compactor rooms located on Floor _____ and their respective shafts and equipment.

(iii) residential holding room, pool equipment room, security office, main workshop, super's office, assistant super's office, service corridor, kitchen, laundry room, staff lunch room, kitchen and men's and women's staff lockers, each of which are located on Floor _____.

(iv) residential lobby, service entrances, exit corridors, concierge stations, package storage room, parlor, cart room, mail room, each of which are located on Floor _____.

(v) _____

(vi) courtyard/garden and all of the furnishings, structural and decorative elements contained therein, located on Floor _____.

(vii) fitness center and all equipment, finishings and furniture contained therein, located on Floor _____.

(viii) screening room, business center, game room, conference rooms, terrace and mechanical rooms, each of which are located on Floor _____.

(ix) bicycle storage rooms and storage rooms, each of which are located on Floor _____.

(x) cooling towers and water tanks, located on the roof.

(xi) the Parking Space Area, together with all the Parking Spaces therein, located on Floor _____.

(xii) all masonry walls, partitions, floors and ceilings in, on or under the Building, separating a Residential Unit from another Residential Unit or a Residential Common Element and that portion of all such masonry walls, partitions, floors and ceilings separating a Residential Common Element from a General Common Element or the Retail Unit, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Residential Common Element.

(xiii) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems which serve the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements only.

(xiv) all interior portions of the Building and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Residential Units or the Residential Unit Owners or necessary for, or convenient to the existence, maintenance or safety of the Property, to the extent that the same are not expressly included as part of the General Common Elements pursuant to the terms of Paragraph 7.2 above or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

7.4 The Residential Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of one or more specified Residential Units to the exclusion of all other Units. Without intending to limit the generality of the foregoing in any respect, the Residential Limited Common Elements include: the Terraces adjoining certain Residential Units more particularly set forth on Exhibit "B" to this Declaration entitled "Description of Units."

7.5 The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 15 hereof and Section 5.5 of the By-Laws.

ARTICLE 8

DETERMINATION OF COMMON INTEREST AND RESIDENTIAL COMMON INTEREST

8.1 The undivided percentage interest of each Unit in the Common Elements is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

8.2 The percentage interest of all Residential Units in the Residential Common Elements is apportioned in the same proportion that the Residential Units at the date of this Declaration bear to the then aggregate Common Interests of all of the Residential Units in the Condominium.

ARTICLE 9

USE OF UNITS AND PARKING SPACES

9.1 As more particularly set forth in, and subject to the provisions of, the By-Laws, the Residential Units shall be used for residential purposes only (excluding "dormitory," "bed and breakfast" or other transient hotel-type use). A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary or any other entity (including, but not limited to, the federal or state government and any instrumentality thereof and foreign governments and any embassy, consulate, or other instrumentality thereof) may only be occupied (unless the Condominium Board otherwise consents in writing) by such individual, or by an individual officer, director, stockholder or employee of such corporation, or by an individual partner or employee of such partnership, or by such individual fiduciary (including directors, officers, stockholders or employees of corporate fiduciaries and partners or employees of partnership fiduciaries) or by an individual beneficiary of said fiduciary, or an individual principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing; however, the foregoing restrictions shall not apply to Unsold Residential Units.

Upon the prior written consent of Sponsor (1) (with respect to Unsold Residential Units) or the Condominium Board (with respect to sold Residential Units), any Residential Unit may be used for any other lawful purposes, subject, however, to (2) the terms and conditions of the then existing TCO or PCO for the Building and the By-Laws, and (3) applicable Law.

9.2 The Retail Unit may be used for any purpose permitted by Law.

9.3 A Parking Space may be used only for the parking of passenger automobiles and motorcycles. No representation is made as to the type or size of vehicles that can be accommodated in any particular Parking Space. Sponsor shall have the right to use any unassigned Parking Space for any purpose permitted by Law or to change the permitted use of any unassigned Parking Space, subject, however, to the provisions of the By-Laws. Except for Sponsor and the Condominium Board, a Parking Space may not be licensed independently of a Residential Unit.

9.4 The Parking Spaces or Parking Space Area will not be serviced by an emergency generator. In the event of a power outage, any resulting loss or damage will be at the sole cost of the Parking Space Licensee. The Condominium Board, its agents and employees, and Sponsor shall not be liable for any loss or damage caused by power outages, temperature fluctuations or other causes in the Parking Space Area.

9.5 Notwithstanding the foregoing or anything contained in the By-Laws or the Residential Rules and Regulations to the contrary, Sponsor may, without the permission of the Condominium Board, (1) use or grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, provided such use is permitted by Law, and does not violate the then existing certificate of occupancy for the Building or any other governmental regulations, (2) use any Unsold Residential Units as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Residential Units or for any other purpose, subject only to compliance with Law, (3) use any Parking Space for any purpose permitted by Law, and (4) lease any Unsold Residential Unit to third parties for either long term or short term stays.

ARTICLE 10

EASEMENTS FOR THE ENJOYMENT OF THE COMMON ELEMENTS

10.1 Subject to the terms of this Declaration, the By-Laws and the Residential Rules and Regulations, if applicable, Sponsor, the Unit Owners, the Managing Agent, the Condominium Board and all Permitted Users of the foregoing shall have, in common with all of the others, an easement for ingress and

egress through, as well as for the use and enjoyment of, all of the General Common Elements, and the General Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no Person shall use or enjoy the General Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other Persons to do so.

10.2 Subject to the terms of the By-Laws and the Residential Rules and Regulations, if applicable, Sponsor, the Residential Unit Owners, Selling Agent, the Managing Agent, the Condominium Board and all Permitted Users of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Residential Common Elements, and the Residential Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no person shall use or enjoy the Residential Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other persons to do so.

10.3 The Retail Unit Owner and its Permitted Users shall have an easement in, over, under, through or upon the Common Elements (i) for the purpose of accessing the Retail Unit or any portion of the Building servicing the Retail Unit, (ii) for the purpose of exiting the Building in the event of an emergency, and (iii) to install, operate, maintain, repair, alter, rebuild, restore and replace any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or Facilities forming a part of or servicing the Retail Unit. In addition to the foregoing, the Retail Unit Owner and its Permitted Users shall have the right and an easement, as applicable, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any, (i) subject only to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit, to alter, modify, and/or restore the exterior façade and/or the windows of the Retail Unit, including, without limitation, any storefronts, (ii) subject only to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit, to create additional means of egress and ingress to the Retail Unit, (iii) to erect, maintain, repair and replace one or more signs and lighting, of such size and content as the Retail Unit Owner shall determine in the windows of the Retail Unit, including, without limitation, any storefronts of the Retail Unit, for the purposes of advertising (a) the sale or rental of all or any portion of the Retail Unit or (b) the operation of any business for which the Retail Unit is used, and (iv) to use the sidewalk adjacent to the Retail Unit for any purposes permitted by Law, including, without limitation, food and beverage services and the placement of outdoor seating, tables, lighting and signage on such sidewalk, provided that the entrances to the Building are not impeded by such use. In the event the Retail Unit Owner utilizes a sidewalk adjacent to the Retail Unit, the maintenance, replacement, and repair of the sidewalk during the period of use, together with all costs and expenses associated therewith, shall be the responsibility of the Retail Unit Owner.

10.4 Each Residential Unit Owner whose Residential Unit has one or more appurtenant Residential Limited Common Elements shall have an exclusive easement for the use thereof. The Residential Units having the same are indicated on Exhibit B.

10.5 Sponsor and its Permitted Users shall have an easement in, over, under, through and upon the General Common Elements and Residential Common Elements (including but not limited to, residential lobbies, hallways and corridors), to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the sale or renting of Unsold Residential Units, including, without limitation, the right to erect, maintain, replace and/or repair any sign and/or lighting permitted by Law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit or the operation of any business of a tenant or occupant of any Unit.

10.6 In addition to and without limiting the generality of all other easements and rights granted herein, for the purpose of performing any necessary structural or extraordinary maintenance, repairs, or replacements on the Terraces (including without limitation those relating to the drains located beneath the pavers on the Terraces), Sponsor, the Managing Agent, and the Condominium Board and each of their

respective Permitted Users, shall have an easement in, through and upon (a) all Residential Units which have an appurtenant Terrace and (b) all Terraces appurtenant to Residential Units.

ARTICLE 11
OTHER EASEMENTS

11.1 Subject to the terms of the By-Laws and to the Residential Rules and Regulations, if applicable, each Unit Owner shall have an easement in common with all other Unit Owners to use, maintain, repair, alter and replace all Common Elements located in any of the other Units or elsewhere on the Property which serve such Unit Owner's Unit, including an easement to connect to existing utilities, including without limitation, utilities for gas, electricity, steam and ventilation. Each Unit (including any Common Elements located therein shall be subject to an easement in favor of all Unit Owners to use, maintain, repair, alter and replace all Common Elements located in such Unit or elsewhere on the Property which serve other Units. All easements and rights of access described in this Section shall be exercised by the Condominium Board on behalf of all Unit Owners. The Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements contained therein and appurtenant thereto (including Parking Spaces) to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. Such easements and rights of access shall be exercised by the Condominium Board and/or Sponsor, and each of their Permitted Users, as the case may be, to the extent practicable, in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on reasonable prior notice based on the nature of the repair or replacement but in no event on less than two days' notice, except that no notice will be necessary in the case of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building). Plans and specifications with respect to any such proposed work shall be submitted by the Unit Owner who has requested that the Condominium Board exercise any such easement or right of access, to the Unit Owner whose Unit is to be accessed and all work is to be prosecuted diligently to completion. Notwithstanding any other provision of this Declaration, the By-Laws or the Residential Rules and Regulations, if applicable, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected.

11.2 Sponsor for so long as it shall own any Unsold Residential Unit, the Retail Unit Owner with respect to the Retail Unit and the Condominium Board, on behalf of all Unit Owners, shall have the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Sponsor, the Retail Unit Owner or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the Unit Owners and their Permitted Users, provided that the granting of such additional utility easements or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business carried on within the Retail Unit or with the use of the Residential Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. Any utility company and its employees and agents shall have the right of access to each Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the normal conduct of business or with the use of the Units for their permitted purposes. Notwithstanding any other provision of this Declaration, the By-Laws or the Residential Rules and Regulations, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely

affected. In addition, Sponsor reserves the right to install additional fireplace flues and mechanical equipment on the roof of the Building.

11.3 Sponsor and its Permitted Users for so long as Sponsor shall own any Unsold Residential Unit, shall have an easement for ingress and egress through all of the Common Elements in order to make alterations, additions, or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Unsold Residential Units and the Common Elements.

11.4 Each Unit and the Common Elements shall have easements of subjacent support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

11.5 Sponsor, and its Permitted Users shall have an exclusive easement for so long as Sponsor owns an Unsold Unit to erect, use, lease, maintain, repair, replace and operate (a) antennae, satellite dishes and other communications equipment, and (b) any pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust, or ventilation as required or, as permitted by Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements (including Residential Limited Common Elements and Parking Spaces) and to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith. The exercise of the easement and these rights do not require the consent of the Condominium Board or the Unit Owners and shall be without charge to Sponsor. Any obligations of Sponsor under any lease, license or other right of use granted by Sponsor with respect to the roof and/or the façade of the Building shall be the obligation of Sponsor and not of the Condominium, and any rights of Sponsor, including, without limitation, the right to receive rent or other consideration for such lease, license or other right of use, shall be the right of Sponsor, and not of the Condominium or any other Unit Owner. In connection with such easement and related rights, Sponsor and its Permitted Users shall each have, to the extent necessary or advisable for such erection, use, lease, maintenance, repair, replacement and operation, an easement in common with all Unit Owners for ingress, egress and the use of any Common Elements. The Units shall each be subject to such easement.

11.6 Sponsor shall have an easement for ingress and egress through all of the Common Elements for any purpose in connection with Sponsor's utilization, sale or transfer of any Excess Development Rights, including, without limitation, (i) effecting a zoning lot merger or division; or (ii) creating a Combined Zoning Lot or any enlargement or subdivision thereof; or (iii) effecting a sale or transfer of Excess Development Rights in any manner permitted by Law.

11.7 Subject to the terms of the By-Laws, the Retail Unit Owner shall have an easement to install, operate, maintain, repair, alter, rebuild, restore and replace any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or facilities forming a part of or relating to the Retail Unit in, over, under, through or upon the Common Elements or elsewhere on the Property; provided that access to the Common Elements or other portions of the Property in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use of the Common Elements and such other portions of the Property for their permitted purposes.

11.8 The Condominium and Building shall be designated and known as the The Hendrik Condominium. Sponsor shall own and control all rights and interest, appurtenant to the name of the Condominium and/or the Building and any intellectual property relating thereto, including without limitation, any logos, marks, websites, trademarks, copyrights or names relating to or referring to the name of the Condominium or the Building, unless otherwise prohibited by Law. Only Sponsor shall have the right to change or assign the name of the Condominium. In addition, Sponsor shall have the right to utilize other names for the Building or portions thereof for marketing and promotional purposes without the consent of the Condominium Board or the Unit Owners. Sponsor shall have an exclusive easement for so long as the Condominium shall remain in existence to erect, maintain, repair and replace, from time to time, a

plaque and/or sign ("Plaque"), without charge, on the exterior portion of the Building setting forth the name and address of Sponsor, or such other information as Sponsor desires in its sole discretion. Only Sponsor shall have the right to remove the Plaque, unless mandated by Law.

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

11.10 In addition to the specific easements set forth in this Article 11 and in Article 10 hereof, the Property and every portion thereof shall be subject to all easements made with the City of New York or with any utility companies or other Persons in effect prior to the recording of this Declaration.

ARTICLE 12

ALTERATIONS, ADDITIONS, IMPROVEMENTS AND CHANGES TO UNSOLD RESIDENTIAL UNITS AND RETAIL UNIT

12.1 Except to the extent prohibited by Law, Sponsor shall have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any:

(a) to make alterations, additions, improvements, or repairs in or to the interior portions of Unsold Residential Units and their appurtenant Residential Limited Common Elements, whether structural or non-structural, ordinary or extraordinary, including, without limitation, any alterations with respect to the type, number, or layout of rooms in each Unsold Residential Unit.

(b) to amend the Certificate of Occupancy of the Building with respect to the use or number of the Unsold Residential Units.

(c) without amendment to the Plan, to (i) subdivide and/or combine any Unsold Residential Unit and/or (ii) change any Unsold Residential Units in size by relocating a boundary wall between Unsold Residential Units and/or or (iii) otherwise change the size and/or number of Unsold Residential Units, including incorporating Residential Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit without changing the percentage of Common Interest of such Unit. In the event of a subdivision, combination, and/or change in size of any Unsold Residential Unit, Sponsor shall additionally have the right to reapportion among the affected Unsold Residential Units their respective Common Interests.

provided, however, that, with respect to any such alteration, addition, improvement, or change in, to, of, or upon any Unsold Residential Unit:

(d) no physical modifications shall be made to any other Unit and the Common Interest and Residential Common Interest (other than Unsold Residential Units), as the case may be,

or interior dimensions of any other Units (other than Unsold Residential Units) shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto.

(e) Sponsor shall comply with Law and the terms of this Declaration and the By-Laws.

(f) Sponsor shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom.

(g) such alteration, addition, improvement, repair or change shall not jeopardize the soundness, mechanical systems or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

Notwithstanding the foregoing, however, the aggregate amounts of both the Common Interests of all the Units and the Residential Common Interests of all Residential Units shall always remain at 100%, and no reapportionment of the Common Interest or Residential Common Interest appurtenant to any Unit, as the case may be, shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest and, if applicable, Residential Common Interest of the affected Unit has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered by Sponsor or any other Person reasonably acceptable to the Condominium Board. By written permission of the Condominium Board, which permission shall not be unreasonably withheld, conditioned, or delayed, any other Residential Unit Owner may be given with respect to such Residential Unit the same rights and be subject to the same limitations and conditions as are set forth in this Article with respect to Unsold Residential Units. Notwithstanding the other provisions of this Article, no reapportionment of the Common Interests appurtenant to any Residential Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest of the affected Residential Unit has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered by the Residential Unit Owner or any other Person reasonably acceptable to the Condominium Board. The provisions of this Article may not be added to, amended, modified, or deleted without the prior written consent of Sponsor.

12.2 Except to the extent prohibited by Law, the Retail Unit Owner and its Permitted Users shall have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any:

(h) to make alterations, additions, improvements, or repairs in or to the interior portions of the Retail Unit, whether structural or non-structural, ordinary or extraordinary, including, without limitation, any alterations with respect to the type, number, or layout of rooms in The Retail Unit.

(i) to amend the Certificate of Occupancy of the Building with respect to the use or number of the Retail Unit.

(j) without amendment to the Plan, to (i) subdivide and/or combine the Retail Unit and/or (ii) change the Retail Unit in size by relocating a boundary wall between retail units. In the event of a subdivision, combination, and/or change in size of the Retail Unit, the Retail Unit Owner shall additionally have the right to reapportion among the Retail Unit their respective Common Interests.

(k) subject only to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit, to (i) alter, modify, and/or restore the exterior façade and/or the windows of the Retail Unit, including, without limitation, any storefronts, and (ii) create additional means of egress and ingress to the Retail Unit.

provided, however, that, with respect to any such alteration, addition, improvement, or change in, to, of, or upon the Unit:

(i) no physical modification shall be made to any other Unit, and the Common Interest and Residential Common Interest, as the case may be, or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(ii) the Retail Unit Owner shall comply with Law and the terms of this Declaration and the By-Laws;

(iii) the Retail Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

(iv) such alteration, addition, improvement, repair or change shall not jeopardize the soundness, mechanical systems or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

Any additional condominium units created as a result of a subdivision of the Retail Unit will retain the same rights, privileges, and benefits afforded the original Retail Unit Owner and will be subject to the same obligations imposed on the original Retail Unit Owner, as set forth in this Declaration and the By-Laws. Notwithstanding the foregoing, in the event of a subdivision of the Retail Unit, the resulting Unit Owners of the subdivided Retail Unit shall have the right to designate, collectively, 1 member to the Condominium Board.

Notwithstanding the foregoing, however, the aggregate amounts of the Common Interest of all the Units and the Residential Common Interests of all Residential Units shall always remain at 100%, and no reapportionment of the Common Interest appurtenant to the Retail Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered, at the Retail Unit Owner's election, by the Retail Unit Owner, Selling Agent, the Managing Agent, or any other Person reasonably acceptable to the Condominium Board. The provisions of this Article may not be added to, amended, modified, or deleted without the prior written consent of the Retail Unit Owner.

ARTICLE 13

ACQUISITION OF UNIT BY THE CONDOMINIUM BOARD

If (a) any Residential Unit Owner surrenders the Residential Unit, together with its Appurtenant Interests to the Condominium Board pursuant to the terms of the By-Laws or Section 339-x of the Condominium Act, or (b) the Condominium Board, pursuant to the By-Laws or otherwise, either acquires or leases a Unit, together with its Appurtenant Interests, purchases, a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title to any such Unit and such Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

ARTICLE 14

POWER OF ATTORNEY TO SPONSOR AND THE CONDOMINIUM BOARD

14.1 Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney in-fact, coupled with an interest and with power of substitution, Sponsor, to:

(a) amend the Condominium Documents pursuant to the terms thereof, and to effectuate the rights of Sponsor under the Condominium Documents; and

(b) effectuate Sponsor's utilization, sale or transfer of all or any portion of the Excess Development Rights, as set forth in this Declaration.

14.2 Each Residential Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Residential Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney in-fact, coupled with an interest and with power of substitution, the Persons who shall from time to time constitute the Condominium Board, jointly, to:

(a) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and commencing, pursuing, appealing, settling and/or terminating administration and tax certiorari proceedings on behalf of the Residential Unit Owners for the reduction of the assessed valuation of their Residential Units, such Residential Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire, lease or license any Residential Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, sublease or surrender the same or acquire any Residential Unit, together with its Appurtenant Interests that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners;

(c) acquire, mortgage, lease, sublease, license, convey or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Residential Unit so acquired or to sublease any Residential Unit so leased; and

(d) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Property or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which the Condominium Board deems necessary or appropriate or (3) any protest and tax certiorari proceeding documentation affecting Residential Units.

14.3 In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Sponsor or the Condominium Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Power of Attorney, substantially in the form set forth as Exhibit E to this Declaration.

ARTICLE 15

TERMINATION OF CONDOMINIUM

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws) until such time as the Property is withdrawn from the provisions of the Condominium Act as authorized by a vote of the Retail Unit Owner and 80% in number and in Residential Common Interest of all Residential Unit Owners. No such vote shall be effective, however, without the written consent (which consent shall not be unreasonably withheld, conditioned, or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any. In the event the withdrawal is authorized as aforesaid, but only in such event, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of such Unit Owner's share of such net proceeds all liens on the Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 16

COVENANT OF FURTHER ASSURANCES

16.1 Any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a Member or officer of the Condominium Board or a Permitted User of either or otherwise, shall, upon prior reasonable written request at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

16.2 If any Unit Owner, the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which the Condominium Board, Unit Owner or other Person is required to execute, acknowledge and deliver or to take pursuant to this Declaration, or (ii) to deliver a written notice to the Person requesting such execution, acknowledgement or delivery, and to the Condominium Board stating the reasons why such Unit Owner, Condominium Board or other Person refuses to execute, acknowledge or deliver such instrument or take such action, then the Condominium Board or other Person is hereby authorized as attorney-in-fact for such Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner, Condominium Board or other Person and such document or action shall be binding on such Unit Owner, Condominium Board or other Person.

16.3 If any Unit Owner, the Condominium Board or other Person that is subject to the terms of this Declaration fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, to execute, acknowledge or deliver any instrument which such Unit Owner, Condominium Board or other Person is required to execute, acknowledge or deliver pursuant to this Declaration at the request of Sponsor or the Retail Unit Owner, then Sponsor or the Retail Unit Owner is hereby authorized, as attorney-in-fact for the Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, in the name of the Unit Owner, Condominium Board or other Person, and such instrument shall be binding on the Unit Owner, Condominium Board or other Person. The Condominium Board shall not unreasonably

withhold or delay its consent or approval with respect to any matter contained in this Declaration which requires the consent or approval of the Condominium Board.

ARTICLE 17

COVENANTS RUNNING WITH THE LAND

17.1 All provisions of this Declaration, the By-Laws and the Residential Rules and Regulations which are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and owner's heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public. All present and future owners, tenants, subtenants, licensees, and other occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Residential Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Residential Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease or use and occupancy agreement thereof.

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

17.3 Subject to Section 17.2, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 18

EXCESS DEVELOPMENT RIGHTS

18.1 Any Excess Development Rights shall be retained by Sponsor, who shall have the exclusive right to utilize, sell or otherwise transfer any Excess Development Rights. Excess Development Rights shall inure solely to the benefit of Sponsor or other Development Rights Owner. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Excess Development Rights.

18.2 In connection with its utilization of Excess Development Rights, Sponsor or Development Rights Owner, among other rights, may cause the Property to be divided into two or more parcels which collectively are referred to as the "Combined Zoning Lot."

18.3 Each Unit Owner by accepting a deed or otherwise succeeding to title to a Unit, and the Condominium Board, shall be deemed to have consented to and agreed that, if Sponsor or a Development Rights Owner seeks to enlarge the Combined Zoning Lot by adding other parcels of real property ("Additional Parcels") so as to create an enlarged Combined Zoning Lot, or seeks to utilize or transfer Excess Development Rights for the purposes and in accordance with the provisions of the Zoning Resolution or other applicable Law, the Condominium Board and the Unit Owner have (i) waived the right to execute any declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air or other document or instrument and the right to appear in opposition before any community board or governmental or quasi-governmental authority to oppose in any manner the utilization, sale or transfer of Excess Development Rights or the establishment of the Combined Zoning Lot or any enlargement, division or proposed use thereof; and (ii) consented as a party in interest, to any declaration or other agreement utilizing the Excess Development Rights in any manner, including by effecting a transfer of Excess Development Rights or a merger or division of any of the parcels comprising the Combined Zoning Lot with any other tax lots in order to form a single zoning lot for the purpose of transferring all or any portion of the Excess Development Rights from Sponsor or a Development Rights Owner.

18.4 Notwithstanding the provisions of the immediately preceding paragraph, each Unit Owner by accepting a deed or otherwise succeeding to title to a Unit, and the Condominium Board, shall be deemed to have granted to Sponsor and any Development Rights Owner an irrevocable power of attorney coupled with an interest, to execute, acknowledge and deliver any such declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air, or other document or instrument necessary or expedient to carry out the exercise of any rights, reserved, retained or granted to Sponsor or Development Rights Owner. Alternatively, upon demand of Sponsor or a Development Rights Owner, each Unit Owner and the Condominium Board shall execute any declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air, or other document or instrument requested by Sponsor or Development Rights Owner in order that (i) Sponsor or Development Rights Owner may effectively utilize, sell or otherwise transfer Excess Development Rights to any Person designated by Sponsor or Development Rights Owner, and (ii) such Person may effectively utilize such Excess Development Rights.

18.5 Notwithstanding the foregoing, neither Sponsor nor any Development Rights Owner may utilize Excess Development Rights to increase the size, height, bulk or density of any portion of the Property.

18.6 All rights and obligations of Sponsor set forth in this Declaration with respect to the Excess Development Rights shall apply equally to any Development Rights Owner.

ARTICLE 19

AMENDMENTS TO THIS DECLARATION

19.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or the Retail Unit Owner, any provision of this Declaration affecting the (i) General Common Elements or all Unit Owners may be added to, amended, modified or deleted by the affirmative vote of at least 66-2/3% in number and in Common Interest of all Unit Owners and (ii) Residential Common Elements or all Residential Unit Owners may be added to, amended, modified or deleted by affirmative vote of at least 66-2/3% in number and Residential Common Interest of all Residential Unit Owners, taken in accordance with the provisions of the By-Laws; provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners directly affected. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or the Retail Unit Owner, no amendment, modification, addition or deletion shall be effective without the written consent (which consent shall not be unreasonably withheld, conditioned, or delayed) of the Mortgage Representatives (as defined in the By-Laws), if any. No such amendment, modification, addition or deletion shall be effective until recorded in the Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or the Retail Unit Owner, any such amendment, modification, addition or deletion shall be executed by either the Condominium Board as attorney-in-fact for the Unit Owners, coupled with an interest, and the Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Subject to the rights of Sponsor set forth herein, this Section 19.1 of the Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, if any, as set forth above) 80% in number and in Common Interest of all Unit Owners affected thereby, approve such amendment, modification, addition or deletion in the manner set forth above.

19.2 Sponsor shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record (or, at Sponsor's sole option, to require the Condominium Board or any other Unit Owners to execute, acknowledge and record) in the Register's Office and elsewhere, if required by Law, one or more amendments to this Declaration, the By-Laws, the Residential Rules and Regulations and the Tax Lot Drawings of the Condominium as Sponsor deems appropriate to effectuate the same:

(i) to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interest of the affected Unsold Residential Units resulting therefrom made by Sponsor in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by Sponsor to make a loan secured by a mortgage on any Unsold Residential Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Sponsor to insure title to any Unsold Residential Unit; or

(iii) to correct any inconsistencies or scrivener's errors in the Declaration, the By-Laws and/or Tax Lot Drawings; or

(iv) to relinquish any rights granted to Sponsor hereunder.

Provided, however, that any amendment made pursuant to the terms of subparagraph (i) or (ii) of this Section shall not (1) change the Common Interest of any Unit other than a Unit owned by Sponsor, or (2) require a material, physical modification of any Unit other than a Unit owned by Sponsor, or (3) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event described in (1) or (2) of this

Section) or the holder of such mortgage (in the event described in (3) of this Section) shall consent thereto by joining in the execution of such amendment.

19.3 The Retail Unit Owner shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record in the Register's Office or elsewhere, if required by Law, one or more amendments to this Declaration (including, without limitation, to Exhibit B hereto), together with such documents, plans and maps as the Retail Unit Owner deems appropriate to effectuate the same:

(i) to reflect any changes in the Retail Unit and/or the reapportionment of the Common Interest of the Retail Unit resulting therefrom made by the Retail Unit Owner in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by the Retail Unit Owner to make a loan secured by a mortgage on the Retail Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by the Retail Unit Owner to insure title to the Retail Unit, as such requirements relate solely to the Retail Unit; or

(iii) to correct any inconsistencies or scrivener's errors in the Declaration, By-Laws and/or Tax Lot Drawings.

(iv) to reflect any changes that solely affect the Retail Unit and do not materially and adversely affect the Residential Units and/or the Residential Unit Owners; provided, however, that any such amendment shall not (1) change the Common Interest or Residential Common Interest of any other Unit, or (2) require a physical modification of any other Unit, or (3) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event described in subparagraph (1) or (2) of this Section) or the holder of such mortgage (in the event described in subparagraph (3) of this Section) shall consent thereto by joining in the execution of such amendment.

19.4 Any amendment to this Declaration may be executed; (i) if on behalf of Sponsor pursuant to the terms of Section 19.2 hereof, by Sponsor, (ii) if on behalf of the Retail Unit Owner pursuant to the terms of Section 19.3 hereof, by the Retail Unit Owner, or (iii) if on behalf of the Unit Owners or by the Condominium Board, by any officer of the Condominium. If the amendment requires the approval of a specific percentage of Unit Owners pursuant to the terms of this Declaration or the By-Laws, then there shall be attached to such amendment an original executed Secretary's Certificate, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this Declaration or the By-Laws) in writing without a meeting, in which Certificate shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

19.5 Notwithstanding anything contained in the Condominium Documents to the contrary, if any Residential Unit Owner, with the prior approval of the Condominium Board changes the size and/or number of Residential Units owned by such Residential Unit Owner by either (w) subdividing a Residential Unit(s) into two or more separate Residential Units, (x) combining a Residential Unit into one or more Residential Units, (y) altering the boundary walls between any adjacent Residential Units owned by such Residential Unit Owner, or (z) otherwise, including incorporating Residential Common Elements (such as a portion of a hallway used exclusively by the owner of such Residential Unit) which exclusively benefit a Residential Unit into such Residential Unit, then the Condominium Board on behalf of such Residential Unit Owner and at the Residential Unit Owner's sole cost and expense, shall have the right to execute, and record in the City Register's Office and elsewhere, if required by Law, any amendment to this Declaration and other documents which are necessary or appropriate to reflect the changes made by the Residential Unit Owner, all without the approval of the other Unit Owners, provided, however, that any such amendment shall not (1) change the

Common Interest or Residential Common Interest of any other Unit, or (2) require a physical modification of any other Unit, or (3) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender, unless the owner of such affected Unit (in the event described in (1) or (2)) or the holder of such mortgage (in the event described in (3)) shall consent thereto by joining in the execution of such amendment.

19.6 Notwithstanding anything contained in the Condominium Documents to the contrary, but subject to any limitation imposed by the Condominium Act, no amendment to the Condominium Documents shall be effective in any respect against Sponsor or the Retail Unit Owner, if the same would (i) unreasonably interfere with the sale, lease, or other disposition of any Unit owned by Sponsor or the Retail Unit Owner, as the case may be, (ii) abridge, modify, suspend, eliminate, or otherwise affect any right, power, easement, privilege, or benefit granted to Sponsor or the Retail Unit Owner, as the case may be, unless such amendment is consented to in writing by Sponsor or the Retail Unit Owner, as the case may be, or (iii) impose any discriminatory charge or fee against Sponsor or the Retail Unit Owner, unless Sponsor or the Retail Unit Owner shall consent to such amendment in writing.

19.7 The provisions of this Article may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor or the Retail Unit Owner if the same relate to Sponsor or the Retail Unit Owner.

19.8 No amendment to the Condominium Documents which would materially and adversely affect the holder of any Permitted Mortgage shall be effective without the prior written consent of 51% of the Permitted Mortgagees or a majority of the Mortgage Representatives, if any. If the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the proposed amendment, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

ARTICLE 20

CONSENTS BY SPONSOR

When the consent, approval, satisfaction, or permission of Sponsor is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required when (i) Sponsor no longer owns any Units; (ii) Sponsor has completed all of its obligations under the terms of the Offering Plan and (iii) a PCO has been issued for the Property.

ARTICLE 21

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York, is hereby designated to receive service of process in any action which may be brought against the Condominium.

ARTICLE 22

INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit Power of Attorney annexed hereto as Exhibit E; (vi) the Tax Lot Drawings; and (vii) the Offering Plan are,

by this reference, each incorporated herein and made a part of this Declaration as if set forth at length in the text hereof.

ARTICLE 23
WAIVER

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

ARTICLE 24
SEVERABILITY

Subject to the provisions of Section 17.2 and 17.3 of Article 17 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provisions of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

ARTICLE 25
SUCCESSORS AND ASSIGNS

The rights and/or obligations of Sponsor and the Retail Unit Owner as set forth in this Declaration and the By-Laws shall inure to the benefit of and be binding upon any successor or assignee or designee of Sponsor and the Retail Unit Owner. Sponsor and the Retail Unit Owner shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their interest therein, whether by merger, consolidation, lease, assignment, or otherwise.

ARTICLE 26
CAPTIONS

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

ARTICLE 27
CERTAIN REFERENCES

26.1 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.

26.2 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.

26.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 28

GENERAL

Except as required by Law, neither Sponsor nor any of its principals shall be subject to any of the restrictions and/or prohibitions with regard to the Common Elements, Units, and/or Parking Spaces set forth in this Declaration or the By-Laws annexed hereto.

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the ___ day of _____, _____.

* * * * *

SPONSOR:

522-528 LLC

By:_____
Name: Jeffrey Gershon
Title: Managing Member

(ACKNOWLEDGEMENT)

STATE OF NEW YORK)
) ss.:
COUNTY OF Kings)

On the _____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of whom the individual(s) acted, executed the instrument.

_____
Notary

EXHIBIT A

TO THE DECLARATION

DESCRIPTION OF THE LAND

The Hendrik Condominium
509 Pacific Street
Brooklyn, New York 11217
Block: 186

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

[See the Schedule A – Description of the Land in the Specimen Title Report set forth in Part II of the Plan.]

EXHIBIT B

TO THE DECLARATION

DESCRIPTION OF THE UNITS

The Hendrik Condominium
509 Pacific Street
Brooklyn, New York 11217

[To be completed prior to Recording of the Declaration.]

UNIT	NUMBER OF BEDROOMS/ BATHS	APPROXIMATE TOTAL SQ. FT.		BLOCK 186 TAX LOT NO.	PERCENTAGE OF COMMON INTEREST	FLOOR NO.	LOCATION IN PORTION OF BUILDING FACING DIRECTION SET FORTH BELOW	COMMON ELEMENTS TO WHICH UNIT HAS IMMEDIATE ACCESS
		UNIT	TERRACE					

EXHIBIT C

DEFINITIONS

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

"Additional Deposit" shall mean a deposit in an amount equal to 5% of the Purchase Price required to be delivered by Purchaser before the earlier to occur of (i) 6 months after the date on which a Purchase Agreement is executed by Sponsor and Purchaser, or (ii) 15 days after the Presentation Date of an amendment declaring the Plan effective.

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

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

"Building" shall mean the building located at 509 Pacific Street, Brooklyn, New York 11217.

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

"Bulk Sales" shall mean the transfer of 10 or more Residential Units or 20% of the total number of Residential Units in the Condominium, whichever is less.

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

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

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

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

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

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

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

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

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

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

"Condominium Documents" shall mean the Declaration, the By-Laws, the Residential Rules and Regulations and the Tax Lot Drawings.

"Construction Lender" shall mean a Person, together with its respective successors and assigns, from whom Sponsor has procured, or will have procured, an agreement for financing the construction of the Building.

"Declarant" shall mean 522-528 LLC and its successors and assigns.

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

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

"Deposits" shall mean, collectively, all deposits, advances and payments delivered by a Purchaser prior to the Closing of a Unit, including, without limitation, the Initial Deposit and Additional Deposit.

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

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

"Equal or Better Quality" shall mean comparable or better quality as recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable.

"Excess Development Rights" shall mean certain rights, as determined by the Zoning Resolution of the City of New York ("Zoning Resolution"), that are available as of the date of the Declaration or may become available thereafter by any means, and are appurtenant to a zoning lot, whereby (a) contiguous tax lots may be merged into a single zoning lot ("Combined Zoning Lot") and the Combined Zoning Lot or a portion thereof may be developed by erecting thereon one or more structures with (i) "floor area" (as such term is defined in the Zoning Resolution); (ii) any bulk and density development rights permitted

under the Zoning Resolution, (iii) any so-called bonus redevelopment rights hereafter appurtenant to the Property; or (b) excess "floor area" not utilized by the Building as of the date of the Declaration may be utilized on the zoning lot or transferred to other zoning lots as permitted by the Zoning Resolution.

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

"Family Members" shall mean the spouse, domestic partner, their children, stepchildren, grandchildren, siblings, stepsiblings, aunts, uncles, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Residential Unit Owner who reside in such Residential Unit Owner's Residential Unit.

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

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

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

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

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

"Floor Plans" shall mean the floor plans depicting the proposed layouts of the Units and the Parking Spaces that appear in Part II of the Plan.

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

"GBL" shall mean Section 352-e of the New York State General Business Law, as amended from time to time.

"General Common Elements" shall mean those certain portions of the Property (other than the Units), as well as those Facilities therein, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property, as more particularly described in the Declaration and the Tax Lot Drawings except with respect to the Ancillary Amenities, which are available only for use by the licensee of the particular Ancillary Amenity.

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

"Initial Deposit" shall mean a deposit in an amount equal to 10% of the Purchase Price required to be delivered by Purchaser at the time Purchaser signs and delivers the Purchase Agreement.

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

"Institutional Mortgage" shall mean any Permitted Mortgage where the initial holder is either Sponsor or an Institutional Lender.

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

"Land" shall mean the land located in the Borough of Brooklyn on the Tax Map of the Division of Land Records of The City of New York as Block 186, Lot 1 and more particularly described in Exhibit A to the Declaration.

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

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

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

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

"Mortgage Representative" shall mean not more than three (3) representatives designated by the holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages, which Mortgage Representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or the By-Laws.

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

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

"Parking Space" shall mean any Parking Space located in the Parking Space Area. Each Parking Space is a Residential Common Element. Any reference in the Plan to "owning a Parking Space" means that the Residential Unit Owner has entered into a Parking Space License for the Parking Space.

"Parking Space Area" shall mean an attended area located in the ground floor of the Building containing the Parking Spaces. The Parking Space Area is a Residential Common Element.

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

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

"PCO" shall mean the permanent certificate of occupancy for the Building issued by the Buildings Department.

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

"Permitted Mortgage" shall mean a first mortgage permitted to be placed upon a Unit pursuant to the provisions of the By-Laws.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Special Assessment" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws), in accordance with the By-Laws of the Condominium.

"Sponsor" shall mean 522-528 LLC and its successors and assigns as well as any other Person(s) designated by Sponsor, in a writing to the Condominium Board or by amendment to the Plan, to retain Sponsor's rights under the Plan and the Condominium Documents.

"Sponsor Control Period" shall mean the period ending on the earlier to occur of: (i) the fifth anniversary of the First Closing; (ii) the Closing of Title to all Units (including the Retail Unit); or (iii) the date on which Sponsor otherwise exercises its right to relinquish voting control of the Condominium Board.

"Tax Lot Drawings" shall mean the floor plans of the Units certified by a professional engineer or licensed architect and filed in the Register's Office simultaneously with the recording of the Declaration, as the same may be supplemented and/or amended from time to time.

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

"Terrace" shall mean any terrace, balcony or garden which is appurtenant to a Residential Unit as a Residential Limited Common Element and shall include any pavers, decking and drains, hose bibs, electrical outlets, lighting and light fixtures, enclosures and dividers installed thereon. All such terraces, balconies or gardens are, collectively, referred to as the "Terraces."

"Title Company" shall mean New York Land Services: Commonwealth Land Title Insurance Company, having an office at 630 Third Avenue, 12th Floor, New York, New York 10017 (telephone: (212) 490-2277, facsimile: (212) 490-8012), or any successor Title Company at the time in question.

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

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

"Unit Owner Property" shall mean all appliances, equipment, flooring, fixtures, improvements, furniture, furnishings, decorations, belongings, and other personal property of any kind contained in a Unit, any Limited Common Elements appurtenant thereto, and any Parking Space.

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

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

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

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

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

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

BY-LAWS OF THE CONDOMINIUM

EXHIBIT D

TO THE DECLARATION

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BY-LAWS

OF

THE HENDRIK CONDOMINIUM

Prepared by:

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BY-LAWS

ARTICLE 1

GENERAL

Section 1.1 *Purpose.* The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium. The Condominium covers the Property, which consists of: (i) the Land, which is more particularly described in Exhibit A to the Declaration; (ii) the Building, which includes, without limitation, the Units, the Common Elements and all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith; and (iii) all other property, real, personal, or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-Laws form a part. The purpose of the Condominium is to carry on the acquisition, construction, management, maintenance and care of the Common Elements and to perform related functions with respect to the other portions of the Property.

Section 1.2 *Definitions.* All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforedescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 1.3 *Applicability of By-Laws.* These By-Laws are applicable to the Property and to the use and occupancy thereof.

Section 1.4 *Application of By-Laws.* All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-Laws and the Residential Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and the Residential Rules and Regulations, as each of the same may be amended from time to time, are accepted and ratified and will be complied with.

Section 1.5 *Principal Office of the Condominium.* The principal office of the Condominium shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2

CONDOMINIUM BOARD

Section 2.1 *General.* As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act as, and shall be, the Agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By-Laws.

Section 2.2 *Status of the Condominium Board.* Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the

extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2.3 *Principal Office of the Condominium Board.* The principal office of the Condominium Board shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

Section 2.4 *Powers and Duties of the Condominium Board*

(A) The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Condominium Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-Laws, may not be delegated to the Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, including, without limitation, as the Condominium Board shall deem necessary or proper in connection therewith, (a) the purchase and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel.

(ii) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership and operation of the Property as a condominium.

(iii) to maintain complete and accurate books and records with respect to the finances and the operation of the Condominium, including without limitation: (a) detailed accounts, in chronological order, of receipts and expenditures affecting the Property; (b) detailed books of account of the Condominium Board; (c) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-Laws; and (d) minutes and other records of all meetings held pursuant to the terms of these By-Laws.

(iv) to adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts of income necessary to discharge the same.

(v) to approve the amount and the means and methods of payment of, and collection of, the Common Charges and Special Assessments from the Unit Owners; provided, however, that in no event shall Common Charges or Special Assessments or other funds received by the Condominium Board in connection with the General Common Elements be utilized to defray any Residential Common Expenses and in no event shall Common Charges or Special Assessments or other funds received by the Condominium Board in connection with the Residential Common Elements be utilized to defray any General Common Expenses.

(vi) to borrow money on behalf of the Condominium in accordance with Section 339-jj of the Real Property Law when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements,

provided, however, that: (a) the affirmative consent of at least 66 2/3% of the Members of the Condominium Board shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the General Common Elements, the affirmative consent of at least 66 2/3% in aggregate Common Interest of all Unit Owners shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Residential Common Elements and/or the Residential Limited Common Elements, the affirmative consent of at least 66 2/3% in aggregate Residential Common Interest, of all Residential Unit Owners shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years) and the Retail Unit Owner will not be liable for the repayment of any portion of such loan; (d) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (e) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest or Residential Common Interest, as applicable, bears to the aggregate Common Interests of all Unit Owners or Residential Common Interests of all Residential Unit Owners, as applicable, shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file against such Unit Owner's Unit.

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor which shall at no time be less than two and that each check drawn on such account shall need at least two signatures.

(viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements.

(viii) to obtain insurance for the Property pursuant to the terms of Section 5.4 hereof.

(ix) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners (except as otherwise provided herein); (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property.

(x) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws.

(xi) to obtain and keep in force fidelity bonds, in amounts deemed appropriate by the Condominium Board, but in no event less than $100,000, for: (a) all Members of the Condominium Board; (b) all officers and employees of the Condominium; and (c) the Managing Agent, and the premiums on all such fidelity bonds shall constitute a part of the Common Expenses.

(xii) to accept the surrender of any Residential Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners.

(xiii) to purchase, lease, or otherwise acquire Residential Units offered for sale, lease or assignment by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners but only with the consent of a Majority of Residential Unit Owners.

(xiv) to purchase Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, corporate or otherwise and on behalf of all Unit Owners but only with the consent of a Majority of Unit Owners.

(xv) to sell, lease, license, mortgage and otherwise deal with Residential Units and Parking Spaces acquired by, and to sublease Residential Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to vote the interest appurtenant to any such Residential Unit.

(xvi) to adopt and amend the Residential Rules and Regulations and to levy and authorize collection of fines against Unit Owners for violations of the Residential Rules and Regulations and these By-Laws (any such fines and fees shall be deemed to constitute Common Charges payable by Unit Owners of the Unit against which they are levied).

(xvii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners.

(xviii) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and the By-Laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (b) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and the By-Laws.

(xix) to organize corporations and other legal entities to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium.

(xx) to execute, acknowledge and deliver: (a) any and all declarations (including a declaration of single zoning lot) or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building, and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate.

(xxi) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modification, additions and deletions theretofore made to the same.

(xxii) to prepare, execute, acknowledge and institute on behalf of all Residential Unit Owners, as their attorney-in-fact, coupled with an interest, protests of real property tax

assessments and tax certiorari proceedings with respect to all Units and to assess any costs incurred thereby as a Common Expense.

(xxiii) to commence summary eviction proceedings in the name of or on behalf of the Condominium Board and/or a Unit Owner or Unit Owners, as the case may be, against an authorized guest and/or a tenant of a Unit Owner if such authorized guest and/or tenant does not conform to the Residential Rules and Regulations of the Condominium, annexed hereto as Schedule A, as said Residential Rules and Regulations may at any time and from time to time, be modified, amended or added to in accordance with the terms of these By-Laws. All costs in connection with the removal of the authorized guest and/or tenant, including attorneys' fees, costs and disbursements, shall be borne by the Unit Owner.

(xxiv) to establish policies and procedures and impose fees in connection with the sale, lease or alteration of a Residential Unit or Retail Unit.

(xxv) to establish policies and procedures with respect to the services and facilities of the Condominium, including, without limitation, the right to impose usage fees and restrictions on hours of access and use.

(xxvi) to prepare, execute and administer Parking Space Licenses and assignments thereof and to impose license fees and/or Special Assessments in connection therewith, which shall constitute Additional Common Charges.

(xxvii) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

(xxviii) to acquire in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners, Parking Space Licenses terminated or surrendered to the Condominium.

(xxix) to adjust the First Year's Budget to reduce the Common Charges if some or all of the services or facilities are not available at the First Closing.

(B) The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

Section 2.5 *Certain Limitations on the Powers of the Condominium Board.*

(A) Notwithstanding anything to the contrary contained in these By-Laws, so long as Sponsor shall continue to own at least 25% in number of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not, without Sponsor's prior written consent:

(i) make any addition, alteration, or improvement to the Common Elements or to any Unit, unless the same shall be required by Law;

(ii) assess any Common Charges or Special Assessments for the creation or replacement of, or the addition to, all or any part of a working capital, reserve, contingency, or surplus fund;

(iii) increase or decrease the number of, or change the kind of employees from those described in the First Years Budget;

(iv) enter into any service or maintenance contracts for work or otherwise contract for work or otherwise provide services in excess of those described in the First

Year's Budget set forth in the Plan, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business;

(v) borrow money on behalf of the Condominium; or

(vi) exercise a right of first refusal to lease or purchase a Unit.

However, Sponsor may not diminish or eliminate services, facilities or any line items described in the First Year's Budget and Sponsor's written consent shall not be necessary to perform any function or take any action described in clauses (i) through (vi) above, if, and only if, the performance of such function or the carrying out of such action is necessary to: (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer or (iv) to ensure the health and safety of the occupants of the Building.

(B) Notwithstanding anything to the contrary contained in these By-Laws, all determinations of the Condominium Board which affect only the:

(i) Residential Units and do not materially and adversely affect the use and operation of the Retail Unit shall be made by the Member(s) of the Condominium Board elected or designated by the Residential Unit Owners; and

(ii) Retail Unit and do not materially and adversely affect the use and operation of the Residential Units shall be made by the Member(s) of the Condominium Board designated by the Retail Unit Owner.

Any dispute as to whether or not a determination materially and adversely affects any Units shall be settled by arbitration in accordance with the provisions of these By-Laws. No dispute with respect to whether a determination materially and adversely affects a Unit shall be deemed to exist unless the objecting party specifies the grounds for its objection in writing to the Condominium Board within 10 business days of receipt by it of notice of such determination.

Section 2.6 *Exercise and Delegation of Powers and Duties.*

(A) Any act within the power of the Condominium Board to perform, and deemed necessary or desirable to be performed by the Condominium Board, shall be performed by the Condominium Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Condominium Board.

(B) The Condominium Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Condominium Board, subject to both the exceptions and limitations as the Condominium Board may from time to time deem appropriate, during the intervals between the meetings of the Condominium Board. In addition, the Condominium Board may from time to time appoint, by duly adopted resolutions, such other committees as the Condominium Board may deem appropriate to perform such duties and services as the Condominium Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6. The Executive Committee and each other committee shall consist of 3 Members of the Condominium Board.

(C) The Condominium Board may employ a Managing Agent to serve at a compensation approved by the Condominium Board and to perform such duties and services as the Condominium Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section 2.6, the Condominium Board may delegate to the Managing Agent any of the powers granted to the Condominium Board in these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the Condominium Board shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (xiii), (xiv), (xv), (xvi) and (xvii) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in paragraph (B) of this Section 2.6 shall have, or be entitled to exercise, any of the powers of the Condominium Board, except to the extent permitted by Law.

Section 2.7 *Number, Election and Qualification of Members.* Until the First Annual Meeting held pursuant to the terms of Section 4.1 hereof, the Condominium Board shall consist of 3 individuals, all of whom are to be designated from time to time by Sponsor. From and after the First Annual Meeting and for so long as Sponsor continues to own at least 1 Unsold Residential Unit, the Condominium Board shall consist of 4 individuals, 3 of whom shall be elected and/or designated in accordance with the terms of these By-Laws by the Residential Unit Owners (including Sponsor) (collectively, the "Residential Members") and 1 of whom shall be designated by the Retail Unit Owner ("Retail Member"). Except for Members designated by Sponsor and/or the Retail Unit Owner pursuant to the terms of this Section 2.7 or of Section 2.10 or 4.9 hereof, all Members of the Condominium Board shall be either: (i) individual Residential Unit Owners or adult Family Members of an individual Residential Unit Owner; or (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Residential Unit Owners or Permitted Mortgagees. After the Sponsor Control Period, a majority of the Residential Members of the Condominium Board must be owner-occupants of the Building who are unrelated to Sponsor or its principals. In addition, no individual may be elected to serve on the Condominium Board, (nor may continue to serve on the Condominium Board) if the Condominium Board has perfected a lien against such Unit and the amount necessary to release such lien has not been paid at the time of such election, or so long as such lien remains unpaid. In no event may more than one individual of a designated Unit serve on the Condominium Board or as an officer of the Condominium Board at the same time during the term of office.

Section 2.8 *Term of Office of Members.* The term of office of the 3 Members of the Condominium Board designated by Sponsor prior to the First Annual Meeting shall expire when the 4 individuals to be elected and/or designated at such meeting are so elected and qualified or designated, as the case may be. The term of office of each of the 4 individuals elected and qualified or designated, as the case may be, at the First Annual Meeting pursuant to the terms of Section 4.9 hereof, shall be fixed at 1 year. Notwithstanding anything to the contrary contained in this Section 2.8, however, each Member of the Condominium Board shall serve until a successor shall be elected and qualified or designated, as the case may be.

Section 2.9 *Removal and Resignation of Members.*

(A) Any Member of the Condominium Board who was elected thereto either by the Residential Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Condominium Board, pursuant to the terms of Section 2.10 hereof, may be removed from office, with or without cause, by a vote of a Majority of Residential Unit Owners. Any Member of the Condominium Board who was designated as such by Sponsor pursuant to the terms of Section 2.7, 2.10, or 4.9 hereof, may be removed, with or without cause, only by Sponsor. If any Member of the Condominium Board who was designated by Sponsor is removed, the successor shall also be designated by Sponsor. Any Member of the Condominium Board who was designated by the Retail Unit Owner may be removed, with or without cause, only by the Retail Unit Owner. If any Member of the Condominium Board who was designated by the Retail Unit Owner, is removed, the successor shall also be designated by the Retail Unit Owner. Any Residential Member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Residential Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard thereat.

(B) Any Member of the Condominium Board may resign such Member's membership at any time by giving written notice thereof to the Condominium Board. In addition, any Member of the Condominium Board who shall cease to be qualified for membership pursuant to the terms of Section 2.7 hereof shall be deemed to have resigned such Member's membership effective as of the date upon which such qualification shall cease.

Section 2.10 *Vacancies.*

(A) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a Member who was elected thereto by the Residential Unit Owners shall be filled by an individual who is qualified to be a Member pursuant to the terms of Section 2.7 hereof and who is elected by a vote of the majority of the Members of the Condominium Board elected or designated by the Residential Unit Owners then in office. A special meeting of the Condominium Board shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election held thereat shall be effective to fill such vacancy even if the number of Members present at such meeting shall not constitute a quorum.

(B) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a Member who was designated as such or elected by Sponsor shall be filled by an individual designated by Sponsor. Any vacancy on the Condominium Board that is caused by the removal, resignation or death of a Member who was designated by the Retail Unit Owner shall be filled by an individual designated by the Retail Unit Owner.

(C) Each Member of the Condominium Board who is elected thereto or designated as such to fill a vacancy pursuant to the terms of paragraph (A) or (B), respectively, of this Section 2.10 shall serve as a Member of the Condominium Board for the remainder of the term of the Member replaced and until a successor shall be selected and qualified at the appropriate annual meeting of the Residential Unit Owners pursuant to the terms of Section 4.9 hereof.

Section 2.11 *Organizational Meeting of the Condominium Board.* The first meeting of the Condominium Board following each annual meeting of the Residential Unit Owners shall be held within 10 days of such annual meeting, at such time and place as shall be both fixed informally by a majority of the Members of the Condominium Board and designated by the Secretary in a written notice given to all Members thereof by personal delivery or mail not later than five business days prior to such date. At such meeting, the officers of the Condominium Board shall be elected.

Section 2.12 *Regular Meetings of the Condominium Board.* Regular meetings of the Condominium Board may be held at such time and place as shall be determined from time to time by a majority of the Members thereof, provided that at least 4 such meetings shall be held during each fiscal year. Written notice of all regular meetings of the Condominium Board shall be given by the Secretary to each Member thereof by personal delivery, mail, overnight courier, facsimile or e-mail, at least 5 business days prior to the day named for such meeting.

Section 2.13 *Special Meetings of the Condominium Board.* The President may call a special meeting of the Condominium Board whenever the President deems the same to be necessary or desirable. However, the President shall call such a meeting upon the written request of 3 or more Members of the Condominium Board. Written notice of all special meetings shall be given by the Secretary to each Member thereof by personal delivery, mail, overnight courier, facsimile, or e-mail at least 3 business days prior to the day named for such meeting, which notice shall state the time, place and purpose of the meeting.

Section 2.14 *Waiver of Notice of Meetings.* Any Member of the Condominium Board may, at any time, waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Member of the Condominium Board at any meeting thereof shall constitute a waiver by the Member of notice of the time and place thereof. If all of the Members of the Condominium

Board are present at any meeting thereof, no notice of such meeting shall be required and any business may be transacted at such meeting.

Section 2.15 *Quorum of the Condominium Board.* A quorum of the Condominium Board is required to be present at a Condominium Board meeting in order to make any determination or to transact any business. To constitute a quorum of the Condominium Board, the following majority of the Members of the Condominium Board shall be present at the Condominium Board meeting:

(A) Attendance of a majority of all of the Members of the Condominium Board will be required for any business relating to the General Common Elements, the General Common Expenses, or, all or a portion of both the Residential Units and the Retail Unit.

(B) Attendance of a majority of the Residential Members of the Condominium Board will be required for any business relating solely to the Residential Common Expenses, the Residential Common Elements, or, all or a portion of the Residential Units.

In connection therewith, one or more Members of the Condominium Board may participate in any meeting thereof by means of a conference telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes. If, at any meeting of the Condominium Board, there shall be less than a quorum present, a majority of the Members of the Condominium Board in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for the lack of a quorum may be transacted without further notice.

Section 2.16 *Conduct of Meetings.* The President shall preside at all meetings of the Condominium Board, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure from time to time acceptable to a majority of the Condominium Board, shall govern the conduct of the meetings of the Condominium Board unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act.

Section 2.17 *Decisions by the Condominium Board.* Except as otherwise provided in the Declaration or these By-Laws:

(A) The vote of a majority of the Members attending a duly constituted meeting of the Condominium Board at which a quorum is present shall decide all matters on behalf of the Condominium Board relating solely to the General Common Elements; the General Common Expenses, or, all or a portion of both the Residential Units and the Retail Unit.

(B) The vote of a majority of those Residential Members attending a duly constituted meeting of the Residential Members at which a quorum is present shall decide all matters on behalf of the Condominium Board relating solely to the Residential Common Expenses; the Residential Common Elements; or, all or a portion of the Residential Units.

Alternatively, any decision that is required or permitted to be made by the Condominium Board may be made without a meeting thereof if all of the Members of the Condominium Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Condominium Board.

Section 2.18 *Compensation of Members.* No Member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.19 *Common or Interested Members of the Condominium Board.* Each Member of the Condominium Board shall perform duties, and shall exercise powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by Law, no contract or other transaction between the Condominium Board and either (i) any of its Members or (ii) any corporation, partnership, fiduciary, firm, association, or other entity in which any of the Members of the Condominium Board are officers, directors, employees, partners, fiduciaries, beneficiaries, or principals, or are otherwise interested, pecuniarily or otherwise, shall be deemed either void or voidable because either (a) any such Member of the Condominium Board was present at the meeting or meetings of the Condominium Board during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such Member was counted for such purpose, provided, however, that either: (x) the fact thereof is disclosed to, or known by, the Condominium Board or a majority of the Members thereof and noted in the minutes thereof, and the Condominium Board shall authorize, approve, or ratify such contract or transaction in good faith by a vote of a majority of the entire Condominium Board, less the number of such Members; or (y) the fact thereof is disclosed to, or known by, a Majority of Unit Owners, and a Majority of Unit Owners shall authorize, approve, or ratify such contract or transaction.

Any such Member of the Condominium Board may be counted in determining the presence of a quorum of any meeting of the Condominium Board that authorizes, approves, or ratifies any such contract or transaction, but no such Member shall be entitled to vote thereat to authorize, approve, or ratify such contract or transaction.

Section 2.20 *Indemnification.*

2.20-1 Indemnification of Board Members and Officers.

2.20-1.1 To the extent permitted by Law, the Members of the Condominium Board shall have no personal liability with respect to any contract, act or omission of the Condominium Board or of any Managing Agent or manager in connection with the affairs or operation of the Condominium (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as set forth in Section 4.13 hereof. Every contract made by the Condominium Board or by the Managing Agent shall state that it is made by the Condominium Board or the Managing Agent, only as agent for all Unit Owners and that the Members of the Condominium Board or the Managing Agent shall have no personal liability thereon (except in their capacities as Unit Owners). Any such contract may also provide that it covers the assets, if any, of the Condominium Board. To the extent permitted by Law, the Members of the Condominium Board shall have no liability to Unit Owners except that a Member of the Condominium Board shall be liable for such Member's own bad faith or willful misconduct. All Unit Owners shall jointly and severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Member of the Condominium Board against any liability or claim except those arising out of such Member's own bad faith or willful misconduct. The Condominium Board may contract or effect any other transaction with any Member of the Condominium Board, any Unit Owner, Sponsor or any affiliate of any of them without incurring any liability for self-dealing, except in cases of bad faith or willful misconduct.

2.20-1.2 Neither the Condominium Board nor any Member thereof shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of the Condominium Board or any Member thereof; or

(ii) any injury, loss or damage to any individual or property, occurring in or upon either a Unit or the Common Elements and either: (a) caused by the elements, by any Unit Owner, or by

any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

ARTICLE 3

OFFICERS

Section 3.1 *General.* The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer. The Condominium Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Condominium Board, by any two officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Condominium Board.

Section 3.2 *President.* The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Condominium Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "BCL"), including, but not limited to, the power to appoint the members of all committees created by the Condominium Board from amongst the Unit Owners from time to time as the President may decide, in the President's discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3 *Vice President.* The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Condominium Board shall appoint some other Member of the Condominium Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon the Vice President from time to time by the Condominium Board or by the President.

Section 3.4 *Secretary.* The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

Section 3.5 *Treasurer.* The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6 *Election, Term of Office and Qualification of Officers.* Each of the officers of the Condominium shall be elected annually by a majority vote of all Members of the Condominium Board taken at the organizational meeting of each new Condominium Board, and shall serve at the pleasure of the Condominium Board. The President, Vice President, and the Treasurer shall be elected from amongst the Members of the Condominium Board. Such officers need not be Unit Owners and need not have any interest in the Condominium if they are designated by Sponsor. Such officers must be Unit Owners if they are elected by the other Unit Owners. The other officers of the Condominium Board need not be Unit Owners and need not have any interest in the Condominium.

Section 3.7 *Removal and Resignation of Officers.* Any officer of the Condominium Board may be removed from office, with or without cause, by an affirmative vote of a majority of the Members of the Condominium Board. In addition, any officer may resign at any time by giving written notice to the Condominium Board. Finally, if the President, Vice President, or the Treasurer of the Condominium shall cease to be or shall be suspended as a Member of the Condominium Board during their term of office, such officer shall be deemed to have resigned office effective upon the date upon which the membership shall cease.

Section 3.8 *Vacancies.* Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 3.9 *Compensation of Officers.* No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10 *Indemnification of Officers.* Each officer shall be indemnified as set forth in Paragraph 2.20.

ARTICLE 4

UNIT OWNERS

Section 4.1 *Annual Meetings of the Unit Owners.* The First Annual Meeting shall be held approximately 30 days after the later to occur of (i) the second anniversary of the First Closing; or (ii) the Closing of Title with Purchasers under the Plan of Residential Units representing at least 50% in number of all Residential Units offered for sale. At such meeting, a 4 Member Condominium Board shall be elected and/or designated, as provided both in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held on or about the anniversary date of the First Annual Meeting. At each such subsequent meeting, the Unit Owners (including Sponsor) shall elect successors to the Members of the Condominium Board whose term of office expires on the day of such meeting and shall transact such other business as may properly come before such meeting.

Section 4.2 *Special Meetings of the Unit Owners.* The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such a meeting signed by Unit Owners having, in the aggregate, not less than 40% of the Common Interests of all Residential Unit Owners (excluding the Common Interests appurtenant to the Retail Unit). Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

Section 4.3 *Place of Meetings.* Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the Borough in which the Property is located as may be designated by the Condominium Board.

Section 4.4 *Notice of Meetings.*

(A) The Secretary of the Condominium shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail, or telegram addressed to the Unit Owner's address at the Property, not less than 10 nor more than 40 days prior to the day fixed for the meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to

the Secretary of the Condominium not less than 10 days prior to the giving of notice of the applicable meeting.

(B) If the business to be conducted at any meeting of the Unit Owners shall include the consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be mailed to all Unit Owners at least 30 days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment.

Section 4.5 *Quorum of the Unit Owners*. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Unit Owners owning Units to which 40% or more of the aggregate Common Interests appertain (excluding the Common Interests appurtenant to the Retail Unit) shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority of the Unit Owners present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

Section 4.6 *Conduct of Meetings*. The President shall preside at all meetings of the Unit Owners, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a majority of the Unit Owners present at any meeting, in person or by proxy, shall govern the conduct of the meetings of the Unit Owners, unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act. All votes of the Unit Owners shall be tallied by the persons appointed by the presiding officer of the meeting.

Section 4.7 *Order of Business*. The order of business at all meetings of the Unit Owners shall be as follows:

(A) Roll call;

(B) Proof of notice of meeting;

(C) Reading of the minutes of the preceding meeting (unless waived);

(D) Reports of officers of the Condominium;

(E) Reports of Members of the Condominium Board;

(F) Reports of committees;

(G) Election of inspectors of election (when so required);

(H) Election of Members of the Condominium Board (when so required);

(I) Unfinished business; and

(J) New business.

The order of business at meetings of Unit Owners can be adjusted in the sole discretion of the Condominium Board.

Section 4.8 *Voting*.

(A) Subject to the terms of Section 4.9 hereof, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) shall be entitled to cast 1 vote at all meetings of the Unit Owners for each percentage of Common Interest attributable to such Unit Owner's Unit(s).

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Condominium Board nor any designee thereof shall be entitled to vote the Common Interest appurtenant to any Unit owned by the Condominium Board or such designee. The Common Interests of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the aggregate Common Interests of all Unit Owners for voting purposes.

(C) A fiduciary shall be the voting Member with respect to a Unit owned in a fiduciary capacity. In addition, if 2 or more Persons own a Unit, they shall designate 1 Person amongst them to vote the Common Interest appurtenant to their Unit in a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually vote such Common Interest under 1 ballot without division, and the concurrence of all such Persons shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the Common Interest appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

(D) The owner of any Unit may designate any Person to act as a proxy on such Unit Owner's behalf. The designation of any such proxy shall be made in a written notice both signed and dated by the designator and delivered to the Secretary of the Condominium at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Condominium; however, no revocation of such designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the secretary of such meeting, except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor(s), no designation to act as a proxy shall be effective for a period in excess of 6 months after the date thereof.

Section 4.9 *Election of Members to the Condominium Board.*

(A) When voting for Members of the Condominium Board, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Units) shall be entitled to cast 1 vote for each .0001% of Common Interest attributable to the Unit(s) per Member to be elected. However, nothing contained herein shall be deemed to permit any Unit Owner to cumulate the votes attributable to the ownership of a Unit in favor of any 1 or more Members to be elected. In addition, the terms of paragraphs (B), (C) and (D) of Section 4.8 hereof shall apply to all elections of Members of the Condominium Board.

(B) All elections of Members of the Condominium Board shall be by written ballot, and each ballot cast shall state: (i) the name of the voting Residential Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (ii) the designation number(s) of the Residential Unit(s) owned by the voting Unit Owner; (iii) the percentage(s) of the Common Interest appurtenant to such Unit(s); and (iv) the names of the candidates for whom such ballot is cast (the number of which names shall not exceed the number of Members to be elected). Any ballot that is not cast in conformity with this paragraph (B) shall not be counted. All election ballots shall be retained in the records of the Condominium, appropriately segregated by election for a period of 2 years.

(C) Subject to the terms of paragraph (D) of this Section 4.9, all elections of Members of the Condominium Board shall be determined by plurality vote of Unit Owners present, in person or by proxy, at a duly convened meeting.

(D) At meetings of the Unit Owners, Sponsor will have the right to vote all of the Common Interests attributable to the Unsold Residential Units as it sees fit. However, at elections of Members to the Condominium Board held during the Sponsor Control Period, Sponsor shall have the right to designate 2 of the 3 Residential Members to the Condominium Board, and Sponsor, and all other Unit Owners shall have the right to vote for the remaining Residential Members of the Condominium Board. Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Sponsor Control Period.

Subsequent to the Sponsor Control Period, and for so long as Sponsor continues to own at least 1 Unsold Residential Unit, Sponsor shall have the right to designate 1 Residential Member to the Condominium Board, and shall have the right to vote its Common Interest attributable to the Unsold Residential Units for the remaining Residential Members of the Condominium Board. There is no restriction on the right of Sponsor to vote for Residential Members of the Condominium Board who are not related to or affiliated with Sponsor.

(E) Within 30 days after the expiration of the Sponsor Control Period, and assuming the First Annual Meeting has not yet occurred, 2 of the 3 Residential Members of the Condominium Board who were designated by Sponsor shall resign and their replacements shall be filled by a vote of the Residential Unit Owners (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) at a special meeting called for such purpose.

Section 4.10 *Designation of Retail Member to the Condominium Board.* The Retail Unit Owner (including Sponsor for so long as Sponsor shall own the Retail Unit) shall be entitled to designate 1 member to the Condominium Board.

Section 4.11 *Action Without a Meeting.* Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient (both in absolute number and aggregate Common Interests whenever applicable) to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-Laws consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section 4.11 shall be retained in the records of the Condominium together with a true copy of the resolutions to which they relate.

Section 4.12 *Title to Residential Units.* Title to any Residential Unit may be taken by any Person or by any two or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate. The sale of a Residential Unit to a corporation, partnership, limited partnership, trust or any other entity (including any entity or person entitled to diplomatic or sovereign immunity) may require the delivery to the Condominium Board or its managing agent at Closing (i) any and all documents as are reasonably requested by the Condominium Board, including without limitation, a personal guaranty, a subjection to jurisdiction, occupancy agreement and escrow agreement; and (ii) an amount equal to the current Common Charges for such Residential Unit for a period of 2 years, to be held in escrow by the Condominium Board, as security for the faithful observance by such Residential Unit Owner of the terms, provisions and conditions contained in these By-Laws.

Section 4.13 *Contractual Liability of Unit Owners.* Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the Members of the Condominium Board and the officers of the Condominium pursuant to the terms of Sections 2.20 and 3.10 hereof, respectively) that the liability of any Unit Owner with respect thereto shall be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners in the case of a contract relating to the General Common Elements, (ii) such proportionate share of the total liability thereunder as the Residential Common Interest of

such Residential Unit Owner in a case relating to the Residential Common Elements, and (iii) such Unit Owner's interest in the Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1 *Maintenance and Repairs.*

(A) Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary:

(i) in or to any Unit and all portions thereof, including, but not limited to, the interior walls, partitions, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, mechanical systems located in the Unit (including HVAC filters and parts), window panes, fireplace, firebox, dampers, mantel and flue, all entrance doors and Terrace doors and their frames and saddles, exposed plumbing, gas and heating fixtures and equipment, heating and cooling systems, air conditioning units, lighting and electrical fixtures and any Common Elements incorporated therein pursuant to paragraph (B) of Section 5.8 hereof, but excluding any other Common Elements contained therein, shall be performed by such Residential Unit Owner at its sole cost and expense (except for any skylights located in a Residential Unit, which shall be performed by the Condominium Board at the sole cost and expense of such Residential Unit Owner);

(ii) in or to the General Common Elements (other than any General Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof) shall be performed by the Condominium Board and the cost and expense thereof shall be charged to all Unit Owners as a General Common Expense;

(iii) in or to the Residential Common Elements, (with the exception of the Parking Spaces and any Residential Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof) shall be performed by the Condominium Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense; and

(iv) in or to the Residential Limited Common Elements shall be performed (a) by the Condominium Board as a Residential Common Expense, if involving structural or extraordinary maintenance, repairs, or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Residential Unit Owner having direct and exclusive access thereto), or (b) by the Residential Unit Owner having direct and exclusive access thereto at such Residential Unit Owner's sole cost and expense, if involving painting, decorating and non-structural ordinary maintenance, repairs or replacements (including without limitation, the removal of snow, ice and accumulation of water on any Terrace).

Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or to the Managing Agent any defect or need for repairs for which the Condominium Board is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, if any painting, decorating, maintenance, repairs, or replacements to the Property or any part thereof, whether structural or non-structural, ordinary or extraordinary, are necessitated by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Condominium Board, the entire cost and expense thereof shall be borne by the Condominium as a General Common Expense attributable to all Unit Owners if relating to the General Common Elements, and as a Residential Common Expense attributable to all Residential Unit Owners if relating to the Residential Common Elements and/or the Residential Limited Common Elements except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace the Unit or any portion thereof as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair, keeping in standard with similar first-class residential condominiums in the neighborhood (and free of snow, ice and accumulation of water with respect to any roof, Terrace, or other part of the Property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, including, without limitation, painting, repairs and replacements that is necessary in connection therewith. The Condominium Board shall be responsible for the maintenance and repair of all sidewalks surrounding the Building (including, cleaning and snow and ice removal) as if the sidewalks were General Common Elements, except that the cost of such maintenance and repair shall be borne by the Retail Unit Owner if the Retail Unit Owner are utilizing such sidewalks in connection with the operation of the Retail Unit.

The interior and exterior glass surfaces of all windows located in each Residential Unit (i) shall not be colored or painted; and (ii) shall be washed and cleaned by the Residential Unit Owner at such Residential Unit Owner's sole cost and expense. The exterior glass surface of the windows located in each Residential Unit may be washed from the inside of the Residential Unit. The replacement of any glass window appurtenant to a Residential Unit because of breakage or otherwise shall be made by the Residential Unit Owner thereof at the sole cost and expense of such Residential Unit Owner, including, without limitation, the expense of an exterior hoist if the replacement window does not fit into the service elevator (unless such breakage is caused by the Condominium Board or any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Condominium Board or such other Unit Owner, as the case may be). Prior to the replacement of any glass window, the Residential Unit Owner must obtain the prior approval of the Condominium Board with respect to the type of replacement windows to be installed. With respect to windows located in the Retail Unit, the Retail Unit Owner shall be responsible, at its sole cost and expense, for washing, cleaning, repairing, and replacing of the interior and exterior glass surfaces of all windows located in the Retail Unit (unless the breakage is caused by the Condominium Board or any other Unit Owner, in which event the replacement of glass windows will be at the sole cost and expense of the Condominium Board or such other Unit Owner, as the case may be).

The public areas of the Building as well as the private areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, as determined by the Condominium Board in its sole discretion, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior surfaces of windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to such Unit Owner's Unit. To promote a consistent appearance of the Building from the outside, (x) no Residential Unit Owner shall be permitted to enclose, erect a greenhouse and/or alter a Terrace appurtenant to a Unit, in such a way that will alter the conformity of the Building, without the prior approval of the Condominium Board; and (y) all window treatments in a Residential Unit must contain white backing on the

side facing the outside of the Building so that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance. Additionally, the type, size, weight and quantity of plantings and other installations to be placed on Terraces shall be subject to the prior approval of the Condominium Board and shall be in compliance with Law.

(D) In the event that any Unit Owner, after receipt of written notice from the Condominium Board, fails or neglects in any way to perform any of its obligations with respect to the painting, decorating, maintenance, repair or replacement of its Unit as provided in this Section 5.1 (or of any Common Elements for which such Unit Owner is responsible under the Declaration or these By-Laws), the Condominium Board may perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Unit Owner, within 5 days after receiving notice of such default by the Condominium Board, cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement in such Unit Owner's Unit or to any such Common Element for which such Unit Owner is responsible, together with interest thereon at the rate of 2% per month (but in no event in excess of the maximum rate permitted by Law), shall be immediately payable by such Unit Owner to the Condominium Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

Section 5.2 *Alterations, Additions, Improvements, or Repairs in and to Units.*

(A) Subject to the terms of paragraph (B) of this Section 5.2, no Residential Unit Owner may make any structural alteration, addition, improvement or repair, in or to the Residential Unit or its appurtenant Residential Limited Common Elements without the prior approval of the Condominium Board. Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option, require the Residential Unit Owner to: (i) procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe; and (ii) execute an alteration agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement or repair, may be made, including, without limitation, the indemnity referred to in paragraph (D) hereof and the days and hours during which any such work may be done. The Condominium Board shall have the right to approve Unit Owner's contractors and materialmen. In connection with such alterations, additions, improvements and/or repairs, each Residential Unit Owner shall employ only such laborers and other workers as shall not conflict with any other worker employed in the Building or otherwise cause disharmony with any Building service union. Residential Unit Owners shall not be permitted to engage any Building staff or any contractors or sub-contractors engaged by either the Condominium Board or Sponsor in connection with a Residential Unit Owner's alterations, additions, improvements or repairs to such Residential Unit. The Condominium may impose charges upon the Residential Unit Owner to reimburse the Condominium for architectural, engineering, legal and other fees incurred in reviewing the Residential Unit Owner's request for approval and in monitoring the work performed until completion and a fee payable to the Managing Agent for processing the alteration application.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.2, however, Sponsor shall have the right, pursuant to the terms of Article 12 of the Declaration, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any, and without amendment to the Plan, to (i) make alterations, additions, improvements, or repairs in or to the interior portions of Unsold Residential Units and their appurtenant Residential Limited Common Elements, whether structural or non-structural, ordinary or extraordinary, including, without limitation, any alterations with respect to the type, number, or layout of rooms in each Unsold Residential Unit, and (ii) without amendment to the Plan, subdivide and/or combine any Unsold Residential Unit and/or change any Unsold Residential Units in size by relocating a boundary wall

between Unsold Residential Units and/or or otherwise change the size and/or number of Unsold Residential Units. In addition, the Retail Unit Owner and its Permitted Users shall have the right, pursuant to the terms of Article 12 of the Declaration, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any, and without amendment to the Plan, to (i) make alterations, additions, improvements, or repairs in or to the interior portions of the Retail Unit, whether structural or non-structural, ordinary or extraordinary, including, without limitation, any alterations with respect to the type, number, or layout of rooms in The Retail Unit, and (ii) subdivide and/or combine the Retail Unit and/or change the Retail Unit in size by relocating a boundary wall between retail units. Notwithstanding the foregoing, all Unit Owners, including Sponsor and the Retail Unit Owner, prior to the making of any alteration, addition, improvement or repair in or to their respective Unit and its appurtenant Residential Limited Common Elements, if any, must (i) procure and maintain such insurance as the Condominium Board may reasonably require, (ii) indemnify the Condominium Board and the Managing Agent against any liability arising from the work and (iii) comply with Law.

(C) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with Law. In connection therewith, the Condominium Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit provided that, with respect to all such work of a structural nature to a Residential Unit or its appurtenant Residential Limited Common Elements (but other than that of the nature described in paragraph (B) hereof), the same was approved by the Condominium Board pursuant to the terms of paragraph (A) hereof.

(D) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Unit and appurtenant Residential Limited Common Elements) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (C) hereof; (ii) to any contractor, subcontractor, materialperson, architect, or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by any Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage arising therefrom. Any Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Unit and appurtenant Residential Limited Common Elements, if any, shall agree (in a writing executed and delivered to the Condominium Board, if the Condominium Board shall so request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Condominium Board, the Members of the Condominium Board, the officers of the Condominium, the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

(E) In addition to the requirements set forth above in this Section 5.2, until a PCO is obtained for the Building, no Residential Unit Owner shall make any alterations in or to the Residential Unit or its appurtenant Common Elements without first notifying Sponsor in writing and complying with Sponsor's requirements with respect to the alterations. Such requirements may include, but need not be limited to, the requirements that:

(i) such work not include any change that would result in a delay in obtaining a TCO or PCO for the Building, or any amendment to, or extension of, the TCO or PCO if theretofore issued;

(ii) the Residential Unit Owner post a bond or other similar security that is reasonably acceptable to Sponsor in any amount sufficient (in Sponsor's reasonable judgment) to insure the diligent completion of the work and the filing of any required notices or certificates with all governmental authorities having jurisdiction with respect to such work and the completion of the work;

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

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

(v) Sponsor and its representatives shall be given reasonable opportunity, from time to time, to inspect such work as it progresses;

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

(vii) the Residential Unit Owner shall indemnify and hold Sponsor harmless from any cost, expense, claim, or liability arising, directly or indirectly, from such work, including, without limitation, any cost, expense, claim, or liability incurred or suffered by Sponsor due to any violation of Law or due to any delay in obtaining a TCO or PCO for the Building (or any amendment to, or extension of, the TCO or PCO if theretofore issued) as a result of such work or the failure to make all appropriate governmental filings in connection with same; and

(viii) all contractors shall be duly licensed to the extent required by applicable Law and, if required under any contract with any union whose members are performing services at the Building (including, without limitation, services directly or indirectly at the behest, for the benefit, or for the account of Sponsor, any other Unit Owner, or the Condominium Board), such work shall be performed solely by union members.

If any Residential Unit Owner commences any such alterations in violation of the foregoing terms and conditions, or fails to comply with the reasonable requirements of Sponsor in connection with the alterations, Sponsor shall be entitled to cause such work by the Residential Unit Owner to be halted, including, without limitation, to cause the Managing Agent to deny access to the Building to the Residential Unit Owner's workers and suppliers, until the Residential Unit Owner complies with the same. During the period until the Residential Unit Owner is permitted hereunder to resume its work, Sponsor shall have the right to perform any and all work in and to the Residential Unit as shall be necessary, in Sponsor's sole judgment, in order to avoid any delay in obtaining a TCO or PCO for the Building (or any amendment to, or extension of, the TCO or PCO), whether or not such work shall be in compliance with the plans and specifications for the work theretofore performed by, or on behalf of, such Residential Unit Owner. The cost and expense of any such work performed by Sponsor shall be borne by such Residential Unit Owner and shall be paid to Sponsor within 15 days of Sponsor's written demand therefor.

Section 5.3 *Alterations, Additions, or Improvements to the Common Elements.* Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions, or improvements in or to any of the Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a General Common Expense attributable to all Unit Owners, if relating to the General Common Elements, or a Residential Common Expense attributable to all Residential Unit Owners, if relating to the Residential Common Elements and/or Residential Limited Common Elements. Notwithstanding the foregoing, however, whenever the cost and expense of such alterations, additions, or improvements would, in the judgment of the Condominium Board, exceed $500,000 with respect to the General Common Elements or the Residential Common Elements and/or the Residential Limited Common

Elements, at any one time, in any fiscal year, such proposed alterations, additions or improvements shall not be made unless first approved by the Unit Owners if relating to the General Common Elements, or the Residential Unit Owners, if relating to the Residential Common Elements and/or the Residential Limited Common Elements (including Sponsor if Sponsor then owns any Unsold Residential Unit) owning 66 2/3% of the aggregate Common Interests or Residential Common Interests, as applicable, at a duly constituted meeting of the Unit Owners or the Residential Unit Owners, as applicable, and by the Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-Laws, all such alterations, additions, or improvements costing $500,000 or less, in any fiscal year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives. Notwithstanding the foregoing, no additions, alterations, or improvements shall be made to any of the Common Elements, regardless of the cost thereof, unless the prior written consent of Sponsor is first obtained, provided, however, that Sponsor's written consent is not necessary if such additions, alterations, or improvements to the Common Elements is required to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer. In no event will the limitations imposed in the preceding sentence continue beyond the earlier to occur of (i) 5 years from the First Closing or (ii) until such time as Sponsor no longer owns 25% in number of all Residential Units.

Section 5.4 *Insurance.*

(A) To the extent commercially reasonable, the Condominium Board shall obtain, and shall maintain in full force and effect, a commercial package policy including fire and special causes of loss, on at minimum a replacement cost valuation or replacement cost coverage and agreed valuation, insuring the entire Building (excluding each Unit, any Limited Common Elements appurtenant thereto, and any Unit Owner Property) together with all building service machinery contained therein, and covering the interests of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interest may appear. Each of the said policies shall contain:

(i) waivers of (a) subrogation, (b) a cross-liability endorsement and (c) pro-rata reduction of liability if Unit Owners obtain additional coverage;

(ii) a provision that any settlement of claim will be made by the Condominium Board and that all proceeds thereof shall be paid to either the Condominium Board or the Insurance Trustee, as provided in Section 5.5 hereof;

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee set forth in subsection (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either canceled or substantially modified except upon at least 10 days' prior written notice to the Condominium Board and all insureds who may have requested such notice, including Permitted Mortgagees.

Evidence of insurance or certificates of insurance of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be on file at the office of Managing Agent. Copies thereof shall be delivered to any Unit Owner or Permitted Mortgagee on written request thereof.

(B) The Condominium Board shall also obtain and maintain, to the extent commercially reasonable:

(i) commercial general liability insurance written by companies with an A.M. Best Company rating of at least A-VII, covering all claims for personal injury or property damage

arising out of any occurrence on the Property and listing as named insureds (a) the Condominium Board and each member thereof, (b) Managing Agent or manager (if any), (c) each officer and employee of the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within such Unit Owner's own Unit or any Limited Common Elements appurtenant thereto), with such coverage to be primary and not on an excess or contributory basis with any other policy which may be available to the Condominium Board or Managing Agent;

(ii) rent insurance;

(iii) worker's compensation and New York State disability benefits insurance;

(iv) boiler and machinery insurance;

(v) water damage legal liability insurance;

(vi) officers' and directors' liability insurance;

(vii) fidelity bonds;

(viii) commercial umbrella insurance in the minimum amount of $10,000,000;

(ix) real property insurance; and

(x) such other insurance as the Condominium Board shall from time to time determine.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Condominium Board pursuant to paragraph (A) hereof, the coverage shall be in an amount equal to not less than 80% of the full replacement cost of the Building, exclusive of footings and foundations, without deduction for depreciation, as approved by an insurance carrier, authorized to do business in New York, a qualified insurance broker, or another qualified source;

(ii) with respect to insurance policies maintained by the Condominium Board pursuant to subsection (i) of paragraph (B) hereof, such policies shall contain aggregate limits of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate, and commercial umbrella insurance in the minimum amount of $10,000,000; and

(iii) with respect to insurance policies maintained by the Condominium Board pursuant to subsection (ii) of paragraph (B) hereof, the coverage shall be in an amount equal to the aggregate of all of the Unit Owners' Common Charges for one year.

Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The Condominium Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Condominium Board pursuant to the terms of these By-Laws, shall be borne by the Unit Owners as a General Common Expense or by the Residential Unit Owners as a Residential Common Expense, depending on the item to which the coverage relates.

(E) For so long as Sponsor owns at least 1 Unsold Residential Unit, unless Sponsor's prior written consent is obtained, the Condominium Board must maintain, at a minimum, the types and coverage amounts of insurance set forth in the First Year's Budget.

(F) The Condominium Board is not required to obtain or maintain any insurance with respect to the Units, any Limited Common Elements appurtenant thereto, and any Unit Owner Property. Each Unit Owner shall, at such Unit Owner's sole cost and expense, obtain and maintain in full force and effect such insurance, the types and amounts of which shall be determined by the Condominium Board in its sole discretion, insuring the Units, any Limited Common Elements appurtenant thereto, and any Unit Owner Property as well as liability insurance with respect to occurrences in or about the Unit or any Limited Common Elements appurtenant thereto. All such policies shall contain waivers of subrogation, if commercially reasonable and provide that the liability of the carriers issuing the insurance obtained by the Condominium Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. All such certificates of insurance shall name the Condominium Board, the Condominium and Sponsor as additional insureds. For so long as Sponsor owns at least 1 Unsold Residential Unit, any change or elimination of such requirement may only be made upon Sponsor's prior written consent. Evidence of such insurance must be provided by the purchaser at the closing of title of each Unit and thereafter, whenever requested by the Condominium Board or Managing Agent.

Section 5.5 *Casualty or Condemnation.*

(A) In the event that either (i) the Building is damaged or destroyed by fire or other casualty ("Casualty Loss") or (ii) the General Common Elements and/or Residential Common Elements and/or Residential Limited Common Elements or the Units, or any part thereof is taken in condemnation or by eminent domain ("Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.4 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Condominium Board, if the same shall be $1,000,000 or less in the aggregate, or to the Insurance Trustee, if the same shall exceed $1,000,000 in the aggregate. In either instance, subject to the provision of paragraph (D) of this Section 5.5, all such monies actually received ("Trust Funds") shall be first solely and exclusively used to make repairs or replacement to any damaged or destroyed Shared Facilities, and the remainder shall be held in trust for the benefit of all Unit Owners (with respect to the portion thereof allocated to a Casualty Loss to the Building or any part thereof or a Taking of the General Common Elements and/or Residential Common Elements and/or Residential Limited Common Elements or the Units) and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.5. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, its appurtenant Limited Common Elements, if any, or any portion thereof are taken in a Taking (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he may have to pursue a separate claim against the condemning authority by reason thereof.

(B) Subject to the terms of paragraph (D) hereof, the Condominium Board shall arrange for the prompt repair or restoration ("Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building (excluding the Units and Unit Owner Property) affected by such Casualty Loss, or (ii) in the event of a Taking, the portion(s) of the Common Elements affected by such Taking. Damage or destruction to a Unit shall be promptly repaired or restored by the Unit Owner of the affected Unit. If, pursuant to the immediately preceding sentence, Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the Work shall be performed to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. If a Unit Owner fails to repair or restore the Unit, the Condominium Board may cause the Unit to be repaired or restored and all costs in connection therewith shall be charged to the defaulting Unit Owner as a Special Assessment.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section 5.5, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Condominium Board shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests, for Work to the General Common Elements and against all Residential Unit Owners for the amount of the such deficiency in proportion to their respective Residential Common Interests, for Work to the Residential Common Elements and all proceeds of such Special Assessment shall become part of the Trust Funds. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to all Unit Owners in proportion to their respective Common Interests, with respect to Work to the General Common Elements, and to all Residential Unit Owners in proportion to their respective Residential Common Interests, for Work to the Residential Common Elements, except that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of such excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Condominium Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remaining unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interests, with respect to Work to the General Common Elements, and/or paid to the Residential Unit Owners so assessed in proportion to their respective Residential Common Interests, with respect to Work to the Residential Common Elements, free of any claim of any lienor (including without limitation, any Permitted Mortgagee).

(D) If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless 75% or more of all Unit Owners (including Sponsor if Sponsor shall then own any Units), in aggregate Common Interests, shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interest, to the extent allocated to destroyed or damaged portions of the General Common Elements or shall be paid to all Residential Unit Owners in proportion to their respective Residential Common Interests to the extent allocated to destroyed or damaged portions of the Residential Limited Common Elements except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to pay off any Permitted Mortgage and other unpaid liens on the Unit Owner's Unit in the order of priority of such liens. Notwithstanding anything to the contrary set forth herein, any action to terminate the legal status of the Condominium after substantial destruction or a Taking shall require the written consent (which consent shall not be unreasonably withheld, conditioned or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any. The Condominium Board shall not be required to take any action to obtain the consent of the Permitted Mortgagees or Mortgage Representatives as set forth in this Section 5.5(D) other than the requirements set forth in Section 8.7 of these By-Laws. The provisions of this Section 5.5(D) may not be amended, modified or deleted without the prior written consent of Sponsor for so long as Sponsor continues to own at least 1 Unsold Residential Unit.

(E) In the event that the damage resulting from a Casualty Loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the Unit Owner of any Unit so affected thereby shall not be abated.

(F) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Residential Limited Common Elements, if any, after such Taking bears to the total floor area of such Unit and its appurtenant Residential Limited Common Elements, if any, prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest and new Residential Common Interest, where applicable, appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the Taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest and new Residential Common Interest, where applicable, of such Unit and, in the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of all of the other or remaining Units together with the holders of the Permitted Mortgages.

(G) As used in this Section 5.5, the terms:

(i) "Prompt repair or restoration" shall mean that the Work is to be commenced not more than either: (a) sixty (60) days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, or (b) 90 days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds insufficient to discharge the estimated cost and expense of the Work, or (c) in the event that the Trust Funds are payable to the Condominium Board pursuant to the terms of paragraph (A) of this Section 5.5, sixty (60) days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(ii) "Promptly resolve" shall mean that a resolution shall be duly made not more than sixty (60) days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

(H) Any dispute that may arise under this Section 5.5 between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

Section 5.6 *Use of the Property.*

(A) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior approval of the Condominium Board. In the event that the rate of insurance for the Property is increased as a direct result of a particular or unique use being made of the Retail Unit, and not as a result of the typical uses for which the Retail Unit may be occupied or for which commercial spaces in similar Building is normally occupied, the Retail Unit Owner shall be obligated to pay the amount of such increase in the rate of insurance. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of

insurance on the Property or the contents thereof, or that would be in violation of any Law. No waste shall be committed in the Common Elements.

(B) Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

Section 5.7 *Use of the Units.*

(A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 5.7.

(B) Subject to the terms of paragraphs (C) and (D) of this Section 5.7, each Residential Unit shall be used for residential purposes only, including permitted "home occupation" as defined in the Zoning Resolution of the City of New York, as may be amended from time to time, and not more than one family may occupy a Residential Unit at any one time; and The Retail Unit may be used for any purpose permitted by Law. A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary, or any other entity (including, but not limited to, any federal or state agency, any foreign government and any embassy, consulate or other official representative thereof) may only be occupied (unless the Condominium Board otherwise consents in writing) by such individual, or by an individual officer, director, stockholder, or employee of such corporation, or by an individual partner or employee of such partnership, or a member of such limited liability company, or by such individual fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by an individual beneficiary of said fiduciary, or by an individual principal or employee of such other entity, respectively, or by Family Members and guests of any of the foregoing (and nothing herein contained shall be deemed to prohibit the exclusive occupancy of any such Residential Unit by such Family Members). Notwithstanding the foregoing, Sponsor (with respect to the Unsold Residential Units) or the Condominium (with respect to sold Residential Units) may, in their sole discretion, permit Persons other than those set forth above to occupy a Residential Unit. In no event, however, shall a portion of a Residential Unit (as opposed to the entire Residential Unit) be sold, conveyed, leased, or subleased.

(C) The Condominium Board may, in its sole discretion, consent to the use of a Residential Unit as a professional or business office or for any purpose other than that set forth in paragraph (B) hereof, provided that the nature and manner of such use is permitted by, and complies with Law and does not violate the TCO or PCO covering the Building. Any such consent shall be in writing and shall be personal to such Residential Unit Owner. Any lessee of, or successor in title to, such Residential Unit Owner shall be required to obtain the prior approval of the Condominium Board before using such Residential Unit for any purpose other than that set forth in paragraph (B) hereof.

(D) Notwithstanding anything to the contrary contained in this Section 5.7, Sponsor may, without the consent of either the Condominium Board or the Unit Owners:

(i) grant permission for the use of any Unsold Residential Unit as a professional or business office or for any other purpose, provided that the nature and manner of such use complies with Law and the user thereof complies with all applicable governmental regulations; and

(ii) use any one or more Unsold Residential Units as model Units and offices for the sales promotion, rental, management and operation of the Unsold Residential Units or for any other purpose, subject only to compliance with Law.

Section 5.8 *Use of the Common Elements.*

(A) Subject to the terms of paragraphs (B) and (C) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. In addition, no furniture, packages, or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators, or any other part of the Common Elements (except for those areas designated as a Parking Space Area) without the prior approval of the Condominium Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them. Accordingly, all Unit Owners shall require their tradesperson to utilize exclusively the elevator and entrance designated by the Condominium Board for transporting packages, merchandise, or other objects.

(B) The owner or owners of any 2 or more Residential Units, which Residential Units are the only Units serviced or benefited by any Residential Common Element adjacent or appurtenant to such Residential Units (for example, that portion at the end of any residential hallway that is directly adjacent to any such Residential Units located on opposite sides of such hallway) shall, with the consent of the Condominium Board (which consent shall not be unreasonably withheld, conditioned, or delayed), have the right to use such Residential Common Elements exclusively, as if it were a part of such Residential Units (including the right, in the above example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests shall be made by reason thereof. In such event, however, such owner or owners shall, at such owner's or their sole cost and expense, both (i) operate, maintain and repair such Residential Common Element for so long as such owner or owners exercise such exclusive right of use and (ii) restore such Residential Common Element to its original condition, reasonable wear and tear excepted, after such owner or owners cease to exercise such exclusive right of use.

(C) The terms of paragraph (A) of this Section 5.8 shall not apply to Sponsor for so long as there are any Unsold Residential Units. Sponsor shall have the right, without charge or limitation, to: (i) erect and maintain signs, of any size or content determined by Sponsor on or about any portion of the Common Elements chosen by Sponsor including the area adjacent to the main entrance of the Building; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements (such as lobbies, corridors and the like), to sell, lease, manage, or operate Unsold Residential Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Plan and the Condominium Documents. In no event, however, shall Sponsor be entitled to use any Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

(D) Sponsor, for so long as Sponsor continues to own any Unsold Unit, and the Condominium Board shall have the right, and the lease, sublease, license, sell or otherwise convey to a Unit Owner any portion of the Common Elements which either Sponsor or the Condominium Board determines is no longer needed for the furnishing of the services and facilities (including reasonable access) for which such Common Elements are reasonably intended. Any revenue received for the sale, leasing, subleasing, licensing or other conveyance of such Common Elements shall be retained solely by Sponsor or the Condominium Board, as applicable.

Section 5.9 *Use of the Parking Spaces.*

(A) A Parking Space may be used only for the parking of passenger automobiles and motorcycles. No representation is made as to the type or size of vehicles that can be accommodated in any particular Parking Space. A Parking Space may not be used for sleeping, dining or other occupancy uses (collectively, "Prohibited Uses"). The use of a Parking Space for a Prohibited Use can result in violations being posted against the Building. Any and all costs or expenses incurred by the Condominium or the other

Unit Owners as a result of such Prohibited Use shall be borne by the Owner of the Residential Unit to which such Parking Space is appurtenant. Sponsor shall have the right to use any Parking Space for any purpose permitted by Law or to change the permitted use of such Parking Space subject to the provisions of the By-Laws.

(B) Sponsor may, without the consent of either the Condominium Board or the Unit Owners, use any Unsold Parking Space for any purpose permitted by Law or to change the permitted use of an Unsold Parking Space, subject to the provisions of the By-Laws. Except for Sponsor and the Condominium Board, a Parking Space may not be licensed independently of a Residential Unit.

(C) The Condominium Board has the authority to promulgate additional rules regarding the use of, insurance coverage for, and access to the Parking Spaces and Parking Space Area and the procedures for assigning such Parking Spaces, including restrictions on the hours of access and use. A Residential Unit Owner may transfer or surrender a Parking Space License to the Condominium Board which shall be authorized to reissue such Parking Space License to another Residential Unit Owner for such consideration as the Condominium Board shall deem appropriate.

(D) The Parking Spaces and the Parking Space Area will not be serviced by an emergency generator. In the event of a power outage, any resulting loss or damage will be at the sole cost of the Parking Space Licensee. The Condominium Board, its agents and employees, and Sponsor shall not be liable for any loss or damage caused by power outages, temperature fluctuations or other causes in the Parking Space Area.

Section 5.10 *Rights of Access.*

(A) Each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager (if any), to any other Person authorized by any of the foregoing a right of access (including the right of forced entry if required in the discretion of the party seeking such entry) to the Unit and its appurtenant Residential Limited Common Elements, if any, and any Parking Space and Parking Space Area for the purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Residential Rules and Regulations committed by such Unit Owner or correcting any conditions originating in the Unit and threatening another Unit or all or a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the structural elements, mechanical or electrical services, or other portions of the Common Elements located within the Unit, Parking Space or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to the Unit, or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of emergency (that is, a condition requiring repairs or replacement immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building),

the foregoing rights of access shall be exercised only upon not less than 1 day's advance notice and only in such a manner as will not unreasonably interfere with the normal conduct of business of the Retail Unit Owner or other occupants of the Retail Unit or with the use of the Residential Units and their appurtenant Residential Limited Common Elements for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) Each Unit Owner shall grant a right of access to the Unit and its appurtenant Residential Limited Common Elements, if any, and the Condominium Board shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees for the purpose of fulfilling Sponsor's obligations as set forth in the Plan or in any amendment thereto, provided that access thereto shall not be exercised, with respect to any Unit and its appurtenant Residential Limited Common Elements, if any, in such a manner as will unreasonably interfere with the use of such Unit and its appurtenant Residential Limited Common Elements, if any, for their permitted purposes.

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

Section 5.11 *Modification of the Residential Rules and Regulations.* The Condominium Board shall have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by a vote of at least 66 2/3% of all Residential Unit Owners, in number and Common Interest. Copies of the text of any amendments, modifications, additions, or deletions to the Residential Rules and Regulations shall be furnished to all Unit Owners not less than 30 days prior to the effective date thereof. Notwithstanding the foregoing, the Condominium Board shall not have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations if the same would materially and adversely affect Sponsor and/or the Retail Unit Owner, without the prior written consent of Sponsor or the Retail Unit Owner. Notwithstanding the foregoing, the Condominium Board shall not have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations if the same would adversely affect the Retail Unit and the use thereof, without the prior written consent of the Retail Unit Owner.

Section 5.12 *Real Estate Taxes.* Unless and until real estate taxes are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay such taxes as a Common Expense. In the event of a proposed sale of any Unit, the Condominium Board (for so long as the Condominium Board is still paying such real estate taxes) shall, upon the written request of the selling Unit Owner, execute and deliver to the purchaser of such Unit, or to such purchaser's title company, a letter agreeing to promptly pay all such real estate taxes affecting such Owner's Unit to the date of the Closing of Title to such Unit.

Section 5.13 *Fuel.* Unless and until fuel is billed directly to Unit Owners by the supply company, in accordance with and subject to the provisions of the Plan, the cost and expense of fuel (for heating and cooling) serving or benefiting any Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined by the Condominium Board, (iii) paid by the Condominium Board, and (iv) charged to: (a) the Unit Owners as a General Common Expense for such portion attributable to the General Common Elements, (b) the Retail Unit Owner as a General Common Expense for such portion attributable to the Retail Unit, and (c) the Residential Unit Owners as a Residential

Common Expense for such portion attributable to the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements. In the event there is a particular or unique use being made of a Unit and/or Common Element, the Condominium Board shall cause a new survey to be made the cost of which shall be borne by the Unit Owners as a General Common Expense.

Section 5.14 *Water Charges and Sewer Rents.* Unless and until water is separately metered in a Unit and water charges and sewer rents are billed directly to a Unit Owner by the City Collector, in accordance with and subject to the provisions of the Plan, the cost and expense of water serving or benefiting a Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined by the Condominium Board, (iii) paid by the Condominium Board, and (iv) charged to: (a) the Residential Unit Owners as a Residential Common Expense for such portion attributable to the Residential Units and/or Residential Common Elements and/or Residential Limited Common Elements, and (b) the Unit Owners as a General Common Expense for such portion attributable to the General Common Elements. In addition, the cost of submetering shall be a Residential Common Expense if pertaining to Residential Units and a General Common Expense if pertaining to all Units.

Section 5.15 *Electricity.*

(A) Electricity for each Residential Unit and the Retail Unit (including tenants occupying portions of the Retail Unit) shall be either individually direct metered or submetered for each Unit (or portion thereof).

(B) If individually direct metered, each Unit Owner shall be required to pay the billing utility directly for electricity consumed in such Unit Owner's Unit (or portion thereof) and in the Residential Limited Common Elements to which such Residential Unit has exclusive access.

(C) If the Residential Units or the Retail Unit are submetered, each Unit Owner shall be required to pay bills for electricity consumed in such Unit Owner's Unit either to the Condominium Board or to the utility company or to the servicing company engaged by the Condominium Board to perform such services all at the direction of the Condominium Board. The Common Expenses shall include fees for administering and servicing the submeters. In the event that a Unit Owner fails to pay for its submetered electricity, the Condominium Board shall be responsible to pay such expense on the Unit Owner's behalf and such electricity charges shall be deemed Common Charges allocable to the defaulting Unit Owner and the Condominium Board shall have a lien for non-payment of the expense as provided in Article 6.5 of these By-Laws.

(D) Electricity for the Residential Common Elements shall be supplied through one or more separate meters therefor and the cost thereof will be paid by the Condominium Board and will be borne by the Residential Unit Owners as Common Charges.

(E) In addition, the cost of submetering shall be a Residential Common Expense if pertaining to Residential Units and a General Common Expense if pertaining to all Units.

(F) Any disputes with respect to submetering rates and billing must be submitted to Arbitration pursuant to Article 10 of these By-Laws.

Section 5.16 *Record and Audits.*

(A) The Treasurer of the Condominium, or the Managing Agent under the supervision of such Treasurer, shall keep full, detailed and accurate records and books of account with respect to the financial affairs of the Condominium, which records and books of account shall include, without limitation, (i) a listing of all receipts of and expenditures by the Condominium Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common

Charges and Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid, as well as all Permitted Mortgagees having an interest in such Unit.

(B) Within 4 months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared and certified by an independent certified public accountant. The cost of preparing and distributing each such report shall be borne by the Condominium Board as a General Common Expense. The fiscal year of the Condominium shall be a calendar year.

ARTICLE 6

COMMON CHARGES

Section 6.1 *Determination of Common Expenses and Fixing of Common Charges.*

(A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt a budget for the Condominium, subject, in all respects, to the strictures set forth in Section 2.5 hereof; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges amongst the Unit Owners in accordance with allocations set forth in the First Year's Budget. The Condominium Board shall advise all Unit Owners promptly thereafter in writing of the amount of Common Charges payable by each of them, not later than 10 days prior to the date upon which the first installment of newly-determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees whenever requested in writing by such Permitted Mortgagees. The Condominium Board may, subject to paragraph (E) of this Section 6.1, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination. Notwithstanding the foregoing, however, the Condominium Board shall not reduce the Common Charges payable during any fiscal year occurring within the Sponsor Control Period solely as a result of either reducing the number of employees of the Condominium below the number employed (or anticipated in the First Year's Budget) for the Property on the date of recording the Declaration except with Sponsor's prior written consent, or eliminate or reduce the insurance coverage below that provided for the Property on such date, except with the concurrence of a majority of the Members of the Condominium Board elected by Unit Owners other than Sponsor. All Unit Owners will be given a copy of the proposed annual budget of the Condominium at least 10 days prior to the date set for adoption thereof by the Condominium Board.

(B) The failure or delay of the Condominium Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject, in all respects, to the strictures contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments

relative to the General Common Elements shall be levied against all Unit Owners in proportion to their respective Common Interests and all Special Assessments relative to the Residential Common Elements and/or the Residential Limited Common Elements shall be levied against all Residential Unit Owners in proportion to their Residential Common Interests. Special Assessments relating to the Parking Spaces shall be levied solely against all Unit Owners owning such Parking Spaces. Special Assessments may be payable either in one lump sum or in installments, as the Condominium Board shall determine, provided, however, that the Condominium Board shall give each Unit Owner not less than 15 days' written notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.5 hereof).

(D) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any General Common Element or Residential Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners or the Residential Unit Owners, as applicable, and shall be collected on behalf of the Unit Owners or Residential Unit Owners, as applicable, by the Condominium Board and applied against the General Common Expenses attributable to the General Common Elements, or the Residential Common Expenses attributable to the Residential Common Elements or the Residential Limited Common Elements, as applicable, for the fiscal year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied for the next succeeding year(s) of operation by the Condominium Board against the General Common Expenses attributable to the General Common Elements, or the Residential Common Expenses attributable to the Residential Common Elements or the Residential Limited Common Elements, as applicable. No Unit Owner shall be entitled to a distribution of any portion of such excess unless the Condominium Board shall determine to distribute all or part of such excess to all Unit Owners pro-rata in proportion to their respective General Common Interests, or to all Residential Unit Owners pro-rata in proportion to their respective Residential Common Interests, as applicable. Any such distributions must be made by adjusting the Common Charges collected from Unit Owners.

(E) Common Expenses have been allocated amongst the Residential Units (in the aggregate) and the Retail Unit, on the basis of usage rather than Common Interest. The First Year's Budget sets forth the percentage for each line item, if any, to be paid for by the Residential Units and the Retail Unit, which percentages are deemed presumptive evidence of reasonableness. The Condominium Board may not modify these allocations without the unanimous consent of the Retail Unit Owner. Any new line items which may be added to the budget by the Condominium Board in the future shall be paid for on the same basis.

Section 6.2 *Payment of Common Charges*

(A) All Unit Owners (including Sponsor with respect to Unsold Residential Units for so long as the same are owned thereby) shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit and any sums unpaid on a Permitted Mortgage recorded against the Unit.

(B) Notwithstanding anything to the contrary contained in paragraph (A) above, during the Sponsor Control Period, the Condominium Board, in its sole discretion, shall have the right to waive all Unit Owners' obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided during such period, the basic operating costs of the Condominium (exclusive of reserves) are paid by Sponsor. Upon commencement of the collection of Common Charges from all Unit Owners, no assessment will be imposed for any item set forth in the approved budget for the Condominium. The Condominium Board shall remain obligated to update the budget in accordance with Law.

(C) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against the Unit subsequent to a sale, transfer, or other conveyance by Unit Owner of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to such purchaser's acquisition thereof, except that, to the extent permitted by Law, a Permitted Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted Mortgage and prior to the acquisition of title to such Unit by the Permitted Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure or sale. Any excess proceeds from such foreclosure or sale shall be paid directly to the Condominium Board in payment of all unpaid Common Charges and Special Assessments. In the case of a Residential Unit, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure sale or from the defaulting Residential Unit Owner shall be deemed a Residential Common Expense, collectible from all those who are Residential Unit Owners at the time the same is levied. In the case of the Retail Unit, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure or sale or from the defaulting Retail Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(D) Subject to the terms and conditions contained in these By-Laws, any Unit Owner may convey the Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however, that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Residential Unit have been paid; (ii) such Residential Unit is free and clear of all liens and encumbrances other than a Permitted Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Residential Unit. However, in no event shall Sponsor be permitted to convey any Unsold

Residential Unit to the Condominium Board and thereby exempt itself from Common Charges and any Special Assessments attributable to such Residential Unit thereafter accruing unless the aggregate Residential Common Interests then appertaining to the Unsold Residential Units constitute 15% or less of the total Residential Common Interests then appertaining to all Residential Units, at least five years shall have elapsed from the date of the First Closing and, at the time of conveyance, Sponsor shall pay to the Condominium Board an amount equal to the product of the then current monthly Common Charges for the Unsold Residential Unit(s) being conveyed multiplied by 24.

(E) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning the Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation, pursuant to the terms of paragraph (C) hereof). Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit) pursuant to the terms of Section 5.1, 5.2, or 5.3 hereof; or (iii) any action taken by the Condominium Board or the officers of the Condominium to comply with Law.

Section 6.3 *Statement of Common Charges.* The Condominium Board shall promptly provide a written statement of unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner.

Section 6.4 *Common Charge Deposit for Foreign Owners.* Any Unit Owner that is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) shall deposit with the Condominium Board an amount equal to two (2) times the then current annual Common Charges for such Unit, subject to increase from time to time as such Common Charges increase, together with the full amount of any Special Assessment levied against, or allocable to, such Unit, as security for the faithful observance by such Unit owner of the terms, provisions and conditions of these By-Laws. In the event that such Unit Owner defaults in respect of the terms, provisions and conditions of these By-Laws, the Condominium Board may use, apply or retain the whole or any part of the security so deposited, to the extent required for the payment of any Common Charges or any other sum to which such Unit Owner is in default. If the Condominium Board applies or retains any part of said security, the Unit Owner in question, within ten (10) days after notice from the Condominium Board, shall deposit with the Condominium Board the amount so applied or retained so that such Condominium Board has the full amount of said security on hand at all times.

Section 6.5 *Default in Payment of Common Charges.*

(A) The Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board that remain unpaid for more than 10 days after the due date for the payment thereof, including, but not limited to the imposition of late charges, notice fees and the institution of such actions for the recovery of interest and expenses as provided in this Article 6. All costs and expenses incurred by the Condominium Board (including attorneys' fees, costs and disbursements) as a result of its attempt to collect unpaid Common Charges and/or Special Assessments shall be borne by the Unit Owner and shall constitute Common Charges payable by such Unit Owner. In connection therewith, the Condominium Board shall have the right and obligation to cause liens for all sums due and owing to the Condominium Board to be filed in the Register's Office pursuant to the terms of Section 339-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 339-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Condominium Board to recover all such unpaid Common Charges, together with all additional sums of

money collectible by the Condominium Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges, however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay: (i) interest thereon at the rate of 1.5% per month of such unpaid amounts (less any late "charges" theretofore collected), to be computed from the due date thereof until paid in full, together with all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, or the manager (if any) in connection with collecting such unpaid Common Charges with interest as aforesaid and/or in foreclosing the aforementioned lien, including, without limitation, attorneys' fees and disbursements and court costs; (ii) a late charge of $150 per month for Common Charges which remain unpaid for more than 10 days after the date when due, plus all expenses of collection, including, but not limited to, attorneys' fees, costs and disbursements, in such amount as may be determined by the Condominium Board from time to time, to be computed from the due date thereof until paid in full. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner will be required to pay a reasonable rental for the use of the Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such late charges, interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Condominium Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

(D) If the Unit Owner shall at any time lease the Unit and shall default in the payment of any Common Charges or additional Common Charges, the Condominium Board may, at its option, so long as such default shall continue, demand and receive from the tenant the rent due or becoming due from such tenant to the Unit Owner, and apply the amount to pay sums due and to become due from the Unit Owner to the Condominium. Any payment by a tenant to the Condominium shall constitute a discharge of the obligation of such tenant to the Unit Owner, to the extent of the amount so paid. The acceptance of rent from any tenant shall not be deemed a consent to or approval of any leasing by the Unit Owner, or a release or discharge of any of the obligations of the Unit Owner hereunder. In the event the tenant fails to pay the rent to the Condominium after demand by the Condominium Board, the Condominium Board shall have the right to commence summary eviction proceedings in the name of or on behalf of the Unit Owner, against the tenant. All costs and expenses incurred by the Condominium Board (including attorneys' fees, costs and disbursements) in connection therewith, shall be borne by the Unit Owner and shall constitute Common Charges payable by such Unit Owner.

ARTICLE 7

SELLING AND LEASING OF UNITS AND ASSIGNMENT OF PARKING SPACE LICENSES

Section 7.1 *General.* Subject to the terms of Section 7.5 hereof, each Residential Unit Owner may (i) sell the Residential Unit and (ii) lease the Residential Unit for periods of not less nor more than 1 year, provided however, no Residential Unit Owner may sell or lease the Residential Unit except in compliance with the applicable provisions of this Article 7 and the policies and procedures established by the

Condominium Board. Any purported sale or rental consummated in default in the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board shall so elect, the selling or renting Residential Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized lease) in the name of such Residential Unit Owner. Such Residential Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, attorneys' fees and disbursements and court costs.

Section 7.2 *Right of First Refusal.*

(A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Residential Unit together with its Appurtenant Interests and any lease of a Residential Unit ("Sale Agreement" or "Lease Agreement") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS IF ANY, OF THE CONDOMINIUM BOARD OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTIONS 7.2 AND 7.3 OF THE BY-LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED." Promptly after any such bona fide Sale Agreement or Lease Agreement shall be fully executed, the Residential Unit Owner executing the same ("Offeree Unit Owner") shall send written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the Sale Agreement or Lease Agreement, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant ("Outside Offeror").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell the Residential Unit, together with its Appurtenant Interests, or to lease the Residential Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation by the Offeree Unit Owner to the Condominium Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale Agreement or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the Outside Offeror and the Sale Agreement or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than 30 days (in the event of a proposed sale) and 30 days (in the event of a proposed lease) after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Residential Unit together with its Appurtenant Interests or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise) on behalf of all Residential Unit Owners upon the same terms and conditions as were contained in the Sale Agreement or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in this Section 7.2 to purchase or lease any Residential Unit without the prior approval of a Majority of all Unit Owners.

(D) The Condominium Board may not discriminate against any person on the basis of race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other

ground proscribed by Law in connection with its exercise of its right of first refusal with respect to the sale or rental of a Unit.

Section 7.3 *Acceptance of Offer*

(A) In the event that the Condominium Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Residential Unit together with its Appurtenant Interests, to lease such Residential Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale Agreement or Lease Agreement, at the office of the attorneys for the Condominium Board within 45 days after the day upon which the Condominium Board shall give notice of its election to accept such offer.

(B) If such Residential Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee on behalf of all Residential Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Condominium Board may levy a Special Assessment against each Residential Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Condominium Board may, in its discretion, finance the acquisition of such Residential Unit; provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Residential Unit to be purchased together with its Appurtenant Interests. In addition, if the Outside Offeror was to assume or to take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale Agreement, the Condominium Board may purchase the Residential Unit and assume or take title thereto subject to such mortgage or mortgages as the case may be. At the Closing of Title, the Offeree Unit Owner shall convey the Residential Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all Residential Unit Owners, by deed in the form required by Section 399-o of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale (including, if applicable, all New York State and New York City Transfer Taxes) notwithstanding any terms of the Sale Agreement to the contrary. Real estate taxes, mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Condominium Board or its designee as of the Closing date, notwithstanding any terms of the Sale Agreement to the contrary. Thereafter, such Residential Unit shall be held, so long as the same is owned by the Condominium Board or its designee, on behalf of all Residential Unit Owners, as tenants-in-common, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Residential Unit and the entire Property, as herein provided.

(C) In the event that such Residential Unit is to be leased by the Condominium Board or its designee on behalf of all Residential Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Residential Unit by and between the Offeree Unit Owner, as landlord, and the Condominium Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Lease Agreement, however, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

Section 7.4 *Failure to Accept Offer.*

(A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale Agreement or Lease

Agreement within 60 days after (i) notice of refusal is sent to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale Agreement or Lease Agreement within such 60 day period, then, should the Offeree Unit Owner thereafter elect to sell such Residential Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Section 7.2, 7.3 and 7.4 hereof, but not more often than once in any 12 month period, except the Condominium Board shall have the right to waive this for good cause shown, in its sole discretion.

(B) Any deed of a Residential Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included herein.

(C) Each lease of a Residential Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Condominium Board or such other form approved in writing by the Condominium Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(i) such lease may not be amended, modified, or extended without the prior approval of the Condominium Board in each instance;

(ii) the tenant thereunder shall not assign the tenant's interest in such lease or sublet the premises demised thereunder or any part thereof without the prior approval of the Condominium Board in each instance; and

(iii) the Condominium Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5 *Termination of, and Exceptions to, the Right of First Refusal.*

(A) A certificate executed and acknowledged by the Secretary of the Condominium or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a Residential Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Residential Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause the Managing Agent to furnish without charge, such certificate upon written request to any Residential Unit Owner in respect to whom the provisions of Sections 7.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 7.2, 7.3 and 7.4 hereof) in the absence of the certificate that has been duly executed, acknowledged and issued by the Secretary of the Condominium or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Section 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease or conveyance of a Residential Unit, together with its Appurtenant Interests, by:

(i) the Residential Unit Owner thereof to any adult Family Members, to any combination of the same, or to a trust for the benefit of any of them (in which case the Condominium Board shall have the right to review the trust documents and provide for such terms and restrictions on such transfer as the Condominium Board deems advisable), provided, however, that if the succeeding Residential Unit Owner is an infant or a person judicially declared incompetent of managing such person's affairs, then such Residential Unit shall be held by the personal representative of such infant or incompetent, or in the case of a Residential Unit Owner that is not an individual, to any entity or individual that owns more than 50% of the legal and beneficial interests of such Residential Unit Owner or to any entity with respect to which such Residential Unit Owner (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof:

(ii) Sponsor;

(iii) the Condominium Board;

(iv) any proper officer conducting the sale of a Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Residential Unit or delivering a deed in lieu of such foreclosure; or

(v) any Permitted Mortgagee or its nominee, who has acquired title to any Residential Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction;

(vi) the Retail Unit Owner;

(C) provided, however, that each succeeding Residential Unit Owner shall be bound by, and the Residential Unit shall be subject to, all of the terms and conditions of this Article 7.

(D) The terms and conditions contained in Section 7.2, 7.3, 7.4 and 7.7 hereof shall not apply with respect to any sale, lease or conveyance of the Retail Unit, together with its Appurtenant Interests.

Section 7.6 *No Severance of Ownership.* No Unit Owner shall execute any deed or other instrument conveying title to the Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7 *Payment of Common Charges and Fees.* No Unit Owner shall be permitted to convey or lease the Unit unless the Unit Owner shall have (i) paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit and (ii) paid in full all fees charged by the Condominium Board and/or the Managing Agent in connection with the sale or rental of Residential Units, including, without limitation, any working capital fund contribution imposed by the Condominium Board and (iii) paid in full to Sponsor the Resale Fee pursuant to the Purchase Agreement. However, where the payment of such unpaid Common Charges and/or Special Assessments is made by the grantee or provided for out of the proceeds of the sale of a Unit, a sale may take place notwithstanding the foregoing. Notwithstanding the foregoing, the imposition of any fees by the Condominium Board and/or the Managing Agent in connection with the sale or rental of Residential Units shall not apply to the sale lease,

sublease, license or conveyance of a Residential Unit by the reasons set forth in subsections 7.5(B) (ii), (iii), (iv), (v) and (vi) of this Article 7.

Section 7.8 *Power of Attorney.* At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of the title insurance company (or, if no such representative is present, to the Condominium Board) for recording in the Register's Office (at such Unit Owner's sole cost and expense), the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form set forth as Exhibit E to the Declaration.

Section 7.9 *Gifts and Devises, Etc..* Any Unit Owner shall be free to convey or transfer the Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and the Unit shall be subject to, the provisions of this Article 7.

Section 7.10 *Commencement of Time.* The period of time set forth in Section 7.2 for which the Condominium Board has to waive its right of first refusal shall not commence until such time as the Condominium Board or its managing agent has received a completed sales or lease package, including all fees set forth therein, as the case may be, from a Residential Unit Owner. If the information provided by the Unit Owner or prospective purchaser or tenant, as the case may be, is incomplete, the Condominium Board shall have the right to request additional information and the 30 day period will commence on receipt by the Condominium Board of the additional information.

Section 7.11 *Costs and Expenses.* All costs and expenses incurred by the Condominium Board, including, without limitation, attorneys' fees, costs and disbursements paid or incurred by the Condominium Board or by its Managing Agent in connection with any action taken by the Condominium Board with regard a violation of this Article 7, shall be borne by the defaulting Unit Owner as an Additional Common Charge.

Section 7.12 *Sale or Lease of the Retail Unit.*

(A) The Retail Unit Owner may sell, lease or convey their respective Units without the consent of the Condominium Board, the Managing Agent, the other Unit Owners or any other Person.

(B) Any proper officer conducting the sale of the Retail Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure, or any Permitted Mortgagee or its nominee, who has acquired title to any Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof in a bona fide transaction shall have the same rights as the Retail Unit Owner to sell or lease such Unit as provided in paragraph (A) above.

(C) Upon the written request of the Retail Unit Owner, the Condominium Board shall deliver to the Retail Unit Owner or any designee, a statement ("Estoppel Certificate") indicating that the Retail Unit Owner is current in its payment of all amounts due under the Declaration and the By-Laws, that no written notice of default has been sent to such requesting party and to the knowledge of the Condominium Board, no such default exists. Any such statement may be relied upon by any mortgagee or purchaser of the Retail Unit. In addition, upon the written request of the Retail Unit Owner accompanied by such documentation as is reasonably sufficient to allow the Condominium Board to proceed as hereinafter described, the Condominium Board will enter into a non-disturbance and attornment agreement ("Non-Disturbance Agreement") in a form reasonably satisfactory to such requesting Unit Owner with any tenant ("Tenant") of the Retail Unit Owner which provides that: (i) the Tenant shall be entitled to continued undisturbed possession of such Unit or portion thereof leased by such Tenant, (ii) the Tenant's rights and privileges under the lease for such Unit or portion thereof ("Lease") shall not be diminished or interfered with by the Condominium Board for any reason whatsoever during the term of the Lease or any extensions or renewals thereof, and (iii) except as provided in the last paragraph of this paragraph (C), the Condominium Board will not join the Tenant as a party defendant in any action or proceeding to foreclose upon the Unit or

to enforce any rights or remedies of the Condominium Board under the Declaration and the By-Laws which would cut-off, destroy, terminate or extinguish the Lease, provided that (a) the Tenant is not in default (beyond any applicable grace periods) in the payment of rent or additional rent or in the performance or observance of any of the other terms, covenants, provisions or conditions of the Lease, (b) the Tenant is not in default of any of the provisions of the Declaration and the By-Laws, both at the time of the request and at the time of execution of the Non-Disturbance Agreement, (c) the Lease is in full force and effect, (d) the Tenant attorns to the Condominium Board and pays to the Condominium Board, all rentals and other monies due and to become due to the Retail Unit Owner, under the terms of the Lease but only to the extent of a percentage of the unpaid Common Charges due from the Retail Unit Owner, equal to the percentage of the total square footage of the Retail Unit leased by such Tenant, it being understood that without affecting the Tenant's rights and protection afforded by the Non-Disturbance Agreement, the Tenant shall not be required to pay any rentals or other monies otherwise due or to become due to the Retail Unit Owner to the Condominium Board if such payment is prohibited by the terms of any non-disturbance agreement granted to such Tenant by the mortgagee of any the Retail Unit holding a first mortgage on the Retail Unit. The Non-Disturbance Agreement shall be executed by the Tenant and the Condominium Board and prepared by the Condominium Board at the expense of the Unit Owner requesting the Non-Disturbance Agreement, which expense shall be limited to reasonable actual out-of-pocket expenses incurred by the Condominium Board, including attorneys' fees, costs and disbursements.

Notwithstanding the foregoing, if it would be procedurally disadvantageous for the Condominium Board not to name or join the Tenant in a foreclosure proceeding with respect to the Retail Unit, the Condominium Board may name or join the Tenant without in any way diminishing or otherwise affecting the rights and privileges granted to, or inuring to the benefit of, the Tenant under this Article.

Section 7.13 *Assignment of Parking Space Licenses.*

(A) Except for Sponsor, No Residential Unit Owner shall be permitted to assign, convey or lease any Parking Space to anyone other than a Residential Unit Owner or its Permitted User. A Parking Space License may be assigned by a Residential Unit Owner at any time (and not subject to any right of first refusal by the Condominium Board) provided (i) the assignee is another Residential Unit Owner at the Condominium; (ii) the assignee assumes the obligations under the Parking Space License; (iii) notification of the assignment is promptly delivered to the Condominium Board in compliance with its requirements; and (iv) all unpaid Common Charges and Special Assessments and other obligations due to the Condominium have been paid in full.

(B) If the Condominium Board terminates a Parking Space License or a Residential Unit Owner surrenders a Parking Space License without assigning the Parking Space License to another Residential Unit Owner, the Condominium Board shall have the right to issue a new Parking Space License for the Parking Space to another Residential Unit Owner, in its sole discretion and the surrendering Unit Owner shall not be entitled to any compensation.

ARTICLE 8

MORTGAGING OF UNITS

Section 8.1 *General.* Each Unit Owner shall have the right to mortgage the Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages the Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Condominium Board. Any Unit Owner who satisfies a mortgage covering the Unit shall so notify the Condominium Board and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium shall

maintain such information in a book entitled "Mortgages of Units." The terms and conditions contained in this Section 8.1, however, shall not apply to Sponsor or the Retail Unit Owner.

Section 8.2 *Restrictions on Mortgaging*

(A) No Unit Owner shall be permitted to mortgage, pledge, or hypothecate the Unit unless and until such Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to the Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

(C) Any mortgage covering a Unit shall be substantially in the form used by any Institutional Lender.

(D) Any mortgage covering a Unit shall be held by an Institutional Lender, Sponsor, or by a Unit Owner providing purchase money financing in connection with the sale of the Unit.

Section 8.3 *Notice of Unpaid Common Charges and Default.* The Condominium Board shall promptly report to Permitted Mortgagee any default by the Permitted Mortgagee's mortgagor in the payment of Common Charges or Special Assessments for more than 60 days or whenever requested in writing by a Permitted Mortgagee any default by the Permitted Mortgagee's mortgagor in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists. The Condominium Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to the Permitted Mortgagee, if so requested. However, the Condominium Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by the mortgagor under the Condominium Documents, provided that (i) the Condominium Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Condominium Board shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Section 6.5 hereof by reason of such default, the Condominium Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Condominium Board pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4 *Performance by Permitted Mortgagees.* Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by such Unit Owner's Permitted Mortgagee, and the Condominium Board shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5 *Examination of Books.* Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 8.6 *Consent of Mortgagees; Designation of Mortgage Representatives.*

(A) Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Condominium Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect

the rights of any mortgagee against a Unit Owner's mortgage. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or these By-Laws, the decision of a majority of the Mortgage Representatives, if any are designated pursuant to the terms of paragraph (B) of this Section 8.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

(B) The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more than 3 Mortgage Representatives by giving written notice thereof to the Condominium Board, which Mortgage Representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-Laws. Any designation of a Mortgage Representative pursuant to the terms of this paragraph (B) shall be effective until any successor Mortgage Representative is designated pursuant to the terms hereof and written notice thereof is given to the Condominium Board. Unless otherwise required by Law, no holders of mortgages (which are not Institutional Mortgages) shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of the Declaration or these By-Laws.

Section 8.7 *Notice to Permitted Mortgagees*.

(A) Whenever requested by a Permitted Mortgagee, the Condominium Board shall provide timely written notice to such Permitted Mortgagee of (i) any condemnation or casualty loss that affects either (x) a material portion of the Condominium or (y) a material portion of a Unit, (ii) a lapse, cancellation or material modification of any insurance policy maintained by the Condominium, and (iii) any proposed action by the Condominium Board that requires the consent of a specified percentage of Permitted Mortgagees or the approval of the majority of the Mortgage Representatives.

(B) In no event, however, shall the Condominium Board (including its members, officers, agents, attorneys and employees) and Unit Owners be liable for any claims or liabilities and expenses for any failure, through oversight or negligence, in giving a Permitted Mortgagee any notice required under (A) above. Nonetheless, the Condominium Board shall give such missed notice with reasonable promptness after discovering such failure.

(C) Where the consent of the Permitted Mortgagees or Mortgage Representatives is required pursuant to the terms of the Declaration or By-Laws, if the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the required consent, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

ARTICLE 9

CERTAIN REMEDIES

Section 9.1 *Self Help.* If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on Unit Owner's part to be observed or performed, including, without limitation, any breach of Unit Owner's obligation to paint, decorate, maintain, repair, or replace the Unit or its appurtenant Residential Limited Common Elements, if any, pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within 5 days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such 5 day period and, thereafter, to prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and/or its appurtenant Residential Limited Common Elements, if any, and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty

or liable in any manner of trespass. In addition, in the event that the Condominium Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 9.2 *Abatement and Enjoinment.*

(A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on Unit Owner's part to be observed or performed, the Condominium Board shall have the right (i) to enter any Unit or Common Elements in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and the Condominium Board shall not thereby be deemed guilty or liable in any matter of trespass, and/or (ii) to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity, provided that the Condominium Board gives the Unit Owner notice (which may be by telephone or in writing) that such violation exists, that repairs or replacements are necessary and that the Condominium Board will complete such repairs or replacements in the event the Unit Owner does not promptly act or complete the repairs or replacements, and/or (iii) to levy such fines and penalties as the Condominium Board may deem appropriate, and the Condominium Board shall have the same remedies for non-payment of such fines and penalties as for non-payment of Common Charges.

(B) The violation or breach of any of the terms of the Condominium Documents with respect to any rights, easements, privileges, or licenses granted to Sponsor or the Retail Unit Owner shall give to Sponsor or the Retail Unit Owner the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3 *Remedies Cumulative.* The remedies specifically granted to the Condominium Board or to Sponsor or the Retail Unit Owner in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board or Sponsor or the Retail Unit Owner, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4 *Costs and Expenses.* All sums of money expended, and all costs and expenses incurred, by (i) the Condominium Board in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section 9.2 hereof or (ii) Sponsor or the Retail Unit Owner in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 9.2 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Condominium Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Condominium Board or the Unit Owner) to Sponsor or the Retail Unit Owner, as the case may be, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of 2% per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 9.3 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10

ARBITRATION

Section 10.1 *Procedure.* Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the City of New York before 1 arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within 10 days after such arbitrator's selection or appointment. Any arbitrator appointed or selected in connection with any arbitration to be conducted hereunder shall be a member of a law firm having at least 5 members whose principal office is located in the City of New York.

Section 10.2 *Variation by Agreement.* The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes."

Section 10.3 *Binding Effect.* The decision in any arbitration conducted pursuant to the terms of Section 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 10.4 *Costs and Expenses.*

(A) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of disputant's counsel and expert witnesses.

(B) All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute General Common Expenses, to be borne by all Unit Owners, if such arbitration relates to the Units, generally, or to the General Common Elements, and shall constitute Residential Common Expenses, to be borne by all Residential Unit Owners if such arbitration relates solely to the Residential Units or the Residential Common Elements or the Residential Limited Common Elements.

ARTICLE 11

NOTICES

Section 11.1 *General.* All notices required or desired to be given hereunder (except for notices of regular annual or special meetings of the Residential Unit Owners and except all meetings of the Condominium Board) shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Condominium Board, to the Condominium Board at its principal office as set forth in Section 1.5 hereof, with a copy sent by regular first class mail to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner other than Sponsor, to such Unit Owner at Unit Owner's address at the Property;

(iii) if to Sponsor, to Sponsor at its principal office as set forth in the Plan;

(iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Condominium Board.

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 11.1 shall be deemed given when mailed in the State of New York, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United States Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 11.2 *Waiver of Service of Notice.* Whenever any notice is required to be given by Law or pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 12

AMENDMENTS TO BY-LAWS

Section 12.1 *General.*

(A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-Laws with respect to any amendments ("Special Amendments") affecting or in favor of Sponsor, the Retail Unit Owner, the Retail Unit and/or any Permitted Mortgagee, any provision of these By-Laws affecting the (i) General Common Elements or all Units may be added to, amended, modified or deleted by the affirmative vote of at least 66 2/3% in number and Common Interest of all Unit Owners; and (ii) Residential Common Elements or all Residential Units may be added to, amended, modified or deleted by affirmative vote of at least 66 2/3% in number and Residential Common Interest of all Residential Unit Owners, either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.10 hereof. Each duly adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Condominium Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage (where applicable) of Residential Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Residential Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage (where applicable) of Residential Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding anything to the contrary contained in paragraph (A) hereof, but still subject to any provision contained in the Declaration or these By-Laws with respect to Special Amendments:

(i) the Common Interest and Residential Common Interest, if any, appurtenant to any Unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof, except as otherwise provided in paragraph (F) of Section 5.5 hereof; and

(ii) the terms of Section 5.7 hereof may not be amended, modified, added to, or deleted unless not less than 80% in number and aggregate Common Interests of all Unit Owners affected thereby shall approve such amendment, modification, addition or deletion in writing.

Section 12.2 *Special Amendments.*

(A) Any amendment, modification, addition, or deletion of or to any of the provisions of these By-Laws that, pursuant to the terms of the Declaration or these By-Laws, may be effected by Sponsor or the Retail Unit Owner, without the consent of the Condominium Board or the Unit Owners, shall be embodied in an instrument executed and recorded in the Register's Office by Sponsor or the Retail Unit Owner, as the case may be, as attorney-in-fact of both the Condominium Board and all Unit Owners, which power-of-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by Sponsor or the Retail Unit Owner certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or the Retail Unit Owner pursuant to the terms of the Declaration and/or these By-Laws, in which Certification there shall be set forth the Article and/or Section of the Declaration or these By-Laws pursuant to which the same was effectuated. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to these By-Laws shall be effective in any respect against Sponsor or the Retail Unit Owner, unless and until Sponsor or the Retail Unit Owner shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to Section 5.4 or 5.5, paragraph (B) or paragraph (C) of Section 6.2, subparagraph (iv) or (v) of paragraph (B) of Section 7.5 or Article 8 hereof shall be effective with respect to the holder of any Permitted Mortgage theretofore made unless and until such Permitted Mortgagee shall have given its written consent thereto. In addition, no amendment to the Condominium Documents which would materially and adversely affect the holder of any Permitted Mortgage shall be effective without the prior written consent of 51% of the Permitted Mortgagees or a majority of the Mortgage Representatives, if any. If the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the proposed amendment, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

(D) Amendments, modifications, additions or deletions of or to the Declaration, these By-Laws and the Residential Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Retail Unit or the subdivision of or combination of, or altering of, or improvement to the Retail Unit and it is contemplated that in connection therewith the Retail Unit Owner will cause the Declaration, these By-Laws and the Residential Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provisions thereof may be similar or dissimilar to those affecting the Residential Units and the Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not materially and adversely affect the Residential Units or the Residential Unit Owners, the Retail Unit Owner shall be the attorney-in-fact for the Residential Unit Owners (including Sponsor so long as Sponsor owns any Unsold Residential Units), coupled with an interest, for the purpose of approving, executing and recording any instrument effecting such amendment, modification, addition or deletion.

ARTICLE 13

FURTHER ASSURANCES

Section 13.1 *General.* Any Person that is subject to the terms of these By-Laws, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a Member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2 *Failure to Deliver or Act.*

(A) If any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Condominium Board is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(B) If any Unit Owner, the Condominium Board or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, to execute, acknowledge or deliver any instrument which such Unit Owner, Condominium Board or other Person is required to execute, acknowledge or deliver pursuant to these By-Laws at the request of Sponsor or the Retail Unit Owner, as the case may be, then Sponsor or the Retail Unit Owner, as the case may be, is hereby authorized, as attorney-in-fact for the Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, in the name of the Unit Owner, Condominium Board or other Person, and such instrument shall be binding on the Unit Owner, Condominium Board or other Person. The Condominium Board shall not unreasonably withhold or delay its consent or approval with respect to any matter contained in these By-Laws which requires the consent or approval of the Condominium Board.

ARTICLE 14

MISCELLANEOUS

Section 14.1 *Inspection of Documents.* Copies of the Declaration, these By-Laws, the Residential Rules and Regulations and the Tax Lot Drawings, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours. Each Unit Owner shall be permitted to examine the books of account of the Condominium during reasonable business hours, but not more frequently than once a month.

Section 14.2 *Waiver.* No provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 14.3 *Conflict.* In the event that any provision of these By-Laws or of the Residential Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 14.4 *Severability.* If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

Section 14.5 *Successors and Assigns.* The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor. The rights and/or obligations of the Retail Unit Owner as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of the Retail Unit Owner.

Section 14.6 *Gender.* A reference in these By-Laws to any one gender, masculine or feminine, includes the other one, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Section 14.7 *Captions.* The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision hereof.

ARTICLE 15

TAX STATUS AS A HOMEOWNERS ASSOCIATION

Section 15.1 *General.* As of the date of the recording of this Declaration, the Condominium Board will not be eligible to elect tax-exempt status as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended.

Section 15.2 *Organization.* The Condominium is and will be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Property.

Section 15.3 *Inurement.* No part of the Condominium's net earnings shall inure, and the Condominium Board will act in a manner such that no part of such earnings will inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of the Property, and other than by rebate of excess membership dues, fees, or assessments).

Section 15.4 *Residential Use.* Substantially all of the Units are and will be used by individuals for residences.

* * * * *

ADDENDUM TO THE BY-LAWS

RESIDENTIAL RULES AND REGULATIONS

1. The sidewalks, entrance passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Residential Units.

2. No bicycles, rollerblades, scooters, skateboards or similar vehicle shall be taken into or from the Building through the main entrance or shall be allowed in any of the elevators of the Building other than the elevator designated by the Condominium Board or the Managing Agent for such purpose or ridden in the Building or the courtyard. No baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

3. All domestic employees, messengers and tradespeople visiting the Building shall use the elevator designated by the Condominium Board or the Managing Agent for the purposes of ingress and egress, and shall not use any of the other elevators for any purpose, provided, however, that care-givers in the employ of Residential Unit Owners or their Family Members, guests, tenants, subtenants, licensees, or invitees may use any of the other elevators when accompanying said Unit Owners, Family Members, guests, subtenants, licensees, or invitees.

4. Trunks and heavy baggage shall be taken in or out of the Building only by the elevator designated by the Condominium Board or the Managing Agent for the purpose and only through the service entrances.

5. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

6. No Residential Unit may be used for the storage of any flammable materials or any other materials the storage of which may constitute a building code violation or which will increase the insurance requirements for the Building.

7. No refuse from the Residential Units shall be sent to the service area of the Building, except at such times and in such manner as the Condominium Board or the Managing Agent may direct. Nothing shall be hung or shaken from any doors, windows, Terrace or placed upon the window sills of the Building, and no Residential Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

8. There shall be no playing or lounging in the entrances, passages, public halls, elevators, vestibules, corridors, stairways, or fire towers of the Building.

9. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage or service purposes in the Building.

10. Nothing shall be done or kept in any Residential Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof. No Residential Unit Owner shall permit anything to be done or kept in the Residential Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Residential Unit Owner or any Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in the Residential Unit any inflammable,

combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of the Residential Unit.

11. There shall be no barbecuing in the Residential Units, in their appurtenant Residential Limited Common Elements, if any, or in the Common Elements, without prior approval by the Condominium Board.

12. No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from the Residential Unit or its appurtenant Residential Limited Common Elements, if any, or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Residential Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit or its appurtenant Residential Limited Common Elements, if any, between 11:00 P.M. and the following 9:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 9:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

13. No pets other than caged birds, cats, fish, and dogs may be kept in any Apartment, unless approved by the Condominium Board or the Managing Agent, in its sole discretion. Notwithstanding the foregoing, no dog is permitted to be kept in any Residential Unit which (i) weighs more than forty (40) pounds, unless such dog is approved by the Condominium Board, and/or (ii) is a Doberman, pitbull, or any other breed of dog determined in the Condominium Board's sole discretion to be inherently dangerous or a nuisance. In all events, any consent given shall be revocable at any time by the Condominium Board or the Managing Agent in its sole discretion. In the event that any pet, including without limitation any pets previously approved by the Condominium Board, endangers the health or security of any Residential Unit Owner or occupant of any Residential Unit or creates a nuisance, health hazard, unsanitary condition, or unreasonable disturbance, as determined by the Condominium Board in its sole discretion, the Condominium Board shall have the right to require the permanent removal of such pet from the Building upon seven (7) days' written notice. Any pet that presents an immediate danger to the health, safety, or property of any Residential Unit Owner or occupant of any Residential Unit, as determined by the Condominium Board in its sole discretion, may be removed by the Condominium Board without prior notice to the pet's owner. Each Residential Unit Owner who keeps any type of pet will be required to: (a) indemnify and hold harmless the Cooperative, all Residential Unit Owners and Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all House Rules of the Directors adopted with respect thereto. Unless carried or on a leash, no pet shall be permitted in any public elevator of the Building or in any of the public portions of the Building. The Condominium Board shall have the right to restrict the transport of pets to a specific elevator and/or to limit or regulate the public places in the Building where pets are permitted. 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.

14. No group tour, open house or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential Unit, without the consent of the Condominium Board or the Managing Agent in each instance. In the event that any Residential Unit shall be used for home occupation purposes in conformance with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

15. Unless expressly authorized by the Condominium Board in each instance, not less than 80% of the total floor area of each room of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise reducing material.

16. No window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Condominium Board or the Managing Agent, which approval shall not be unreasonably withheld, conditioned, or delayed. In no event, however, shall any windows of any Residential Unit be colored or painted.

17. Any installations, replacements, and/or repairs in connection with legally-compliant window guards and/or window stops in any Residential Unit shall be performed at the direction of the Managing Agent and all costs associated therewith shall be borne by the Residential Unit Owner. It is the responsibility of each Residential Unit Owner to (i) notify the Managing Agent in writing if any child under the age of eleven (11) years resides (even temporarily) in the Residential Unit, (ii) to make the necessary arrangements with respect to the installation, repair, replacement, operation, and/or maintenance of legally-compliant window guards and/or window stops in the Residential Unit and/or any additional equipment as required by Law, and (iii) to otherwise ensure that all operable windows located in the Residential Unit comply with Law.

18. No ventilator or air conditioning device shall be installed in any Residential Unit or its appurtenant Residential Limited Common Elements, if any, without the prior approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

19. No radio or television aerial shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement, or illumination (including, without limitation, "For Sale," "For Lease," or "For Rent" signs) shall be inscribed or exposed on or at any window or other part of the Building, except such as are permitted pursuant to the terms of Declaration and/or the By-Laws or shall have been approved in writing by the Condominium Board or the Managing Agent. Nothing shall be projected from any window of a Residential Unit without similar approval.

20. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

21. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of the Residential Unit.

22. Each Residential Unit Owner shall keep the Residential Unit and its appurtenant Residential Limited Common Elements, if any, in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

23. The access doors located in various portions of the ceiling of the Residential Units shall not be obstructed in any manner which would prevent access to the ceiling hung units located within such ceilings.

24. The agents of the Condominium Board or the Managing Agent, and any contractor or workperson authorized by the Condominium Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least 1 day's prior notice to the Residential Unit Owner, for the

purpose of inspecting such Residential Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

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

26. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by an agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for the Residential Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Residential Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as provided in Rule 22 above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

27. Residential Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever, enter upon, or attempt to enter upon, the roof of the Building unless such roof is part of a lawful Terrace.

28. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

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

30. No Residential Unit Owner shall install any plantings on any Terrace or roof without the prior approval of the Condominium Board. Plantings shall be placed in containers impervious to dampness and standing on supports at least two inches from the Terrace or roof surface, and if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the containers to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in containers which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such Terrace or roof but shall stand on supports at least two inches above such surface. No planting shall be permanently affixed to a Terrace or roof surface but shall be able to be easily moved. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary by or damage caused by such plantings. The Condominium Board shall have an easement and a right of access to the Terrace appurtenant to the a Unit to inspect the same and to remove violations therefrom and to install, operate,

maintain, repair, alter, build, restore, and replace any of the Common Elements located in, over, under through, adjacent to, or upon the same.

31. No Residential Unit Owner shall enclose, erect a greenhouse and/or alter the Terrace appurtenant to a Residential Unit in any way, without the prior approval of the Condominium Board.

32. No Residential Unit Owner may install or place speakers on a Terrace appurtenant to a Residential Unit.

33. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board and the Managing Agent.

34. When leaving the Residential Unit for extended periods of time, Residential Unit Owners and their respective Family Members, guests, domestic employees, agents, visitors, or licensees shall keep the Residential Unit at a maximum of 80 degrees Fahrenheit from May 15 to October 15 and shall keep the Residential Unit at a minimum of 60 degrees Fahrenheit from October 15 to May 15. Any damage resulting from a Residential Unit Owner's or their respective Family Member, guests, domestic employees, agents, visitors or licensees failure to abide by the provisions of this paragraph shall be borne solely by the owner of such Residential Unit causing the damage.

35. No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to Residential Unit Owners or occupants or interferes with the peaceful possession or proper use of the Property by Residential Unit Owners or occupants. No immoral, improper, offensive, or unlawful use shall be made of the Property or any portion thereof, and all valid Laws relating to any portion of the Property shall be complied with at the sole cost and expense of the respective Residential Unit Owners or the Condominium, whoever shall have the obligation to maintain or repair such part of the Property.

36. Any Residential Unit Owner whose Residential Unit has an appurtenant Terrace shall neither install nor permit to be installed any improvement, fixture, or other additions which exceed a maximum load of 100 lbs./square foot, unless such Residential Unit Owner (i) first obtains approval by the Condominium Board to increase the load-bearing capacity of the Terrace and complies with any reasonable requests by the Condominium Board for copies of certificates of insurance, permits, authorizations, approvals, and/or certificates required for such work, and (ii) engages a professional structural engineer having at least ten (10) years' experience in structural engineering to design additional support to increase the load-bearing capacity of the Terrace and performs all such work in conformity therewith.

37. Residential Unit Owners and their respective Family Members, guests, domestic employees, employees, agents, visitors, or licensees shall abide by any additional rules and regulations adopted by the Condominium Board.

EXHIBIT E

TO THE DECLARATION

UNIT POWER OF ATTORNEY

UNIT POWER OF ATTORNEY

Terms used in this Unit Power of Attorney which are used (a) in the declaration ("Declaration") establishing a plan for condominium ownership of the premises known as the The Hendrik Condominium ("Condominium") and by the street number 509 Pacific Street, Brooklyn, New York 11217 under Article 9-B of the Real Property Law of the State of New York, dated [DECLARATION DATE], and recorded in the Office of the Register of The City of New York of the County of Kings ("Register's Office") on [DEC RECORDING DATE], as CRFN# [DEC CRFN #] ("Declaration"), or (b) in the By-Laws of The Hendrik Condominium ("By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

[Applicable to Unit Owners of Residential Units only]: The undersigned, _____, (having an office) (residing at) _____, the owner of a Unit _____ ("Unit") in the Condominium which is designated and described as the Unit in the Declaration and also designated as Tax Lot _____ in Block 186 of the Borough of Brooklyn on the Tax Map of the Division of Land Records of The City of New York and on the Tax Lot Drawings, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as Members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, to:

(a) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and commencing, pursuing, appealing, settling and/or terminating administration and tax certiorari proceedings on behalf of the Residential Unit Owners for the reduction of the assessed valuation of their Residential Units, such Residential Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire, lease or license any Residential Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, sublease or surrender the same or acquire any Residential Unit, together with its Appurtenant Interests that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners;

(c) acquire, mortgage, lease, sublease, license, convey or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Residential Unit so acquired or to sublease any Residential Unit so leased;

(d) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Property or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which the Condominium Board deems necessary or appropriate or (3) any protest and tax certiorari proceeding documentation affecting Residential Units.

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

[Applicable to Unit Owners of Residential Units and Retail Unit]: The undersigned, _____, (having an office) (residing at) _____, the owner of a Unit _____ ("Unit") in the Condominium

which is designated and described as the Unit in the Declaration and also designated as Tax Lot _____ in Block 186 of the Borough of Brooklyn on the Tax Map of the Division of Land Records of The City of New York and on the Tax Lot Drawings, do(es) hereby nominate, constitute and appoint 522-528 LLC ("Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to:

(a) amend the Condominium Documents pursuant to the terms thereof, and to effectuate the rights of Sponsor under the Condominium Documents, including without limitation, when such amendment (1) shall be required to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interests of the affected Unsold Residential Units resulting therefrom made by Sponsor in accordance with the Declaration, or (2) shall be required by (a) an Institutional Lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Residential Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Residential Unit; or (3) shall be required to correct any inconsistencies or scriveners' errors in the Declaration, the By-Laws and/or the Tax Lot Drawings; or (4) relinquish Sponsor's rights under the Condominium Documents, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material, physical modification to the Undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as (i) Sponsor shall cease to own any Unit in the Condominium; (ii) Sponsor has completed all of its obligations under the terms of the Offering Plan; and (iii) a PCO has been issued for the Property; and

(b) to effectuate Sponsor's and/or Development Rights Owner's utilization, sale or transfer of all or any portion of the Excess Development Rights, as set forth in the Declaration.

This Power of Attorney shall be irrevocable.

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

_____

(ACKNOWLEDGEMENT)

UNIT OWNER'S SPECIMEN TITLE POLICY

Title No. [Title Number]
Policy No. PRO FORMA

SCHEDULE A

Amount of Insurance:	**$[PURCHASE PRICE]**	**Policy No.:**	**PRO FORMA**
Date of Policy:	**[CLOSING DATE]**	**File No.:**	**[TITLE NUMBER]**
Name of Insured:	**[PURCHASER]**		

1. **The estate or interest in the land that is covered by this policy is:**

   Fee Simple

2. **Title to the estate or interest in the land is vested in:**

   [PURCHASER], who acquired title from 522-528 LLC by Deed dated [CLOSING DATE] and to be duly recorded in the Office of the City Register of the City of New York.

3. **The land referred to in this policy is described in said instrument, is situated in the City of New York, Borough of Brooklyn, County of Kings, State of New York, and is identified as follows:**

   SEE SCHEDULE A DESCRIPTION ATTACHED HEREIN

Countersigned: _____

Commonwealth Land Title Insurance Company
630 Third Avenue, 12th Floor
New York, NY 10017
Telephone: (212)490-2277
Fax: (212)490-8012

PRO FORMA

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Title No. [Title Number]
Policy No. PRO FORMA

SCHEDULE A
DESCRIPTION

The condominium unit (the "Unit") in the building (the "Building") known as 505 Pacific Condominium located at 505 Pacific Street, Borough of Brooklyn, County of Kings, City and State of New York, designated and described as Unit No. _____ in that certain declaration dated _____ _____, made by 522-528 LLC pursuant to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act") establishing a plan for condominium ownership of the Building and the land (hereinafter referred to as the "Land") upon which the Building is situate (which Land is more particularly described below), which declaration was recorded on _____ in the Office of the City Register of the City of New York under CRFN _____ (the "Declaration"). This Unit is also designated as Tax Lot _____ in Block 186 in Kings County on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of the Building, certified by _____ and filed with the Real Property Assessment Department of the City of New York as Condominium Plan No. _____ and also filed in the Office of the City Register of the City of New York as CRFN _____;

TOGETHER WITH an undivided _____% interest in the Common Elements (as such term is defined in the Declaration).

The Land upon which the Building containing the Unit is located is described as follows:

All that certain plot, piece or parcel of land, situate lying and being in the Borough of Brooklyn, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the southeasterly corner of Atlantic Avenue and 3rd Avenue (formerly Powers Street);

RUNNING THENCE southerly along 3rd Avenue 180 feet to the northeasterly corner of 3rd Avenue and Pacific Street;

THENCE easterly along Pacific Street 100 feet;

THENCE northerly parallel with 3rd Avenue 180 feet to the southerly side of Atlantic Avenue;

THENCE westerly along Atlantic Avenue 100 feet to the point or place of BEGINNING

END OF SCHEDULE A DESCRIPTION

PRO FORMA

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Title No. [Title Number]
Policy No. PRO FORMA

SCHEDULE B
EXCEPTIONS FROM COVERAGE

This Policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fee or expenses) that arise by reason of:

1. Any state of facts that an accurate survey of the Building and the Unit would disclose, but Policy insures that any encroachments by the Unit on any adjoining unit or on the Common Elements may remain undisturbed as long as it shall stand.

2. Mortgage dated [CLOSING DATE] made by [PURCHASER] to [LENDER] to secure the principal sum of $[MORTGAGE AMOUNT], and to be duly recorded in the Office of the City Register of the City of New York.

3. Railroad consent recorded in Section 1, Liber 9, page 417.

4. Agreement recorded in Liber 71, page 15.

5. Waiver of Legal Grade made by Trans-Atlantic LLC dated July 9, 1998, and recorded on July 21, 1998, in Reel 4243, page 886.

6. Terms, covenants, restrictions, reservations of easements and conditions set forth in the Declaration of Condominium and By-Laws of 505 Pacific Condominium dated as of _____ and recorded on _____ under CRFN _____, but policy insures against loss or damage occasioned by the premises not being a part of a condominium validly created pursuant to Article 9-B of the Real Property Law.

7. Unit Power of Attorney dated [CLOSING DATE] made by [PURCHASER] to the Members of the Board of Managers of the Condominium and the Condominium and their successors in office, and to be duly recorded in the Office of the City Register of the City of New York.

8. Zoning Lot Certification dated January 25, 2016 and recorded in the Office of the City Register of the City of New York on February 4, 2016 under CRFN 2016000039009.

9. Zoning Lot Description dated January 25, 2016 and recorded in the Office of the City Register of the City of New York on February 4, 2016 under CRFN 20160000390010.

END OF SCHEDULE B

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PRO FORMA

COMMONWEALTH LAND TITLE INSURANCE COMPANY

STANDARD NEW YORK ENDORSEMENT

(OWNER'S POLICY)

Attached to and made a part of Policy Number: PRO FORMA

1. The following is added as a Covered Risk:

   "11. Any statutory lien arising under Article 2 of the New York Lien Law for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

2. Exclusion Number 5 is deleted, and the following is substituted:

   5. Any lien on the Title for real estate taxes, assessments, water charges or sewer rents imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as Shown in Schedule A.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

DATED: [CLOSING DATE]

Countersigned: _____
Commonwealth Land Title Insurance Company

STANDARD NEW YORK ENDORSEMENT (7-1-12)
FOR USE WITH ALTA OWNER'S POLICY (6-17-06)

PRO FORMA

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Title No. [Title Number]
Policy No. PRO FORMA

COMMONWEALTH LAND TITLE INSURANCE COMPANY

Condominium Endorsement

-New York-

Attached to and made a part of Policy Number: PRO FORMA

The Company insures the insured against loss or damage sustained by reason of:

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the State of New York.

2. The failure of the documents required by the condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the title to the unit and its common elements.

3. Present violations of any restrictive covenants which restrict the use of the unit and its common elements and which are created by the condominium documents, except violations relating to environmental protection unless a notice of a violation thereof has been recorded or filed in the public records and is not excepted in Schedule B. The restrictive covenants do not contain any provisions which will cause a forfeiture or reversion of title.

4. The priority of any lien for charges and assessments at Date of Policy provided for in the condominium statutes and condominium documents over the lien of any insured first mortgage identified in Schedule A.

5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.

6. Any obligation to remove any improvements which exist at Date of Policy because of any present encroachments or because of any future unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit.

7. The failure of title by reason of a right of first refusal to purchase the unit and its common elements which was exercised or could have been exercised at Date of Policy.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the amount of insurance.

DATED: [CLOSING DATE]

Countersigned: _____
Commonwealth Land Title Insurance Company

TIRSA Endorsement 4 (Condominium) (5/1/07)

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PRO FORMA

ATTORNEY'S INCOME TAX OPINION

O L S H A N

1325 AVENUE OF THE AMERICAS • NEW YORK, NEW YORK 10019
TELEPHONE: 212.451.2300 • FACSIMILE: 212.451.2222

EMAIL: WGLEICHER@OLSHANLAW.COM
DIRECT DIAL: 212.451.2231

April 26, 2016

522-528 LLC
12 West 23rd Street
New York, NY 10010

Re: 509 Pacific Street

Gentlemen:

In connection with the offering of condominium units under a plan entitled Condominium Offering Plan for The Hendrik Condominium (the "Plan"), you have requested our opinion as special tax counsel to the Plan concerning certain tax matters. Specifically, you have requested our opinion as to the deductibility for federal and New York State income tax purposes of payments of mortgage interest and real estate taxes by individual Residential Unit Owners. You have also asked for our opinion as to the tax status of the condominium association.

All capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

We understand that under the Plan each Unit Owner will hold title to his Unit and an undivided interest in the Common Elements of the Property in fee simple. Under New York State law, each Unit and its interest in the Common Elements will be taxed as a separate parcel for real estate tax purposes. Each Unit Owner may place a separate mortgage on his Residential Unit and, by doing so, incur direct liability for the interest payable on such mortgage.

In our opinion under present law, subject to the limitations discussed in the following paragraph and subject to limitations imposed on the deduction of itemized deductions, interest on a mortgage secured by a Residential Unit paid or accrued by owner of such Residential Unit who is liable for the interest payment on such mortgage and who uses the Residential Unit exclusively as his personal residence will be deductible for federal income tax purposes in the appropriate year according to his method of accounting, provided that he itemizes his deductions. In rendering this opinion we assume that such interest is not prepaid, that the mortgage proceeds were used by the Residential Unit Owner to purchase the Residential Unit, that the Residential Unit is the owner's principal residence and that the Residential Unit Owner is an individual.

Except as provided below, residential interest is deductible if paid or accrued during the taxable year on indebtedness which is secured by either the taxpayer's principal residence, as defined for purposes of exclusion of gain on sale under Internal Revenue Code ("Code") Section 121, or on certain designated second homes. However, a ceiling is placed on the amount of indebtedness which may be taken into account for purposes of this deduction. In general, with respect to indebtedness incurred in purchasing a Residential Unit, this ceiling is $1,000,000, or $500,000 in the case of a married individual filing a separate return. In addition, an individual

may deduct interest on an additional $100,000 of indebtedness in excess of the $1,000,000 limit mentioned above as interest on home equity indebtedness. However, special limitations may apply to the deductibility of points and prepaid interest if any.

It is also our opinion under present law that real estate taxes assessed against a Unit Owner's Residential Unit which are paid or accrued by such owner will be deductible for federal income tax purposes in the appropriate year according to his method of accounting, provided that he itemizes his deductions.

We note that in some cases the amount of mortgage interest deductible by an individual Residential Unit Owner subject to the alternative minimum tax may be less than the amount deductible by a Residential Unit Owner subject to the regular income tax and that no deduction is allowed for real estate taxes paid by a taxpayer subject to the alternative minimum tax.

The mortgage interest and real estate taxes described above will also be allowable as deductions for New York State income tax purposes to a resident individual. We express no opinion with respect to these items under the New York State personal income tax on nonresidents. We also express no opinion as to the taxation of Residential Unit Owners who are not individuals.

We have reviewed various documents included as exhibits in the Plan relating to the organization of the Condominium Board of The Hendrik Condominium (the "Association"), including the Declaration of Condominium and By-Laws of the Condominium (which are the instruments which will create the Association).

Our opinion has been requested as to whether the Association will be eligible to qualify as a tax-exempt organization for federal income tax purposes. In order for the Association to qualify as an exempt organization for federal income tax purposes under Code Section 528, it must meet the following six conditions:

(1) The Association must be organized and operated to provide for the acquisition, construction, management, maintenance, and care of the Association's property.

(2) Sixty percent (60%) or more of the Association's gross income for the taxable year must consist solely of amounts received as membership dues, fees or assessments from owners of residential units.

(3) Ninety percent (90%) or more of the expenditures of the Association for the taxable year must be expenditures for the acquisition, construction, management, maintenance, and care of the Association's property.

(4) No part of the net earnings of the Association may inure to the benefit of any private shareholder or individual, other than by acquiring, constructing, or providing management, maintenance, and care of the Association's property and other than by a rebate of excess membership dues, fees, or assessments.

(5) The Association must qualify as a "condominium management association," which is an organization meeting the requirements of condition (1), above, with respect to a condominium project substantially all the units of which are used by individuals for residences.

(6) The Association must properly elect to have Code Section 528 apply for the taxable year.

"Substantially all the units" of a condominium management association will be considered as used by individuals for residences if at least eighty-five percent (85%) of the total square footage of all Units within the project is used by individuals for residential purposes. Units that are used for purposes auxiliary to residential use are considered as used for residential purposes. These auxiliary purposes include laundry areas, storage rooms, and areas used by maintenance personnel. A special limitation is established for transient use. No building or Unit will be considered as used for residential purposes if, for more than one half the days in the Association's taxable year, such Unit or building is occupied by a person or series of persons each of whom occupies the Unit or building for less than thirty days.

You have advised us that less than 85% of the total square footage of the Premises will be used by individuals for residential purposes. Accordingly, the "substantially all" test will not be met. As a result, it is our opinion that the Association will not be eligible to elect tax-exempt status under Code Sec. 528.[1]

Since the Association will not initially qualify as a tax exempt organization pursuant to Code § 528, the present state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. Tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of its income (including the nonmembership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. Alternatively, it is possible that some or all of such income might be reportable directly by the Unit Owners. The tax treatment of the Condominium may be affected by certain United States Treasury Department regulations relating to entity classification.[2]

---

[1] If in the future the Association does meet substantially all tests and elects tax treatment under Code Sec. 528, all amounts received by the Association as exempt function income will be exempt from federal income tax. This consists of amounts received as membership dues, fees, or assessments from owners of Residential Units. However, the Association would be subject to tax on income which is not exempt function income to the extent such income exceeds expenses properly allocable to such income. Examples of income which is not exempt function income are interest earned on reserve funds, amounts received from persons who are not members of the Association or from Commercial Unit Owners, amounts received for work done on privately owned property which is not Association property, and amounts received from members for special use of the Association's facilities, the use of which is not available to all members as a result of having paid the dues, fees, or assessments required to be paid by all members.

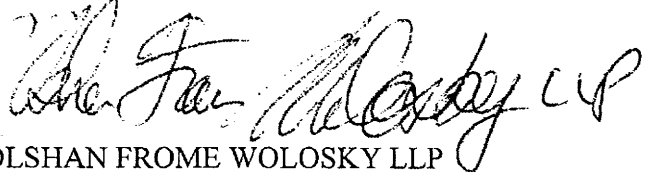
[2] To remove doubt in the area, the Association may be able to elect to be treated as a corporation for federal income tax purposes if it files Form 8832 with the IRS within 75 days of its formation.

This opinion deals only with the specific tax matters discussed above, which do not necessarily comprise all tax matters which may be significant to purchasers of Units. We express no views as to any federal, New York State or New York City tax consequences other than as explicitly discussed in this opinion or as to the tax status or tax consequences of the Plan under the laws of any foreign jurisdiction. Accordingly, it is recommended that each prospective purchaser of a Unit consult with his own tax advisor concerning the federal, New York State, and New York City tax consequences of the purchase and ownership of a Unit.

This opinion is based solely on the facts and documents referred to above. No warranties are made that the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, counsel to Sponsor, special tax counsel to the Sponsor, the Association, or any other person be liable if, by reason of future changes in fact or applicable law, regulations, decisional law, or Internal Revenue Service rulings, the tax consequences described previously should change.

ALL UNIT OWNERS, POTENTIAL UNIT OWNERS AND THE CONDOMINIUM ARE HEREBY INFORMED THAT (I) ANY TAX ADVICE CONTAINED IN THIS OPINION IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE, (II) THE ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THE PLAN, AND (III) EACH UNIT OWNER, EACH POTENTIAL UNIT OWNER, AND THE CONDOMINIUM SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Sincerely yours,



OLSHAN FROME WOLOSKY LLP

REAL ESTATE TAX PROJECTION OPINION

METROPOLITAN VALUATION SERVICES

REAL ESTATE CONSULTING AND APPRAISAL

March 8, 2016

522-528 LLC
c/o Hope Street Capital
12 West 23rd Street – 4th Floor
New York, NY 10010

re: **MVS # 16-0251**
Post-Completion Real Estate Tax Assessment and Analysis
THE HENDRIK
509 Pacific Street
Brooklyn, NY 11217
Kings County Tax Map Block 186 Lot 1

Greetings:

You have requested us to estimate prospective real estate tax assessment for the units (herein referred to as the 'subject property') at The Hendrik assuming its initial year of operation as residential condominium housing association and retail unit commencing approximately December 1, 2017. The improvements are located on a site bounded by Pacific Street to the south, 3rd Avenue to the west, Atlantic Avenue to the north and 4th Avenue to the east in the Boerum Hill neighborhood of Brooklyn.

The improvements are scheduled to consist of a 6-story plus cellar structure for 33 Residential Units, some with private outdoor areas, and a Retail Unit. Per material reviewed, the building area has been estimated at approximately 81,328 square feet. The building area will be employed in the estimate of total real estate tax assessment.

The distribution of the estimated real estate tax assessment between the Residential Units and Retail Unit will be by the General Common Interest allocation set forth in the Schedule A of the offering plan. The distribution of the estimated real estate tax liability among the Residential Units will be based on their respective Residential Common Interest percentage allocation set forth in the Schedule A of the offering plan.

It has been the practice of the Real Property Assessment Department of the City of New York to review the assessed valuation of newly constructed residential buildings. While there is a formula, which has been utilized by the Real Property Assessment Department in reassessing such properties in the past, it has not been employed consistently, and it is therefore not possible to estimate or determine the post-conversion assessed valuation of this property with any degree of certainty. However, the estimates presented below are based upon current policies and practices of that department.

All prospective purchasers are advised that although the estimate of assessed valuation upon completion of construction is a good-faith estimate, such assessed valuation, when actually made, may be less or greater than as estimated herein.

METROPOLITAN VALUATION SERVICES, INC.
44 East 32nd Street – 11th Floor
New York, New York 10016
Phone (212) 213-8650 Fax (212) 213-8621

You have advised us of the following facts regarding this project:

> The newly-constructed 6-story and cellar condominium building with residential and retail units will be operated as a market-rate condominium.
>
> The Residential Units includes 33 residences, comprised of 2-, 3- and 4-bedroom units; of which some will feature private outdoor space. The Retail Unit will comprise a 25,696 square foot retail area. Additionally, there will be a garage with parking for 12 cars at the ground floor level available for purchase by license. Property amenities include a fitness room and children's playroom. The Retail Unit is expected to qualify for partial real estate tax exemption benefits under the Industrial and Commercial Incentive Program ("ICAP Benefits").

This letter only addresses the prospective tax assessment and liability for the initial year of the subject property's operation as a condominium housing association and Retail Unit.

The subject property will be converted to condominium ownership. Condominium ownership, as defined by the Appraisal Institute in The Dictionary of Real Estate Appraisal, 5th Edition Chicago, Illinois, is a form of fee ownership of separate units or portions of multi-unit buildings that provides for formal filing and recording of a divided interest in real property, and/or a multiunit structure of property in which persons hold fee simple title to individual units and an undivided interest in common areas.

The following analysis addresses the estimate of prospective real estate tax assessment and liability for the Residential Units and Retail Unit within the subject property.

The subject property Residential Units will be classified for real estate tax assessment purposes as a Class II category (All residential real property). The Class II tax rate for the 2009/10 tax year was $13.241 per $100.00 of assessed value, illustrating a tempering of the rate of increase to 5.12% from the prior year. The rate for the 2010/11 tax year was $13.353 per $100.00 of assessed value, illustrating a nominal rate of increase to 0.85% from the prior year. The rate for the 2011/12 tax year was $13.433 per $100.00 of assessed value, illustrating a continued nominal rate of increase at 0.60% from the prior year. The rate for the 2012/13 tax year was $13.181 per $100.00 of assessed value, illustrating a 1.88% decline from the prior year. The rate for the 2013/14 tax year is $13.145 per $100.00 of assessed value, illustrating a nominal downward trend with a 0.27% decrease from the prior year. The rate for the 2014/15 tax year was $12.855 per $100.00 of assessed value, continuing the downward trend with a 2.21% decrease from the prior year. The rate for the 2015/16 tax year is $12.883 per $100.00 of assessed value, halting the downward trend with a nominal 0.22% increase from the prior year.

The subject property Retail Unit will be classified for real estate tax assessment purposes as a Class IV category (All other real property). The Class IV tax rate for the 2009/10 tax year was $10.426 per $100.00 of assessed value, illustrating a slight increase in the rate from the prior year. The rate for the 2010/11 tax year was $10.312 per $100.00 of assessed value, illustrating a decrease in the rate of 1.09% from the prior year. The rate for the 2011/12 tax year was $10.152 per $100.00 of assessed value, illustrating a continued rate of decrease at 1.55% from

the prior year. The rate for the 2012/13 tax year was $10.288 per $100.00 of assessed value, illustrating a 1.34% increase from the prior year. The rate for the 2013/14 tax year was $10.323 per $100.00 of assessed value, continuing the upward trend with a 0.34% increase from the prior year. The rate for the 2014/15 tax year was $10.684 per $100.00 of assessed value, extending the upward trend with a 3.50% increase from the prior year. The rate for the 2015/16 tax year is $10.656 per $100.00 of assessed value, halting the upward trend with a nominal 0.26% decrease from the prior year.

The tax rates for the 2016/17 tax year have not been announced as of the date of this letter. Tax rate growth will be discussed in a following paragraph.

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

All three approaches to value, for which adequate, reliable data is available, should be considered. Therefore, where appropriate, the valuation process must collect, verify, analyze, and reconcile the information necessary to estimate; the land value, replacement (or reproduction) cost of the improvements, the accrued depreciation, the value by the sales of comparable properties and the rentals, expenses, interest rates, capitalization rates and vacancy rates necessary to value the property by the income capitalization approach including terms and conditions of available leases. The valuation process must consider existing land use regulations, neighborhood trends, physical adaptability of the property and probable supply and demand as evidenced by current market conditions. It is also important to consider and analyze the effect on value, if any, of the assemblage of various parcels, divided interests, or partial interests. The value of the parcel or economic unit should not be estimated by adding together the individual values of the parcels, divided interests, or component parts.

The original cost method is based on the theory that the value of a given property is reflected by its cost of construction plus the acquisition cost of the underlying land. This method of valuation is considered a highly significant indicator of value with respect to new buildings. Relevant data used in the cost method include, but may not be limited to, material and labor costs.

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

The sales price comparison method is founded upon the belief that value can be ascertained by surveying market prices. Market value has been defined as that price which a property would bring in a competitive and open market, wherein both buyer and seller are acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus.

In arriving at the assessed valuation, elements germane to traditional valuation methodologies were employed. This process examines development costs and land values; and, extrinsic indicia of value, including local inflation rates, location qualities, square footage, functionality of

the improvements, scheduled amenities, any net income producing potential and comparability to like-kind rental investment properties, and, recently constructed facilities converted to cooperative or condominium.

Reconciliation of the three approaches to valuation discussed above included review of actual 2012/13, 2013/14 and 2014/15 assessment valuations for comparable development in the immediate and surrounding vicinity of the subject, which justifies an overall prospective assessed valuation for the facility of $75.00 per square foot of building area. This equates to a total actual assessment of approximately $6,099,600 as the post-completion assessment for the subject property ($75.00 per Sq. Ft. of Building Area × 81,328 Sq. Ft. of Building Area). This derived prospective aggregate assessed value is deemed appropriate for the subject property.

Based on the percentage of General Common Interest stated in the Schedule A we reviewed, the Residential Units are allocated 69.0614% of the real estate tax assessment, or $4,212,467.46; and, the Retail Unit is allocated 30.9386% of the real estate tax assessment, or $1,887,132.54, as the respective post-completion assessments.

Post-Completion AV	**General Common Interest %**	**$6,099,600.00**
Residential Units	69.0614%	$4,212,467.46
Retail Unit	30.9386%	$1,887,132.54

Since the1982/83 tax year, Real Property Tax Law Section 1805 (3) provides for the creation of a transitional assessment system within the City of New York. Under the transitional assessment system, any increase in the assessed value of a property is phased in over a 5-year period in equal annual installments. However, the statute requires the Finance Department to include all physical (new construction, renovation, rehabilitation or addition of square footage to existing structures) changes directly in the taxable assessed valuation without the 5-year phase-in. The "actual assessment" is the target value, which will be reached at the end of the 5-year period, assuming the assessment is not increased in the interim. Pursuant to Real Property Tax Law Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transitional assessed valuation.

Understanding that occupancy is projected toward the end of the 4th Quarter 2017, the subject is expected to have a 2017/18 tax year interim assessed value and may not be fully assessed until the 2018/19 tax year (the New York City fiscal tax year runs from July 1 through the following June 30 and assessments are tentatively set mid-January prior to the fiscal tax year), at which time the post-construction assessed valuation for the entire premises would be established by the assessor. As such, the 2018/19 fiscal tax year has been selected for the post-completion assessment analysis herein.

In the event completion of construction is delayed for any reason, it is possible that the actual assessed valuation for the respective tax year may be lower than as estimated herein.

Upon completion, the residential portion of the subject property will be classified as a Tax Class II property, and the retail portion will be classified as Tax Class IV. Both portions will be subject to the respective tax rate for the prevailing tax year. It is not possible at this time to predict the tax rate applicable to the tax year 2018/19 except to note that the city's economy is stabilizing since the crisis that sparked the last dramatic increase in the tax rate.

We have assumed, for the purpose of this tax projection that the Class I and Class IV rates will remain somewhat static, with a 1.0% annualized inflation applied to project the 2017/18 and 2018/19 tax year rates.

> This equates to a projected Class II tax rate of $13.142 per $100.00 of assessed value for the 2018/19 tax year value; and, a projected Class IV tax rate of $10.871 per $100.00 of assessed value for the *2017/18 tax year.*
>
> This equates to a projected Class II tax rate of $13.273 per $100.00 of assessed value for the 2018/19 tax year value; and, a projected Class IV tax rate of $10.980 per $100.00 of assessed value for the *2018/19 tax year.*

ICAP Benefits

The Retail Unit is expected to qualify for real estate tax exemption benefits under the Industrial and Commercial Incentive Program ("ICAP Benefits"). It has been represented that the Sponsor has applied to the New York City Department of Finance ("DOF") for such benefits and has received a Preliminary Certificate of Eligibility. Upon completion of the Retail Unit, Sponsor will apply to DOF for final approval. If granted, the ICAP Benefits are expected to be in effect for a period of 15 years.

This letter will address the amount of real estate taxes payable by the Owner of the Retail Unit for the projected First Year of Condominium Operation assuming both with and without the award of the ICAP Benefits.

The rules for the ICAP provides that applicants receive an abatement of their taxes equal to a percentage of the Abatement Base. The Abatement Base is equal to the Post-completion Tax[1] minus 115% of the Initial Tax.[2]

Both the Post-completion Tax and Initial Tax do not include the assessed value of land. The ICAP abatement is not available to the tax on the portion of any assessment attributable to land. Based on information provided by the Sponsor, the 2016/17 tax year will form the basis to determine the Initial Tax. The allocation of the 2016/17 AV of $783,000 will be by the General Common Interest Percentage as stated above.

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[1] The Post-Completion Tax is the taxable assessed value (the lower of the actual or transitional assessed values) on the assessment roll with a taxable status date immediately following the earlier of (1) completion of construction or (2) four years from the date of issuance of the Project's first building permit, multiplied by the Initial Tax Rate. The Initial Tax Rate is the tax rate applicable to the assessment roll with a taxable status date immediately preceding issuance of the first building permit.

[2] The Initial Tax is equal to the taxable assessed value indicated on the assessment roll with a taxable status date immediately preceding issuance of the first building permit, multiplied by the Initial Tax Rate.

Tax Year	Land	Taxable (transitional)	Allocation to Retail Unit 30.9386%
2016/17	$783,000.00	$783,000.00	$242,249.46

The following illustrates the ICAP Benefit calculations for the Retail Unit and the resulting abated real estate tax

Initial AV (2016/17) *[A]*	Post AV (2018/19) *[B]*	(Improvement) ICAP Post AV (less land) *[B-A] = [C]*	2018/19 Class IV Tax Rate *[D]*	ICAP Post Tax (less land) *[C x D]= [E]*	Prevailing Initial AV Tax Rate *[F]*
$242,249.46	$1,887,132.54	$1,644,883.08	10.980%	$180,608.16	10.763%

Initial Tax *[A x F] = [G]*	Abatement Base *[E] - [Gx115%] = [H]*	Exempt % *[J]*	ICAP Abatement *[H x J] = [K]*	Unabated Tax *[B x D] = [L]* Without ICAP	Abated Tax *[K - L]* With ICAP
$26,073.31	$150,623.86	100.0%	$150,623.86	$207,207.15	$56,583.30

The ICAP benefits will not go into effect until after the condominium tax lots are created and after the final certificate of occupancy is issued, which we have been advised will take place during the 2017 calendar year. Therefore, the ICAP tax benefits will not commence until the 2018/2019 tax year. An abatement amount for the increase in taxes will be subtracted from the estimated real estate taxes as shown previously in this letter. Based on information furnished to us, and assuming that assessment for 2018/2019 is determined by the Department of Finance to be the same as we have projected for 2017/2018, there will be an initial real estate tax after the ICAP abatement for the 100% ICAP years of approximately $56,583.30 for the Retail Unit. These numbers are estimates only and in the event the assessment is at a lower level than projected the abatement will be smaller, and if a higher level, the abatement will be larger.

REAL ESTATE TAXES PAYABLE DURING THE INITIAL YEAR OF OPERATION

Real property taxes are payable semi-annually, on July 1, and January 1 (as previously stated, the City operates on a fiscal year commencing July 1 and ending June 30). Taxes payable during calendar year 2018 will be comprised of the tax due for the second-half 2017/18 and the first-half 2018/19 tax year.

As you have advised us that construction will be completed in December prior to the January 5, 2018 taxable status date governing assessments for the 2018/19 tax year, the 2018/19 tax year will be the first assessment roll to reflect a completed building. During the 2017/18 tax, the building will be assessed by the City assessors as a partially completed building. We estimate

that the assessors will value the building as approximately 55% completed for the 2017/18 tax year. As the ICAP benefits do not commence until the first tax year following completion of construction, there will be no ICAP benefits in effect for the Retail Unit for the 2017/18 tax year.

Based on the foregoing we have estimated the following total valuations and real estate tax liabilities for the Residential Units and Retail Unit for the tax year prior to completion of construction and the aggregate real estate tax liability for the December 2017 – November 2018 first year of operation.

		RESIDENTIAL		RETAIL	
Target AV		$4,212,467.46		$1,887,132.54	
INTERIM AV	2017/2018 Fiscal Tax Year				
ratio of AS COMPLETE AV	as of 1/5/2017	55.0%		55.0%	
Interim AV		$2,316,857.10		$1,037,922.90	
Tax Rate for 2017/18 Tax Year	*(projected)*	13.142%		10.871%	
ReTx liability for	2017/2018 Fiscal Tax Year	$304,481.36		$112,832.60	
	per month	$25,373.45		$9,402.72	
	12/17 - 6/18 (7 months)	**$177,614.15**	**[A]**	**$65,819.04**	***$65,819.04***
Target AV		$4,212,467.46		$1,887,132.54	
Tax Rate for 2018/19 Tax Year	*(projected)*	13.273%		10.980%	
ReTx liability for	2018/19 Fiscal Tax Year	$559,120.81		$207,207.15	*$56,583.30*
	per month	$46,593.40		$17,267.26	*$4,715.28*
	7/18 - 11/18 (5 months)	**$232,967.00**	**[B]**	**$86,336.30**	***$23,576.40***
Real Estate Tax Liability	**12/2017 through 11/2018**	**$410,581.15**	**[A + B]**	**$152,155.34** without ICAP	***$89,395.44*** *with ICAP*

As such, the indicated aggregate real estate tax liability for the Residential Units is $410,581.15 annualized. This equates to an average $34,215.10 on a monthly basis for the first year of operation.

Furthermore, the indicated aggregate real estate tax liability for the Retail Unit is $152,155.34 annualized without the ICAP benefits, and, $89,395.41 with the ICAP benefits. This equates to $12,679.61 and $7,449.62 on a monthly basis as if without and with the ICAP Benefits, respectively.

For budgeting purposes for the initial year's Condominium Association, taxes payable are estimated as coincident with the stated 12/2017 – 11/2018 first year of operation. The tax liability paid by the individual Residential Unit owners is based on their percentage Residential Common Interest allocation.

Unit	Estimated Monthly Real Estate Taxes	Estimated Annual Real Estate Taxes
3A	$1,234.18	$ 14,810.16
3B	$1,228.22	$ 14,738.58
3C	$797.53	$ 9,570.41
3D	$791.57	$ 9,498.83
3E	$1,141.12	$ 13,693.49
3F	$1,211.36	$ 14,536.36
3G	$798.28	$ 9,579.36
3H	$795.00	$ 9,539.99
4A	$1,139.34	$ 13,672.02
4B	$1,228.22	$ 14,738.58
4C	$797.53	$ 9,570.41
4D	$791.57	$ 9,498.83
4E	$1,141.12	$ 13,693.49
4F	$1,117.26	$ 13,407.17
4G	$715.22	$ 8,582.59
4H	$715.22	$ 8,582.59
5A	$1,139.34	$ 13,672.02
5B	$1,123.38	$ 13,480.54
5C	$1,157.53	$ 13,890.34
5D	$1,212.56	$ 14,550.68
5E	$1,117.26	$ 13,407.17
5F	$715.22	$ 8,582.59
5G	$715.22	$ 8,582.59
PH1A	$1,127.26	$ 13,527.07
PH1B	$1,513.05	$ 18,156.59
PH1C	$1,559.28	$ 18,711.34
PH1D	$942.19	$ 11,306.26
PH1E	$1,218.52	$ 14,622.26
PH1F	$1,052.24	$ 12,626.93
PH2A	$1,059.10	$ 12,709.25
PH2D	$881.05	$ 10,572.55
PH2E	$1,050.45	$ 12,605.46
PH2F	$988.72	$ 11,864.59
Residential Unit Total	**$34,215.10**	**$410,581.15**

Retail Unit	Estimated Monthly Real Estate Taxes	Estimated Annual Real Estate Taxes
Without ICAP	$12,679.61	$152,155.34
With ICAP	$7,449.62	$89,395.44

This letter was prepared at the sponsor's request. Certain figures set forth herein are approximations derived from material submitted by the sponsor and are subject to variation.

We have not passed upon the accuracy of any figures or estimates contained within the Plan, and offer no warranties of the amount of any liability for any period.

The opinions expressed above are based on our interpretations of the RPTL, Administrative Code of the City of New York, and the applicable rules and regulations of the Department of Finance in effect as of the date hereof. While we believe our opinions are well founded, they are not intended, and should not be construed as representations or warranties or as opinions at law.

You should be aware that the laws, regulations and practices of the Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretations of the law or regulations by one or more agencies of the City of New York, or Courts of competent jurisdiction.

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

We hereby consent to the inclusion of this letter in its entirety in the Offering Plan.

Very truly yours,

METROPOLITAN VALUATION SERVICES, INC.

By: Steven J. Schleider, MAI
President
For the firm

CERTIFICATE OF APPRAISAL

I, Steven J. Schleider, MAI certify that to the best of my knowledge and belief that:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and have no personal interest or bias with respect to the parties involved.

I have not provided valuation services for the property described herein within the prior 3-year period.

I have no personal interest with respect to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

I am aware of and have complied with The FIRREA and any and all state laws and regulations that apply to appraisals.

Steven J. Schleider has not made a personal inspection of the property that is the subject of this report. Steven J. Schleider has extensive experience in the appraisal of similar properties.

No one provided significant professional assistance to the person signing this report.

Steven J. Schleider has been duly certified to transact business as a Real Estate General Appraiser (New York State certification #46000016498).

METROPOLITAN VALUATION SERVICES, INC.

By: Steven J. Schleider, MAI
President

BASIC ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report is subject to the following assumptions and limiting conditions:

- No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

BASIC ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

- Possession of this report, or a copy thereof, does not carry with it the right of publication.

- The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraisers.

- The appraisers have inspected the subject property with the due diligence expected of a professional real estate appraiser. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment.

- The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

- The appraiser is authorized by the client to disclose all or any portion of this report and the related data to appropriate representatives of the Appraisal Institute, or other professional organizations of which the appraiser is a member or affiliate, if such disclosure is required to enable the appraiser to comply with bylaws and regulations of such organizations.

- All values rendered within this report assume marketing times of twelve months or less unless otherwise indicated.

- The American with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of the subject property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the subject property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, they did not consider possible non-compliance with the requirements of ADA in estimating the market value of the subject property.

STEVEN J. SCHLEIDER, MAI, FRICS, LEED AP BD+C
PRESIDENT – METROPOLITAN VALUATION SERVICES

STEVEN J. SCHLEIDER Co-founded Metropolitan Valuation Services, Inc. to serve a broad-base of clients developed over his career in real estate.

As director for a national valuation and due diligence firm, the vast majority of appraisal assignments relating to the post-recession wave of major residential construction, development and re-adaptive use projects in the New York area were conducted under his supervision. Additionally, the significant large-scale multi-family complexes in the region for FannieMae and FreddieMac loan portfolios were appraised by his team.

Mr. Schleider's experience in real estate is broad and his assignments have included development strategies, valuation and/or feasibility studies for market-rate and subsidized rental facilities, nursing home, age-restricted and assisted-living residences, cooperative and condominium apartment buildings, development projects in various stages of approval; and, valuation modeling and consulting for various lower- and moderate-income housing programs involving LIHTCs and low floater rate tax exempt revenue bond financing. Mr. Schleider's experience with HUD-based programs includes numerous section 8 facilities, MAP, and rent comparability surveys. These activities have been conducted on behalf of investment firms, international and domestic pension funds, major industrial corporations, leading foreign and domestic financial institutions, individual investors and leading law firms. Additionally, Mr. Schleider has developed and conducted seminars relating to multi-family valuation issues for the New York City Housing Development Corporation and the New York State Housing Finance Agency.

Mr. Schleider is a designated member of the Appraisal Institute (MAI), a fellow of the Royal Institute of Chartered Surveyors (FRICS) and is certified by the State of New York and State of New Jersey as a real estate General Appraiser. Mr. Schleider is also a LEED Accredited Professional with specialty in building design and construction (Leadership in Energy and Environmental Design) of the United States Green Building Council (USGBC). Mr. Schleider received his Bachelor of Arts degree from Berklee College and has completed numerous graduate courses in finance and economics at the Bernard M. Baruch School of Business, City University of New York. Mr. Schleider served as the 2011 President of the Metropolitan New York Chapter of the Appraisal Institute. He had previously served as President of the Associate and Affiliate Members Organization of the Metropolitan New York Chapter of the Appraisal Institute, and has chaired both the Admissions and Education Committees of the chapter. Starting in 2003, Mayor Michael Bloomberg appointed and re-appointed Mr. Schleider 3 times to the New York City Rent Guidelines Board: where he served for 11 years. Mr. Schleider is a member of the Real Estate Board of New York and currently serves on its Housing Committee and has chaired its Appraisal Committee.

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ICAP BENEFITS OPINION

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Counsel's ICAP Real Estate
Tax Benefits Opinion

March 10, 2016

522-528 LLC
c/o Hope Street Capital LLC
12 West 23rd Street
New York, NY 10010

Re: Industrial and Commercial Abatement Program ("ICAP")
Premises: 505 Pacific Avenue, aka: 522-528 Atlantic Avenue
Block: 186, Lot: 1 (to-be-formed commercial condominium tax lot(s) on p/o lot 1)
Brooklyn, New York

To Whom It May Concern:

We have been requested by our client, 522-528 LLC (the "Owner"), to prepare a letter opining as to the eligibility of the above-captioned Site and to-be-formed commercial condominium tax lot(s) (the "Project") located in the building to be constructed thereon to receive benefits under the Industrial and Commercial Abatement Program ("ICAP"). The building in which the Project is located will also contain residential space that will be contained within separate condominium tax lot(s) that are not included in the Project and are not a part of the ICAP application. In order to opine as to the Project's eligibility for ICAP benefits, I have set forth the significant requirements of the program below. The application of these requirements to the Site and Project are discussed below.

A. Eligibility Requirements

To be eligible for ICAP benefits, the Project must comply with each of the eligibility requirements set forth in sections 489-aaaaaa et seq. of the New York State Real Property Tax Law (the "Statute"), sections 11-268 et seq. of the Administrative Code of the City of New York (the "Local Law") and sections 14-01 et seq., where applicable, of the Rules & Regulations of the City of New York (the "Rules").

The Statute was enacted with the specific intent of encouraging commercial or industrial construction and renovation. The statute does so by providing for a partial abatement of real estate taxes on the building assessment of commercial or industrial property which is the subject of either commercial or industrial construction work. Paragraph 3 of § 489-aaaaaa of the Statute defines "Commercial property" as "nonresidential property on which will exist after completion of commercial construction work a building or structure, or portion thereof, used for the buying, selling and otherwise providing of goods or services, including hotel services, or for other lawful business, commercial or manufacturing activities; provided that property or portions of property dedicated to utility property shall not be considered commercial property for purposes of this title." Paragraph 1 of § 489-aaaaaa of the Statute defines "Commercial construction work" as "the construction of a new building or structure or the modernization, rehabilitation, expansion or improvement of an existing building or structure for use as commercial property."

1. Minimum Required Expenditure

Paragraph 3(b)(iii) of § 489-bbbbbb of the Statute provides that an applicant who has performed commercial construction work in a special commercial abatement area must make a minimum required expenditure ("MRE") of thirty percent (30%) of the property's taxable assessed value applicable to the tax year with a taxable status date immediately preceding the issuance of the first building permit, or if no permit was required, the commencement of construction. The MRE must be spent no later than four (4) years after the date of the first building permit. Assuming the Project's first building permit is issued before January 5, 2017, the MRE will be based on the property's taxable assessed value for tax year 2016/2017. Based on the 2016/2017 tentative assessment roll, Block: 186, Lot: 1 has a 2016/2017 taxable assessed value of $783,000 (**Exhibit A**). If the Project's MRE were based upon the 2016/2017 tentative assessment roll, the Project's MRE would be, at most, $234,900. Developer has informed us that the cost of construction of the Project will be approximately $20,500,000. As a result, the Project will satisfy the MRE requirement.

2. Restricted Activity

Section 489-cccccc(3) of the Statute states that no benefits shall be granted for construction on property, any part of which is to be used for a "non-permissible purpose" including residential use. Should a portion of such property be used for residential purposes or any other non-permissible use, no further benefits will be allowed for the portion of the property being used for residential or restricted purposes. Paragraph 13 of § 489-cccccc of the Statute defines Restricted Activity as "any entertainment activity that the department has identified in rules promulgated pursuant to a local law enacted pursuant to this title as an activity which, in

the public interest, should not be encouraged through the benefits of this title." Owner has indicated that the Project will contain retail and commercial space. These uses are neither residential nor Restricted Activity within the definition of § 489-cccccc(13) of the Statute.

3. No Violations of Building, Fire or Air Pollution Control Codes

Section 489-iiiiii(1) of the Statute prohibits the receipt of ICAP benefits for properties which fail to cure violations of applicable building, fire or air pollution codes. Owner has advised us that the Project will comply with this requirement.

4. Commercial Property/Construction Work Requirement

Section 489-bbbbbb provides that the ICAP abatement is available for commercial construction work. Section 489-aaaaaa(1) defines commercial construction work as "the construction of a new building or structure . . . for use as commercial property." Section 489-aaaaaa(3) defines commercial property as "nonresidential property on which will exist after completion of commercial construction work a building or structure, or portion thereof, used for the buying, selling or otherwise providing of goods or services including hotel services, or for other lawful business, commercial or manufacturing activities." Owner has indicated that the Project will be used for retail and commercial uses. Therefore, the Project will consist of commercial property after the completion of construction.

5. Limitation on Other Real Estate Tax Benefits

Section 489-bbbbbb(4)(g)(i) provides that, subject to certain listed exceptions, no ICAP benefits "may be received by a property that is concurrently receiving [any] exemption or abatement of real property taxes under any other law." Section 489-bbbbbb(4)(g)(ii) provides that "property" means "the real property contained by an individual tax lot." We assume, based upon Developer's representations, that the block and lot(s) containing the Project will not receive real estate tax benefits under any other state or local law. As previously indicated, residential space located within the building is not part of the Project and will be utilized within separate condominium tax lots.

B. Timing Requirements

1. Time to File ICAP Preliminary Application

Paragraph 5(a)(i) of § 489-cccccc of the Statute states that an ICAP Preliminary Application must be filed prior to issuance by the Department of Buildings ("DOB") of a construction permit and on or before March 1, 2019. An ICAP Preliminary Application was filed on June 1, 2015 (**Exhibit B**) and Owner has indicated that no construction permits have been issued for the Project. As a result, Owner has complied with this requirement.

2. Time to File ICAP Final Application

Paragraph 5(a)(ii) of § 489-cccccc of the Statute requires that the ICAP Final Application be filed no later than one year from the date of issuance of the first building permit. Owner has indicated that it will comply with this requirement.

3. Issuance of a Building Permit

Section 489-dddddd(3)(a) of the Statute requires that a building permit be issued no later than April 1, 2019 to qualify under the Statute, Local Law and Rules referred to in this Opinion. Owner has represented to us that the Project will comply with this requirement.

4. Completion of Construction

Section 489-cccccc(2) of the Statute requires that construction be completed no later than five (5) years from the date of issuance of the first building permit. Failure to meet this requirement shall result in termination of any inflation protection (see Benefits, discussed *infra*). Owner has advised us that it will comply with this requirement.

C. Reporting Requirements

1. Income and Expense Statements

Paragraph 6 of § 489-cccccc of the Statute requires that, in any city which requires income and expense statements to be filed for income producing property, no benefits shall be granted for any property unless income and expense statements are filed annually. Owner has indicated that it will comply with this obligation to the extent required by the New York City Department of Finance ("DOF").

2. Minimum Required Expenditure

Section 489-eeeeee(3) of the Statute requires that no later than sixty (60) days after the MRE must be made, the Applicant shall submit to DOF a certified statement that the Applicant has made the MRE. Owner has indicated that it will comply with this requirement.

3. Division of Labor Services

Paragraph 1(c) of §489-dddddd of the Statute requires that the ICAP applicant comply with "all applicable city, state and federal laws or . . . mayoral directives and executive orders designed to ensure equal employment opportunity." The ICAP monitors such compliance through submissions to the New York City Division of Labor Services/Department of Small Business Services. Owner has indicated that it will comply with this requirement to the extent applicable to the Project.

4. Minority & Women Owned Business Enterprises Compliance

Section 11-278 of the Local Law requires that all ICAP applications with Projects having an estimated cost of $1,500,000 or more solicit no less than three bids from minority and/or women owned business enterprises for each subcontract awarded for the Project and to submit a compliance report to DOF as evidence of solicitation. In this case, the Project has an estimated construction cost of $20,500,000, and Owner has indicated that it will comply with this requirement.

5. Statement Stating No Violations of Real Property Law § 235

Section 489-cccccc(5)(c) of the Statute require that the ICAP applicant file, along with the ICAP application, an affidavit stating that within the 7 years immediately preceding the date of application, neither the applicant nor any person owning a substantial interest in the property, nor any officer, director or general partner of the applicant was found to have violated § 235 of the Real Property Law, any section of article 150 of the Penal Law or any similar arson law of another state, or was an officer, director or general partner of a person at the time such person was found to have violated such law. Substantial interest is defined as ownership and control of an interest of 10% or more in a property or any person owning a property. The ICAP Final Application form contains within it language whereby the applicant can affirm that, within seven years preceding the date of the application, neither the applicant nor any person owning a substantial interest in the property was finally adjudicated by a court of competent jurisdiction to be guilty or arson or harassment, or was an officer, director or general partner of any such person at the time such act or harassment occurred. Owner has advised us that it will comply with this requirement.

6. Certificate of Continuing Use

Paragraph 1 of § 489-eeeeee of the Statute requires that the recipient of ICAP benefits file biennially with DOF a certificate of continuing use stating the purposes for which the property stated in the certificate of eligibility is used and the square footage allotted to each use. Owner has indicated that it will comply with this obligation to the extent required by DOF.

D. Benefits

1. Duration of Benefits

According to DOF, the Site is located in an ICAP special commercial abatement area. Pursuant to Section 489-bbbbbb(3)(b) of the Statute, an applicant who performs commercial construction work within a "special commercial abatement area" where less than ten percent (10%) of the building or structure is used for retail purposes is eligible for an abatement as follows:

Benefit Years	Amount of Abatement
1-16	100% of Abatement Base
17	90% of Abatement Base
18	80% of Abatement Base
19	70% of Abatement Base
20	60% of Abatement Base
21	50% of Abatement Base
22	40% of Abatement Base
23	30% of Abatement Base
24	20% of Abatement Base
25	10% of Abatement Base
26+	No Abatement

However, buildings in which more than 10% of the building's total space is used for retail purposes receive reduced benefits. Should DOF determine that the ICAP application for the Project includes retail space in excess of 10% of the building, then the non-retail portion and the retail portion up to 10% of the building will be eligible for the 25-year benefit, as indicated above. The retail portion in excess of 10% of the building's total space is eligible only for a 15-year benefit with the following abatement schedule:

Benefit Years	Amount of Abatement
1-11	100% of Abatement Base
12	80% of Abatement Base
13	60% of Abatement Base
14	40% of Abatement Base
15	20% of Abatement Base
16+	No Abatement

2. Commencement of Benefits

According to Paragraph 3(a)(i) of § 489-bbbbbb of the Statute, the ICAP abatement, upon issuance by DOF of an ICAP Certificate of Eligibility, commences on the July 1 following the taxable status date (i.e. January 5th) immediately following the earlier of (a) completion of construction or (b) four (4) years from the date of the first building permit. Section 489-aaaaaa(5) of the ICAP statute defines "Completion of construction" or "completion" as "when relating to new construction . . . the earlier of the date on which the department of buildings of a city that has enacted a local law pursuant to this title issues a final certificate of occupancy, or when the department of finance has otherwise determined that construction is complete."

In order for the ICAP abatement to commence on the relevant July 1 following the taxable status date immediately following the earlier of (a) or (b) above, condominium tax lot subdivisions must be complete and the newly created commercial condominium tax lots must be separately assessed by the DOF prior to the relevant July 1.

3. Abatement Base

Paragraph 2 of § 489-bbbbbb of the Statute provides that applicants receive an abatement of their taxes equal to a percentage of the Abatement Base. The Abatement Base is equal to the Post-completion Tax[1] minus 115% of the Initial Tax.[2]

Both the Post-completion Tax and Initial Tax do not include the assessed value of land. The ICAP abatement is not available to the tax on the portion of any assessment attributable to land.

4. Equalization / Inflation Protection

Projects located within ICAP special commercial abatement areas receive "inflation protection." In years 2 through 13 of the abatement benefit, should the Project's property taxes increase, due to an increase of more than 5% above the taxable assessed value of the building from the immediately prior tax year, the excess amount of tax will be added to the Abatement Base. However, the excess tax will not be added to the Abatement Base if the tax increase is due to an increase in the assessed value of the land, an increase of the building's taxable assessed value due to new physical construction work that exceeds 5% of the taxable assessed value of the building from the immediately prior tax year, or an increase in the applicable tax rate.

E. COUNSEL'S OPINION

Based upon the information set forth herein and the assumptions expressly stated herein, we are of the opinion that the Project will be eligible for a twenty-five (25) year ICAP abatement subject to the 10% retail space limitation stated above. Except as stated specifically herein, this letter is based solely upon the information which Owner has provided to us and the assumptions stated herein. We have not verified any of Owner's statements or investigated the accuracy of our assumptions, however we have no knowledge that any such statements or assumptions are incorrect. The Project must satisfy all statutory and regulatory requirements of ICAP in order to be eligible for benefits and we cannot render a final opinion regarding eligibility until all documentation required for Certificates of Eligibility have been provided to us and reviewed, and we have no reason to believe such requirements shall not be satisfied. This letter relates only to the above-captioned Project and the specific facts and circumstances which Owner has provided to us in connection therewith.

---

[1] The Post-Completion Tax is the taxable assessed value (the lower of the actual or transitional assessed values) on the assessment roll with a taxable status date immediately following the earlier of (1) completion of construction or (2) four years from the date of issuance of the Project's first building permit, multiplied by the Initial Tax Rate. The Initial Tax Rate is the tax rate applicable to the assessment roll with a taxable status date immediately preceding issuance of the first building permit.

[2] The Initial Tax is equal to the taxable assessed value indicated on the assessment roll with a taxable status date immediately preceding issuance of the first building permit, multiplied by the Initial Tax Rate.

F. LIMITATIONS

This is an opinion, not a guaranty, that the Project will qualify for ICAP real estate tax benefits pursuant to the ICAP statute. No warranties are made that the laws, regulations and agency interpretations upon which this opinion is based will not be changed. In no event will we be liable to any party if the Project fails to qualify for such real estate tax benefits for any reason beyond our control including, but not limited to, changes to the ICAP statute or to the regulations issued, decisional law or New York State and City agency interpretations thereunder. This opinion is intended for use by the addressees of this opinion and their successors and/or assigns and may not be relied on by any other persons or entity without our prior written consent.

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

By: _____
Jay G. Seiden

Exhibit A

TENTATIVE ASSESSMENT ROLL 2016-2017 | City of New York

Taxable Status Date: January 5, 2016

EXPLANATION OF ASSESSMENT ROLL

View January 15, 2016 - Market Value History
View May 25, 2015 - Market Value History
View 2015 FINAL ASSESSMENT ROLL
View 2015 TENTATIVE ASSESSMENT ROLL
View January 15, 2015 - Market Value History
View May 25, 2014 - Market Value History
View 2014 FINAL ASSESSMENT ROLL
View 2014 TENTATIVE ASSESSMENT ROLL
View January 15, 2014 - Market Value History
View 2013 FINAL ASSESSMENT ROLL
View May 25, 2013 - Market Value History
View 2013 TENTATIVE ASSESSMENT ROLL
View January 15, 2013 - Market Value History
View May 25, 2012 - Market Value History
View 2012 FINAL ASSESSMENT ROLL
View 2012 TENTATIVE ASSESSMENT ROLL
View 2011 FINAL ASSESSMENT ROLL
View May 25, 2011 - Market Value History
View January 15, 2011 - Market Value History
View 2011 TENTATIVE ASSESSMENT ROLL
View 2010 FINAL ASSESSMENT ROLL
View May 25, 2010 - Market Value History
View 2010 TENTATIVE ASSESSMENT ROLL
View 2009 FINAL ASSESSMENT ROLL
View 2008 FINAL ASSESSMENT ROLL
View 2007 FINAL ASSESSMENT ROLL
View 2006 FINAL ASSESSMENT ROLL

Parcel Information

◀◀ Previous BBL Next BBL ▶▶

Owner Name:
PVII HSC ATLANTIC LLC

Property Address and Zip Code:
522 ATLANTIC AVENUE 11217

Real Estate Billing Name and Address:
PVII HSC ATLANTIC LLC
C/O HOPE STREET CAPITAL LLC
12 W 23RD ST
NEW YORK NY 10010

Borough: BROOKLYN
Block: 186
Lot: 1

Tax Class: 4
Building Class: V1 Codes

Land Information

Lot Size	Irregular	Corner
100.00FT X 180.00FT		NE

Building Information

Number of Buildings	Building Size	Extension	Stories
	0.00FT X 0.00FT		

Assessment Information

Description	Land	Total
ESTIMATED MARKET VALUE		2,700,000
ACTUAL AV	1,215,000	1,215,000
ACTUAL EX AV	0	0
TRANS AV	783,000	783,000
TRANS EX AV	0	0

Taxable/Billable Assessed Value

	Assessed Value
SUBJECT TO ADJUSTMENTS, YOUR 2016/17 TAXES WILL BE BASED ON	783,000

Property is assessed at the following uniform percentages of full market value, unless limited to a lesser amount by law:

Class 1 - 6% **Class 2 - 45%** **Class 3 - 45%** **Class 4 - 45%**

Statements List | Select a BBL | Logon to NYCProperty

Exhibit B

SEIDEN & SCHEIN, P.C.
ATTORNEYS AT LAW

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

JASON C. HERSHKOWITZ
ERIN S. GOODMAN
JACLYN CALCAGNO
NICHOLAS DILORENZO

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

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

SPECIAL COUNSEL:
HARRY GAFFNEY

OF COUNSEL:
DAVID F. YAHNER

June 1, 2015

By Hand
ICAP Unit
NYC Department of Finance
66 John Street
New York, New York 10038

Re: 522-528 Atlantic Ave
Brooklyn, New York
Block: 186, Lots: to-be-formed commercial condominium tax lot(s) on p/o Lot 1
ICAP Preliminary Application

Dear Reviewer:

Enclosed please find the following items in connection with the above-referenced ICAP Preliminary Application for Certificate of Eligibility:

1. ICAP Preliminary Application
2. Narrative of Project
3. M/WBE Compliance Report

Thank you for your time and attention to this matter. If you require any additional information, please do not hesitate to contact us. The ICAP Final Application will be filed upon receipt of the necessary documentation.

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

By: Jay G. Seiden

Enc. (as stated)

CITY OF NEW YORK
DEPARTMENT OF FINANCE
JUN 0 2015
RECEIVED BY
MANHATTAN PAYMENT CENTER
INITIALS

NYC Finance

NEW YORK CITY DEPARTMENT OF FINANCE • TAX & PARKING PROGRAM OPERATIONS DIVISION

INDUSTRIAL AND COMMERCIAL ABATEMENT PROGRAM

PRELIMINARY APPLICATION FOR CERTIFICATE OF ELIGIBILITY

Mail to: NYC Department of Finance, Industrial and Commercial Abatement Program, 59 Maiden Lane, 22nd Floor, New York, NY 10038

This Preliminary Application, when duly filed, will fulfill the requirement that an application be made before issuance of a building permit, but does not confer the right to any benefit. Return the completed application and the required attachments to the address above.

SECTION I APPLICANT INFORMATION

Type or print all information

1. Name of Applicant: 522-528 LLC

Contact person (if other than applicant): Sebastian (PRINT FIRST NAME) Polman (PRINT LAST NAME)

Address: c/o Hope Street Capital LLC, 12 West 23rd Street, New York, NY 10010 (NUMBER AND STREET / CITY / STATE / ZIP CODE)

Telephone Number: 212-620-0021 Fax Number: Email Address: apolman@hopestreet.com

Applicant's Employer Identification Number: 38-3945307 OR Applicant's Social Security Number: ___-__-____

2. Name of Representative (If a representative is designated below, correspondence will be sent only to the representative):

Representative Firm Name: Seiden & Schein, P.C.

Name: Jay G. (PRINT FIRST NAME) Seiden (PRINT LAST NAME)

Address: 570 Lexington Avenue (NUMBER AND STREET) New York (CITY) NY (STATE) 10022 (ZIP CODE)

Telephone Number: (212) 935-1400 Fax Number: (212) 593-4545 Email Address: jayseiden@seidenschein.com

SECTION II SITE INFORMATION

1. Borough: Brooklyn Block: 186 Lot(s): "To-be-formed" commercial condominium tax lot(s) on p/o Lot 1

2. Site Address: 522-528 Atlantic Avenue (NUMBER AND STREET) Brooklyn (CITY) NY (STATE) 11217 (ZIP CODE)

SECTION III PROJECT INFORMATION

1. Total floor area: 52,000* square feet

2. Type of project (check all that apply):
   - [x] New building
   - [ ] Alteration
   - [ ] Addition to existing space

3. Proposed use (check all that apply):
   - [ ] Industrial
   - [x] Commercial
   - [x] Retail
   - [ ] Hotel
   - [ ] Residential
   - [ ] Utility

4. Retail square footage: 34,000

5. Estimated cost of construction: $ $20,500,000

6. Will proposed work require a building permit? [x] YES [ ] NO
   If "no," continue with question #9.

7. Has a building permit been issued? [ ] YES [x] NO
   If "yes," give date: ___/___/___

8. Date of commencement or projected commencement: 9 / 1 / 15

9. Will the project require any zoning change, other variance or consent from a government agency? [ ] YES [x] NO
   If "yes," describe:

10. Has an application been made for any other New York City Exemption or Abatement Program, for example J-51, lease abatement, ECSP, prior ICIP, ICAP etc.? [ ] YES [x] NO**
    If "yes," specify:
    If "no", will you be applying for any [ ] YES [x] NO

11. This application is for (check all that are applicable):
    - [ ] Industrial Abatement
    - [x] Commercial Abatement
    - [ ] Additional Industrial Abatement

12. Are you planning to subcontract? [ ] YES [ ] NO
    If "yes," please list all trades: TBD

* Building will contain a total of approximately 115,000 SF. 52,000 is the SF of the commercial condominium tax lot(s) included in this ICAP Application.

** 421-a Application may be filed for condominium tax lot(s) not included in this ICAP Application.

SECTION IV AGREEMENTS AND CERTIFICATION

The undersigned agrees and represents that:

The applicant will comply with the Rules of the Office of the Mayor for implementation of Executive Order No. 50 (1982) or amendments relating to equal employment opportunity programs to the same extent as if the applicant was a contractor with the City of New York and will not commence construction work until at least 15 business days have elapsed without comment after filing Employment Reports for itself and each such contractor, if applicable. Employment Report forms are available from the Department of Finance and should be filed with the Division of Labor Services, 110 William Street, 7th Floor, New York, NY 10038 or call the Division of Labor Services at 212-513-6323. The applicant will also comply with and be subject to the rules issued from time to time by the Department of Finance to secure compliance with all applicable City, State and federal laws or which implement mayoral directives and executive orders designed to ensure equal employment opportunity.

Under Local Law 67 of 2008, all ICAP applicants must reach out to City-certified Minority and Women-owned Business Enterprises (M/WBEs) for the purpose of promoting contracting opportunities on the project.

Please submit the ICAP M/WBE Compliance Report, along with the Preliminary Application for Certificate of Eligibility, to the Division of Labor Services at the Department of Small Business Services.

INDUSTRIAL AND COMMERCIAL ABATEMENT PROGRAM (ICAP) APPLICANT RESPONSIBILITY CHECKLIST

	Submit PRELIMINARY Application for Certificate of Eligibility				Submit FINAL application for benefits stage
CONTRACT VALUE	Search for firms in the Online Directory of Certified Firms	Solicit bids from at least three certified M/WBE firms for each subcontracting project[1]	Submit a copy of the ICAP M/WBE Compliance Report to DLS	Submit Employment Report to DLS 15 days before commencement of work	Submit ICAP M/WBE Compliance Report to NYC Department of Finance
Less than $750,000	✓				
$750,000 - $1.5 million	✓		✓		✓
$1.5 million - $2.5 million	✓	✓	✓		✓
Greater than $2.5 million	✓	✓	✓	✓	✓

[1]The applicant shall maintain records demonstrating its compliance with this provision.

Ready to Search for Certified Firms? Visit www.nyc.gov/buycertified

The Online Directory of Certified Businesses provides a comprehensive, searchable tool that helps city buyers and contractors identify certified Minority and Women-owned Business Enterprises (M/WBEs) throughout the New York City tri-state area. Find detailed information on certified companies, including a brief description of their work history, contact information, and detailed information about what the companies sell.

I certify that the information on this application, and any accompanying documents, is, to the best of my knowledge, true correct and complete.

Signature: Jeffrey Gershon
Print Name:

Authorized Signatory
Title: 5 , 26 , 15
Date:

To inform the Department of Small Business Services (SBS) of contracting and subcontracting opportunities, or to get additional help finding M/WBEs, please contact Buyers Services at 212-513-6356 or e-mail buyer@sbs.nyc.gov.

Narrative Description of Project – 522-528 Atlantic Avenue, Block 186, Lot 1 (the "Site"), Brookyln, NY

The Site consists of Block 186, Lot 1 in Brooklyn. Lot 1 is a rectangular shaped lot that is approximately 100 feet by 180 feet.

The project will involve the new construction of a mixed-use building. Upon completion of the new construction, the structure will be used for residential, commercial, and parking purposes. The ICAP Application will only include the portion of the structure to be used for commercial and parking purposes, totaling approximately 52,000 square feet. The remaining area will be a separate condominium tax lot and will be used for residential purposes. A 421-a Application may be filed for the residential condominium tax lot(s) and is not included in this ICAP Application.

NEW YORK CITY DEPARTMENT OF FINANCE · TAX & PARKING PROGRAM OPERATIONS DIVISION

INDUSTRIAL AND COMMERCIAL ABATEMENT PROGRAM (ICAP)

MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES (M/WBE) COMPLIANCE REPORT

Mail to: NYC Department of Finance, Industrial and Commercial Abatement Program, 59 Maiden Lane, 22nd Floor, NY 10038

The ICAP M/WBE Compliance Report—must be submitted with the Preliminary Application for Certificate Eligibility. Local Law 67 of 2008 requires that all Industrial and Commercial Abatement Program (ICAP) beneficiaries include City-certified Minority and Women-owned Business Enterprises (M/WBE) firms in construction projects for which tax abatements are granted.

All ICAP applicants must reach out to M/WBE firms for the process of promoting contracting opportunities on the project. To find M/WBE firms, please access the City's Online Directory of Certified Businesses. To search for firms by commodity codes, locations, and keywords, go to *www.nyc.gov/buycertified*

- **For projects over $750,000, ICAP applicants must indicate which outreach activities they performed by checking the boxes below. Please note applicants must keep detailed records of the outreach activities accessible at their place of business.**

Outreach Activities (check all that apply): TBD

- ☐ Advertised opportunities to participate in the project in general circulation media, trade and professional association publication, small business media, and publications of M/WBE organizations
- ☐ Provided written notices of specific opportunities to M/WBE firms inviting their participation
- ☐ Held meetings with M/WBEs prior to the date their bids or proposals were due, for the purpose of explaining in detail the scope and requirements of the work for which their bids or proposals were solicited
- ☐ Made efforts to negotiate with M/WBEs to perform specific subcontracts, or act as suppliers or service providers
- ☐ Made timely requests to the NYC Department of Small Business Services for help locating certified M/WBE firms
- ☐ Attempted to identify interested M/WBEs not currently on the list of City-certified firms

- **Applicants with construction projects $1.5 million and greater must complete the above requirements as well as list at least three M/WBE firms that were solicited to perform subcontracting work for each subcontract on the project (see next page).**

SUBCONTRACT DESCRIPTION			AMOUNT
TBD			
NAME AND ADDRESS OF SOLICITED M/WBE FIRMS	SOLICITED MM/DD/YY	RESPONDED MM/DD/YY	AWARDED MM/DD/YY
1. TBD			
2.			
3.			

SUBCONTRACT DESCRIPTION			AMOUNT
NAME AND ADDRESS OF SOLICITED M/WBE FIRMS	SOLICITED MM/DD/YY	RESPONDED MM/DD/YY	AWARDED MM/DD/YY
1.			
2.			
3.			

SUBCONTRACT DESCRIPTION			AMOUNT
NAME AND ADDRESS OF SOLICITED M/WBE FIRMS	SOLICITED MM/DD/YY	RESPONDED MM/DD/YY	AWARDED MM/DD/YY
1.			
2.			
3.			

If you have completed the Compliance Report you must also submit a copy of this page.

FORM W-8
(CERTIFICATION OF FOREIGN STATUS)

Form **W-8BEN**

(Rev. February 2014)

Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)

▶ For use by individuals. Entities must use Form W-8BEN-E.
▶ Information about Form W-8BEN and its separate instructions is at *www.irs.gov/formw8ben.*
▶ Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do NOT use this form if:	**Instead, use Form:**
• You are NOT an individual	W-8BEN-E
• You are a U.S. citizen or other U.S. person, including a resident alien individual	W-9
• You are a beneficial owner claiming that income is effectively connected with the conduct of trade or business within the U.S. (other than personal services)	W-8ECI
• You are a beneficial owner who is receiving compensation for personal services performed in the United States	8233 or W-4
• A person acting as an intermediary	W-8IMY

Part I Identification of Beneficial Owner (see instructions)

1 Name of individual who is the beneficial owner

2 Country of citizenship

3 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.

Country

4 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country

5 U.S. taxpayer identification number (SSN or ITIN), if required (see instructions)

6 Foreign tax identifying number (see instructions)

7 Reference number(s) (see instructions)

8 Date of birth (MM-DD-YYYY) (see instructions)

Part II Claim of Tax Treaty Benefits (for chapter 3 purposes only) (see instructions)

9 I certify that the beneficial owner is a resident of _____ within the meaning of the income tax treaty between the United States and that country.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article _____ of the treaty identified on line 9 above to claim a _____ % rate of withholding on (specify type of income): _____

_____.

Explain the reasons the beneficial owner meets the terms of the treaty article: _____

_____

Part III Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- I am the individual that is the beneficial owner (or am authorized to sign for the individual that is the beneficial owner) of all the income to which this form relates or am using this form to document myself as an individual that is an owner or account holder of a foreign financial institution,
- The person named on line 1 of this form is not a U.S. person,
- The income to which this form relates is:
  (a) not effectively connected with the conduct of a trade or business in the United States,
  (b) effectively connected but is not subject to tax under an applicable income tax treaty, or
  (c) the partner's share of a partnership's effectively connected income,
- The person named on line 1 of this form is a resident of the treaty country listed on line 9 of the form (if any) within the meaning of the income tax treaty between the United States and that country, and
- For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner. **I agree that I will submit a new form within 30 days if any certification made on this form becomes incorrect.**

Sign Here ▶

Signature of beneficial owner (or individual authorized to sign for beneficial owner) — Date (MM-DD-YYYY)

Print name of signer — Capacity in which acting (if form is not signed by beneficial owner)

FORM W-9
(REQUEST FOR TAXPAYER IDENTIFICATION NUMBER)

Form **W-9**
(Rev. December 2014)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification; check only **one** of the following seven boxes:
☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate
☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____
Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.
☐ Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
Exempt payee code (if any) _____
Exemption from FATCA reporting code (if any) _____
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number
☐☐☐ - ☐☐ - ☐☐☐☐

or

Employer identification number
☐☐ - ☐☐☐☐☐☐☐

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here **Signature of U.S. person ▶** **Date ▶**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at *www.irs.gov/fw9*.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

ESCROW AGREEMENT

ESCROW: AGREEMENT FOR OFFERING PLAN

AGREEMENT made as of the filing date of the Offering Plan (defined below), between 522-528 LLC ("SPONSOR") as SPONSOR of the Offering Plan and Starr Associates LLP ("ESCROW AGENT") as escrow agent.

WHEREAS, SPONSOR is the SPONSOR of an offering plan for premises known as The Hendrik Condominium and located at 509 Pacific Street, Brooklyn, New York 11217 ("Offering Plan"); and

WHEREAS, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with New York General Business Law ("GBL") Sections 352-e(2-b) and 352-h and the New York Department of Law's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers or subscribers, pursuant to the terms of this Agreement and the Offering Plan, and in accordance with the provisions contained in the Escrow Rider to the Purchase Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. ESCROW AGENT will establish a master escrow account for the purpose of holding deposits, down payments, advances or payments ("Deposits") made by purchasers or subscribers ("Purchasers") pursuant to the Offering Plan at a commercial or savings bank authorized to do business in the State of New York entitled "Starr Associates LLP, Escrow Account" ("Master Escrow Account").

1.2. All Deposits will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. If ESCROW AGENT receives a completed and signed Form W-9 (Request for Taxpayer Identification Number) or Form W-8 (Certificate of Foreign Status), as applicable, from a Purchaser at the time the Deposit is delivered to ESCROW AGENT, the Deposit of such Purchaser will be promptly transferred from the non-interest bearing checking portion of the Master Escrow Account into an individual interest bearing sub-escrow account in the name of such Purchaser. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow savings account to the non-interest bearing checking portion of the Master Escrow Account so that checks may be drawn thereon.

1.3. ESCROW AGENT has designated the following attorneys to serve as signatories for the Master Escrow Account: Allan Starr, Esq., Andrea L. Roschelle, Esq., Samantha Sheeber, Esq. and Adam Kriegstein, Esq. ("Authorized Signatories"). All Authorized Signatories are admitted to practice law in the State of New York. ESCROW AGENT and all Authorized Signatories have an address of 220 East 42nd Street, Suite 3302, New York, New York 10017, and a telephone number of (212) 620-2680.

1.4. Neither ESCROW AGENT nor any Authorized Signatories on the Master Escrow Account are the Sponsor, Selling Agent, Managing Agent (as those terms are defined in the Offering Plan), or any principal thereof, or have any beneficial interest in any of the foregoing.

1.5. ESCROW AGENT and all signatories designated herein hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of or release of the Deposit from escrow.

1.6. The Master Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.

1.7. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement (defined below), or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to SPONSOR only in the event there is a consummation of the Offering Plan (i.e., the Offering Plan is declared effective) and Purchaser defaults.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1. All Deposits received from Purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited into the Master Escrow Account. All instruments to be deposited into the Master Escrow Account shall be made payable directly to the order of "Starr Associates LLP, Escrow Agent". Endorsed instruments will not be accepted. Any instrument payable other than as required hereby, and which cannot be deposited into the Master Escrow Account, shall be returned to the Purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of Deposits, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2. Within ten (10) business days after tender of the Deposit submitted with the purchase agreement or subscription agreement ("Purchase Agreement"), ESCROW AGENT shall notify the Purchaser of the placement of the Deposit into the Master Escrow Account, provide the account number, and disclose the initial interest rate. If the Purchaser does not receive such notification within fifteen (15) business days after tender of the Deposit, the Purchaser may cancel the Purchase Agreement and rescind within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York, 10271 ("Department of Law"). Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited in accordance with the Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS.

3.1. Under no circumstances shall Sponsor seek the release of the Deposits of a defaulting Purchaser until after consummation of the Offering Plan (i.e., the Effective Date). Consummation of the Offering Plan shall not relieve SPONSOR of its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and GBL Section 352-h.

3.2. ESCROW AGENT shall release the Deposit if so directed:

3.2.1. pursuant to terms and conditions set forth in the Offering Plan and Escrow Rider to the Purchase Agreement, upon closing of title to the Unit; or

3.2.2. in a subsequent writing signed by both SPONSOR and the Purchaser; or

3.2.3. by a final, non-appealable order or judgment of a court.

3.3. If the Deposits are not released pursuant to paragraph 3.2 and ESCROW AGENT receives a request by SPONSOR or Purchaser to release the Deposits, ESCROW AGENT shall give both parties prior written notice of not fewer than 30 days before releasing the Deposits. If ESCROW AGENT has not received notice of objection to the release of the Deposits at the expiration of the 30 day period, the Deposits shall be released and ESCROW AGENT shall provide further written notice to both parties informing them of the release of the Deposits. If ESCROW AGENT receives a written notice from either party objecting to the release of the Deposits within the 30 day period set forth in the notice, ESCROW AGENT shall continue to hold the Deposits until otherwise directed pursuant to paragraph 3.2. However, ESCROW AGENT shall also have the right at any time to deposit the Deposits with the clerk of a court in the county in which the Unit is located and shall give written notice to both parties of such deposit.

3.4. SPONSOR shall not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Deposit to:

3.4.1. a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan, or

3.4.2. all Purchasers after an amendment abandoning the Offering Plan is accepted for filing by the Department of Law.

3.5. In the event SPONSOR and a Purchaser close title under the Purchase Agreement, ESCROW AGENT shall be entitled to release the Deposit to SPONSOR without the need for a written agreement from Purchaser.

4. RECORDKEEPING.

4.1. ESCROW AGENT shall maintain all records concerning the Master Escrow Account for seven (7) years after release of the funds.

4.2. Upon the dissolution of ESCROW AGENT, the former partners of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or

members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3. ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1. ESCROW AGENT shall maintain the Master Escrow Account under its direct supervision and control.

5.2. A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary and statutory obligations under GBL §§ 352(e)(2-b) and 352(h).

5.3. ESCROW AGENT shall not be liable to SPONSOR for any error in judgment, mistake of fact or law or for any act or omission on ESCROW AGENT'S part, including, without limitation, any act or omission which permits a Purchaser to rescind a Purchase Agreement, unless taken or suffered in bad faith or in willful disregard of this Agreement or involving gross negligence on the part of ESCROW AGENT.

5.4. ESCROW AGENT shall be permitted to act as counsel for SPONSOR in any dispute as to the disbursement of the Deposit or any other dispute between SPONSOR and a Purchaser whether or not ESCROW AGENT is in possession of the Deposit and continues to act as ESCROW AGENT.

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

5.6. ESCROW AGENT may consult with legal counsel selected by it and the opinion of such counsel shall be full and complete authorization and protection to ESCROW AGENT in respect of any action taken or omitted in good faith by ESCROW AGENT hereunder in accordance with the opinion of such counsel.

5.7. The provisions of paragraphs 5.5 and 5.6 shall apply only to SPONSOR and nothing contained therein shall be in derogation of the rights of a Purchaser under Article 23-A of the GBL.

6. RESPONSIBILITIES OF SPONSOR.

6.1. SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver all Deposits received by them prior to closing of an individual transaction to a designated attorney who is a partner of, or attorney or legal assistant employed by, ESCROW AGENT within two (2) business days of tender of the Deposit by a Purchaser, using such transmittal forms as required by ESCROW AGENT from time to time.

6.2. SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary and statutory obligations set forth in GBL §§ 352(e)(2-b) and 352(h) and the Department of Law's regulations promulgated thereto.

6.3. SPONSOR shall obtain or cause the selling agent under the Offering Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from each Purchaser and deliver such form to ESCROW AGENT together with the Deposit and Purchase Agreement.

7. TERMINATION OF AGREEMENT.

7.1. This Agreement shall remain in effect unless and until it is cancelled by either:

7.1.1. Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent. Purchaser shall be deemed to have consented to such cancellation; or

7.1.2. The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign. Such resignation shall take effect on the date set forth in the notice from ESCROW AGENT, except such resignation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent with respect to Deposits held in the Master Escrow Account on the date of such resignation. Such amendment shall disclose the identity of the successor escrow agent, the bank in the State of New York where the Deposit is being held, and the account number in which the Deposits will be held, and shall be served on all Purchasers by SPONSOR; or

7.1.3. All units offered by SPONSOR pursuant to the Offering Plan have been sold and no Deposits of Purchasers from SPONSOR remain in the Master Escrow Account.

7.2. Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2, ESCROW AGENT shall deliver any and all funds held by ESCROW AGENT in escrow and any and all Purchase Agreements or documents maintained by ESCROW AGENT relating to such funds to the successor escrow agent.

8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

SPONSOR agrees to pay ESCROW AGENT for services rendered by its attorneys and paralegals and expenses incurred by ESCROW AGENT in connection with this Agreement, including, without limitation, disputes arising with respect to the Deposit. SPONSOR shall not be charged with any administrative costs for maintenance of the Master Escrow Account. Prior to release of the Deposits, ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from t

he Deposit nor deducted from the Deposit by any financial institution under any circumstance.

11. SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. INDEMNIFICATION

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

13. ALTERNATE SECURITY

In the event SPONSOR is authorized by the Department of Law to post a Letter of Credit or Surety Bond as alternate security to secure all or a portion of the Deposits, ESCROW AGENT agrees to be the beneficiary of the Letter of Credit or Surety Bond and to act as fiduciary with respect to such Letter of Credit or Surety Bond for the benefit of Purchasers under the Offering Plan whose Deposits were released from escrow in accordance with the "Escrow and Trust Fund" section of the Offering Plan or an amendment to the Offering Plan.

14. ENTIRE AGREEMENT.

This Agreement, read together with GBL Sections 352-e(2-b) and 352-h, the Department of Law regulations, and the Escrow Rider to the Purchase Agreement, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

STARR ASSOCIATES LLP

By: _____
Name: Samantha Sheeber, Esq.
Title: Partner

SPONSOR

522-528 LLC

By: _____
Name: Jeffrey Gershon
Title: Manager Member

PRINCIPAL OF SPONSOR

_____
Jeffrey Gershon

CERTIFICATION OF SPONSOR AND PRINCIPALS

PART 20 CERTIFICATION OF SPONSOR AND PRINCIPAL(S) CONCERNING THE OFFERING PLAN

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

Re: Condominium Offering Plan
The Hendrik Condominium
509 Pacific Street
Brooklyn, New York 11217

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(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:

522-528 LLC

By: _____
Name: Jeffrey Gershon
Title: Manager Member

PRINCIPAL OF SPONSOR:

_____
Jeffrey Gershon

Severally sworn to before me
this 23 day of MARCH, 2016

_____
Notary Public

FRANCES DELVALLE
Notary Public, State of New York
Registration #01DE6033298
Qualified In Bronx County
Commission Expires Dec. 19, 2017

CERTIFICATION OF ARCHITECT

PART 20: CERTIFICATION OF ENGINEER OR ARCHITECT

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

Re: Condominium Offering Plan
The Hendrik Condominium
509 Pacific Street
Brooklyn, New York 11217

The sponsor of the condominium offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction of the property (the "Report"). We examined the building plans and specifications that were prepared by us dated08-14-15 (plans) and 03-25-16 (specifications) and prepared the Report dated 04-06-16, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are a registered architect/licensed engineer in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

(vii) does not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

BEYER BLINDER BELLE ARCHITECTS & PLANNERS, LLP

By: _____

Name: Carlos J. Cardoso,

Title: Partner

REGISTERED ARCHITECT
CARLOS J. CARDOSO
No. 029288
STATE OF NEW YORK

(Engineer's or Architect's Seal)

Sworn to before me this
6th day of April 2016

Jeanne Cummings
Notary Public

JEANNE CUMMINGS
Notary Public, State of New York
No. 31-4996235
Qualified in New York County
Commission Expires May 11, 2018

CERTIFICATION OF BUDGET EXPERT

FirstService
RESIDENTIAL

CERTIFICATION REGARDING ADEQUACY OF BUDGET PURSUANT TO SECTION 20.4(d) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

March 8, 2016

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

Re: The Hendrik Condominium
509 Pacific Street, Brooklyn, New York

Gentlemen:

The Sponsor of the Condominium Offering Plan for the captioned condominium retained the undersigned to prepare Schedule B containing projections of income and expenses for the first year of condominium operation. Our experience in this field includes the management of over 250 rental, cooperative and condominium properties in New York City.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to Schedule B.

We have reviewed Schedule B (the "Schedule") and investigated the facts set forth in the Schedule and the facts underlying them with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in the Schedule appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedule:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

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(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the Condominium Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

FirstService Residential New York, Inc.

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

Sworn to before me this
7th day of March, 2016

_____
Notary Public

Brooke Rosenthal
Notary Public - State of New York
NO. 01RO6072178
Qualified in Nassau County
Commission Expires April 1, 2017

FirstService
RESIDENTIAL

CERTIFICATION OF BUDGET EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE RETAIL UNIT OWNER

FirstService
RESIDENTIAL

CERTIFICATION REGARDING ADEQUACY OF COMMERCIAL UNIT(S) COMMON CHARGES PURSUANT TO SECTION 20.4(e) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

March 8, 2016

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

Re: The Hendrick Condominium
509 Pacific Street, Brooklyn, New York

Gentlemen:

The Sponsor of the Condominium Offering Plan for the captioned condominium retained the undersigned to prepare Schedule B, which includes projections of common charges payable by the owner of the commercial unit(s). Our experience in this field includes the management of over 250 rental, cooperative and condominium properties in New York City.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to the commercial unit(s) listed in Schedule B.

We have reviewed Schedule B as it impacts upon the commercial unit(s) 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 unit(s) appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial unit(s) for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial unit(s) also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in Schedule B for the common charges payable by the owner of the commercial unit(s):

(i) set forth in detail the projected common charges for the commercial unit(s) 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 unit(s);

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(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the Condominium Offering Plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial unit(s) 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
7th day of March 2016

_____
Notary Public

Brooke Rosenthal
Notary Public - State of New York
NO. 01RO6072178
Qualified in Nassau County
Commission Expires April 1, 2017

FirstService
RESIDENTIAL

REAL PROPERTY LAW SECTION 339-kk

NEW YORK REAL PROPERTY LAW § 339-kk

§ 339-kk. Rents.

(a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the Common Charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for Common Charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers have been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for Common Charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

§HISTORY: Add, L 1998, ch 422, § 3, eff July 22, 1998 (see 1998 note below).

EDITOR'S NOTES:

Laws 1998, ch 422, §§ 4, 5, eff July 22, 1998, provide as follows:

§ 4. This act may be enforced by any party by means of a special proceeding brought pursuant to article 4 of the civil practice law and rules.

§5. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

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