
CONDOMINIUM OFFERING PLAN

**111 LEROY CONDOMINIUM
111 LEROY STREET
NEW YORK, NEW YORK 10014**

9 Units:.....	\$66,900,000
7 Storage Lockers	\$600,000
Total Offering Amount	\$67,500,000

The Condominium will include 13 Units. 4 Units are not being offered for sale at this time.

SPONSOR:

**PMG Leroy Street Development LLC
111 Fifth Avenue, 6th Floor
New York, NY 10003**

SELLING AGENT:

**Douglas Elliman
675 Third Avenue
New York, NY 10022
212-370-9200**

Filing Date of this Offering Plan: _____, 2017. 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 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 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

**111 LEROY CONDOMINIUM
111 LEROY STREET
NEW YORK, NEW YORK 10014**

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; 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 permanent certificate of occupancy ("PCO") for the Building.

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

(c) During the Sponsor Control Period, Sponsor will designate a majority of the Members and shall have voting control of the Condominium Board. Therefore, Sponsor will have control over 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 Units representing at least 25% in number of all 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 a Deposit in an amount equal to 20% 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 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, (a) the Deposit and any interest earned thereon and (b) Special Work Funds. 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 the Deposit 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 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 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 Unit for each day commencing with the Scheduled Closing Date through the Actual Closing Date, as a reimbursement of Sponsor's increased carrying costs by virtue of the delay, in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

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

(h) Special Work Funds will initially be placed in the Escrow Account. However, Purchasers should note that such Special Work Funds may be released from the Escrow Account by Escrow Agent to Sponsor to pay, or reimburse Sponsor, for such special work. As a result, in the event Sponsor

cancels the Purchase Agreement or Purchaser is entitled to rescind the Purchase Agreement in accordance with the Plan, Purchaser will not receive a refund of any Special Work Funds, except if Sponsor abandons or withdraws the Plan, in which case the Special Work Funds will be returned to Purchaser, to the extent not already expended by Sponsor. Escrow Agent shall be under no duty to verify that Sponsor used or committed such funds for special work. (See the Section of the Plan entitled “Escrow and Trust Fund Requirements” for details.)

(i) A Unit Owner who acquired title to the 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 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 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 Units

4. (a) Sponsor intends, in good faith, to sell rather than rent Units. However, Sponsor reserves the unconditional right to rent rather than sell Units after the consummation of the Plan. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, Sponsor is not committed to sell more 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 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 Unit Owners who occupy Units may have different interests than those Unit Owners who do not occupy Units.

(c) Sponsor reserves the unconditional right to make Bulk Sales of Units. Purchasers of Bulk Sales of Units shall be bound by Sponsor’s representations in the Plan with regard to Sponsor’s commitment to sell 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) Sponsor has not established a reserve fund for capital replacements or repairs. Upon completion of construction, the Building will be entirely new construction and consequently Sponsor does not anticipate the imminent need for capital repairs, replacements or improvements. However, no representation is given that such needs will not arise in the future. Unit Owners will be obligated to pay their share of the cost of repairs, replacements and/or improvements to the Common Elements as the need for such arises. The Condominium Board, in its discretion, and subject to certain restrictions contained in the By-Laws, may decide in the future to create a reserve fund by Special Assessment or by increases in Common Charges.

(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 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 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 Units, whether purchased from Sponsor or purchased from a 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 2 years' Common Charges with respect to the Unit based on the Condominium budget in effect as of the Closing Date of the Unit which will be in addition to

the required contribution to the Working Capital Fund. Such amount shall increase from time to time as such Common Charges increase, together with the full amount of any Special Assessment levied against, or allocable to, such Unit, as security for the faithful observance by such Unit Owner of the terms, provisions and conditions of the By-Laws of the Condominium. In the event that such Foreign Government Unit Owner defaults in respect of the terms, provisions and conditions of the By-Laws, the Condominium Board may use, apply or retain the whole or any part of the security so deposited, to the extent required for the payment of any Common Charges or any other sum to which such Foreign Government Unit Owner is in default. Thereafter, the Foreign Government Unit Owner shall deposit with the Condominium Board the amount so applied or retained so that such Condominium Board has the full amount of said security on hand at all times. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

Storage Locker Licenses

8. (a) Sponsor is offering Purchasers of Units the opportunity to purchase, if available, certain Storage Lockers pursuant to the terms of a license ("Storage Locker License") for the exclusive use of Purchaser for so long as Purchaser owns a Unit in the Building, the form of which is set forth in Part II of the Plan. There will not be a sufficient number of Storage Lockers available for each Purchaser to purchase. Although the Storage Locker Area(s) are General Common Elements, the Condominium Board has granted Sponsor the exclusive right, without charge, to sell Storage Lockers located therein and retain all proceeds of such sale. The Condominium will not be entitled to any of the proceeds from the sale of Storage Lockers.

(b) Based upon market conditions, until such time as Sponsor has entered into a Purchase Agreement with respect to the sale of a Storage Locker, Sponsor reserves the right to withdraw the offering of any particular Storage Locker and/or to reduce the number of Storage Lockers offered. After such time that Sponsor has entered into a Purchase Agreement with respect to the sale of a Storage Locker, Sponsor may withdraw or reduce the offering of any Storage Locker but only to the extent that such withdrawal or reduction does not affect any Storage Locker already under license. If, subject to the foregoing limitations, Sponsor elects to withdraw or reduce the offering of any Storage Locker, 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 Storage Locker Area(s) 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 Storage Lockers and (ii) who have entered into Purchase Agreements for Storage Lockers 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 Unit.

(c) 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 Storage Locker Area(s).

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

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. To the best of Sponsor's knowledge, as of the Filing Date of the Plan, Sponsor has sufficient resources to fund its obligations set forth in the Plan. No bond or other security has been posted by Sponsor to secure Sponsor's obligation under the Plan. (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 staff of Building personnel and usage of the Storage Locker Area or gym) 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 elevator, 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.

(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 PCO covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive TCOs. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and PCOs are issued by the Buildings Department ("DOB"). A TCO indicates 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 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 mortgages, 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 Unit will occur prior to the issuance of a TCO for the particular 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 makes no representation that DOB will issue a PCO within such 2 year period. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure a 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. However, Sponsor or the Condominium Board may refuse to permit a 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://www1.nyc.gov/site/buildings/homeowner/certificate-of-occupancy.page>. (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 Unit once a TCO is issued, irrespective of outstanding items of work, provided Sponsor has satisfied the other 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 Unit and the Storage Locker simultaneously at Closing even if a TCO has not been issued for the Storage Locker Area. In such event, Purchasers will not be able to access or use the Storage Locker until such time as a TCO has been issued for the Storage Locker Area and Sponsor or the Condominium Board, as the case may be, has determined that the Storage Locker Area may be accessed or used by Purchasers.

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 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 Units, the amenities and facilities, Storage Lockers, gym, the decoration or finishing of the 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. Sponsor and the Condominium Board may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Building has been completed and a PCO has been obtained. Certain services, such as telecommunications, mail delivery 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 Units or lines of 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 elevator, may require substantial time to complete and may need to be shut down temporarily. Various other adjustments to windows, the elevator 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 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) be compensated in any way 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, an emergency generator, domestic water tanks, chillers, packaged units and cooling towers (collectively, “Equipment”) located on the bulkhead, the roof and in the cellar which may cause noise and vibration throughout the Building. While Sponsor will endeavor to reduce excessive noise and vibration that may emanate from the Equipment, it may be impossible to eliminate noise and vibration entirely. As a result, Units and amenity areas in close proximity may be affected. In addition, the Condominium Board and Sponsor have the right to operate the emergency generator as necessary, as well as to activate the emergency generator for testing on a periodic basis, normally once per month. During such testing periods, which may occur at any time, occupants of Units may experience loud noise and vibration. In no event, however, shall any noise emanating from the Equipment be in violation of Law, including applicable New York City 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 and Sponsor will not be obligated to correct, and will not be liable to the Condominium Board or any Unit Owner for any cracks in crown molding, minor gapping in the flooring, uneven ceilings or floors, floor buckling or other conditions resulting therefrom. Additionally, Purchasers should note that since ceramic, marble, stone and wood finishings 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).

Apportionments with the Condominium

14. 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

15. In order to preserve the architectural harmony of the Building, the By-Laws provide that all 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.)

Zoning

16. (a) The Property is located at 111 Leroy Street in the Borough of Manhattan, City and State of New York in an R7X/M1-5 manufacturing district (Special District MX-6), as shown on Map 12a of the Zoning Resolution of the City of New York. Permissible uses include Use Group 1-14, 16 and 17. Proposed use will be Use Group 2 for residential development. The Property is not in a historic district.

(b) Declaration of Zoning Lot Restrictions

Sponsor and the owner of an adjoining property located at 90 Morton Street ("Morton Street Property") are parties to an agreement ("Declaration of Zoning Lot Restrictions") dated as of November 11, 2015. The Declaration of Zoning Lot Restrictions merges lots 55 (623 Greenwich Street), 58 (Morton Street Property), 64 (78 Morton Street), 83 (111-113 Leroy Street) and 85 (617 Greenwich Street) of Block 602 into a single zoning lot. A copy of the Declaration of Zoning Lot Restrictions is set forth in Part II of the Plan.

(c) Zoning Lot Development and Easement Agreement

Sponsor and the owner of the Morton Street Property are parties to a certain Zoning Lot Development Agreement ("ZLDA"), dated as of November 2, 2015.

Pursuant to the ZLDA, 28.08% of the development rights appurtenant to a zoning lot consisting of tax lot 58 (the Morton Street Property), lots 55, 83, 85 (the Property) and 64 were granted to Sponsor, with the balance being granted to the owner of the Morton Street Property (excluding the existing development rights utilized by the building on tax lot 64). The twelve-story plus cellar building located on the Morton Street Property is being converted to mixed residential and commercial use, with ground floor retail use and 34 residential units.

In the ZLDA, Sponsor granted to the Morton Street Property owner a light and air easement over areas designated as "East Easement Area" and "South Easement Area" (see descriptions below). Diagrams of the East Easement Area and South Easement Area are set forth in Part II of the Plan. Moreover, Sponsor granted to the owner of the Morton Street Property a perpetual easement to project windows, up to 1.5 feet (horizontally), from any building constructed on the Morton Street Property into the East Easement Area and South Easement Area. Further, Sponsor granted to the Morton Street Property owner temporary easements to locate window washing equipment, scaffolding and rigging over a 5 foot portion of the East Easement Area (adjacent to the eastern lot line of the Morton Street Property) and over a 5 foot portion of the South Easement Area (adjacent to the southern lot line of the Morton Street Property) for the purpose of ordinary cleaning, repair and maintenance of the façade of any building on the Morton Street Property. The ZLDA also prohibits Sponsor from constructing a "wall" in any of the easement areas. However, Sponsor may, but is not required to, improve the easement areas with, among others, landscaping, fences, awnings, trellises, open parking spaces, sun control devices and recreational equipment.

All subsequent owners and parties in interest with respect to the Property and the Morton Street Property, including Sponsor, the Condominium Board and the Unit Owners, are bound by the terms and provisions of the ZLDA. Sponsor makes no representation and does not guarantee that the ZLDA will or will not be modified at some future date. The development of the Property does not violate the terms of the ZLDA. Purchasers should refer to the ZLDA, a copy of which is set forth in Part II of the Plan, for further details.

(d) Light and Air Easement

Sponsor and the owner of the Morton Street Property are parties to a Light and Air Easement ("Light and Air Easement"), made as of November 2, 2015.

Pursuant to the Light and Air Easement, Sponsor granted a perpetual easement to the owner of the Morton Street Property for light and air, beginning at the Lower Limiting Plane (which is defined as a height of 16 feet above NAVD over two easement areas:

- East Easement Area: an approximate 25' by 100' rectangular area located on the northern panhandle portion of Lot 85, between eastern lot line of Lot 58 and western lot line of Lot 64; and
- South Easement Area: an approximate 30' by 46'-11" rectangular located on Lot 85, adjacent to the rear lot line of Lot 56 and southern lot line of Lot 58.

With respect to the Light and Air Easement, no buildings, improvements, structures, alterations or additions, including any rooftop structures or equipment shall be constructed or allowed to exist on the Property that encroaches upon the East or South Easement Areas and no rebuilding, following a casualty or otherwise, shall encroach on the East or South Easement Area.

All subsequent owners and parties in interest with respect to the Property and the Morton Street Property, including Sponsor, the Condominium Board and the Unit Owners, are bound by the terms and provisions of the Light and Air Easement. Sponsor makes no representation and does not guarantee that the Light and Air Easement will or will not be modified at some future date. The development of the Property does not violate the terms of the Light and Air Easement. Purchasers should refer to the Light and Air Easement, a copy of which is set forth in Part II of the Plan, for further details.

(e) Declaration of Restrictions

Sponsor is a party to a Declaration of Restrictions ("Declaration of Restrictions"), made as of November 2, 2015.

Pursuant to the Declaration of Restrictions, Sponsor relinquished its rights under a certain January 19, 2006 pre-consideration, signed by the-then Chief Examiner of the Manhattan Office of the NYC Department of Buildings and approved on September 6, 2007, authorizing Sponsor to seek an increase in floor area available to the Property pursuant to Zoning Resolution Section 43-121. However, the Property's floor area may be increased if there is a zoning change that increases the as-of-right floor area available to the Property or by discretionary approval.

All subsequent owners and parties in interest with respect to the Property, including Sponsor, the Condominium Board and the Unit Owners, are bound by the terms and provisions of the Declaration of Restrictions. Sponsor makes no representation and does not guarantee that the Declaration of Restrictions will or will not be modified at some future date. The development of the Property does not violate the terms of the Declaration of Restrictions. Purchasers should refer to the Declaration of Restrictions, a copy of which is set forth in Part II of the Plan, for further details.

(f) Splitting of Tax Lots

Presently the property consists of Manhattan Block 602, Lots 85, 83, and 55. An RP-602 (Application for Mergers or Apportionments) has been filed with the New York City Department of Finance and tentative lots have been assigned to reapportion/reconfigure the 3 existing tax lots into 7 lots: 55, 77, 79, 81, 83, 85 and 86. Upon final approval of the application, the Condominium will lie within lot

85. A copy of the application, together with a diagram of the reconfiguration of the lots, is set forth in Part II of the Plan.

Effectiveness of the Plan

17. 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. 2 Units based on 9 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. (See the Section of the Plan entitled "Effective Date" for details.)

Purchase Agreement Not Contingent on Financing

18. (a) Although a Purchaser may obtain financing from any lending institution or other source, Purchaser's obligation to purchase a Unit is not contingent on Purchaser obtaining financing. Neither Sponsor nor Selling Agent makes any representation as to the availability or terms of any form of financing. Purchasers may want to finalize their financing arrangements before signing a Purchase Agreement. 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.

(b) While the First Closing is projected to occur on or around November 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.)

(c) 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 Unit if prospective buyers are unable to obtain a loan due to the same sales or owner-occupancy minimum requirements of lenders.

(d) 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

19. (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, the profits, if any, for which will be retained by Sponsor and (b) pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust, or ventilation as required or, as permitted by

Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements (excluding Limited Common Elements and Storage Lockers appurtenant to 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 Permitted Users. (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) are paid by Sponsor. If the Condominium Board elects to waive payment of Common Charges, Sponsor shall disclose such waiver of Common Charges and the expected period of time of such waiver of Common Charges (“Waiver Period”) in the post-closing amendment to the Plan. In the event the Condominium Board elects to extend the Waiver Period, Sponsor will amend the Plan to disclose the extended Waiver Period. 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 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 Rules and Regulations (other than those required by Law) shall be effective against Sponsor unless Sponsor has given its prior written consent. (See the Section of the Plan entitled “Rights and Obligations of the Condominium Board/Summary of By-Laws” for details.)

Adjacent Development

20. An affiliate of Sponsor owns a parcel of land adjacent to the Property, which abuts the Property to the west and occupies the remainder of the block to Greenwich Street. Currently, it is anticipated that five brick townhouses ranging between three and four stories will be built on the adjacent parcel, none of which are part of this offering. The tentative addresses of the townhouses are 115, 117, 119 and 121 Leroy Street, New York, New York. The anticipated start of construction of the townhouses is September, 2016, with substantial completion anticipated for September, 2017

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 Storage Lockers appear in Part II of the Plan. Each Unit is measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes (whether along the perimeter or within the Unit), structural walls, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit) to the midpoint of the interior wall and demising partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, the elevator and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of glass or the opposite exterior walls.

23. Each Unit is measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the top of the floor above. Elevators, elevator hoistway, elevator lobby, refuse room, mechanical shafts, and egress stair, inclusive of the interior walls and partitions separating a unit from these general common elements are not deducted from the square foot area of full-floor units. As is customary in New York, the square footage exceeds 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 Washing/Replacement Equipment

24. Window washing equipment and window replacement equipment (collectively, the "Window Washing/Replacement Equipment") will be installed on the roof of the Building. The Window Washing/Replacement Equipment will be owned by the Condominium and utilized by the window contractor at scheduled cleaning times and during the replacement of windows. During the periods of window washing/replacement, the Window Washing/Replacement Equipment will be lowered from the roof to clean/replace the windows of the Building. Access to the 7th and 10th floors and appurtenant Terraces will be required to operate the equipment. The existence and use of the Window Washing/Replacement Equipment may result in the obstruction of the views from the windows of the Units during the periods of window washing/replacement and may result in the temporary loss of use of the Terraces on the 7th and 10th floors. In addition to all other easements set forth in the Declaration, Sponsor and the Condominium Board and each of their respective Permitted Users shall have an easement in, through and upon the Terraces appurtenant to Unit 7 on the 7th floor and the Penthouse Unit on the 10th Floor for the purpose of accessing, servicing and utilizing the Window Washing/Replacement Equipment. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board / Summary of By-Laws" and the Declaration contained in Part II of the Plan for further details.)

Window Guards / Legally Compliant Window Stops

25. Any installations, replacements, and/or repairs in connection with legally-compliant window guards and/or window stops in any Unit shall be performed at the direction of the Managing Agent and all costs associated therewith shall be borne by the Unit Owner. It is the responsibility of each 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 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 Unit and/or any additional equipment as required by Law, and (iii) otherwise ensure that all operable windows located in the Unit comply with Laws relating to window guards and/or window stops. Sponsor makes no representation whether or not Unit Owners will comply with the foregoing obligations. (See the Section of the Plan entitled "Terms of Sale" for further details.)

Curtain Wall

26. (a) As more particularly described in the Description of Property and Improvements set forth in Part II of the Plan, portions of the facade of the Building will consist of a custom-designed curtain wall system. As a result of the unique and custom design of the curtain wall system (i) if glass or pieces of the curtain wall system need repair or replacement the lead time for such repair and replacement may be longer than for ordinary systems and (ii) additional maintenance and repairs may be required over time.

(b) Purchasers are advised that the use of a curtain wall system on the façade of the Building (i) will require the installation of window shades in order to reduce potential fading in the interior of the Unit, to reduce brightness and/or glare and to maintain comfortable heating and cooling temperatures; (ii) may not be as energy efficient as a non-curtain wall system; and (iii) may cause the Unit to feel warmer than the temperature reflected on the thermostat in the Unit because of the radiant heat of the sun. Use of applied films to the room side surface of the glass is prohibited, whether used for reducing glare, cutting down heat gain, providing light altering characteristics or for any reason whatsoever. Additionally, window shades, including drapes, blinds or other light reducing and/or light blocking items are to be placed and positioned in accordance with a user manual Purchaser should obtain from the manufacturer so that excessive heat buildup will not occur between such window shades and the glass windows. High heat loads can lead to glass breakage.

Excess Development Rights

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

Marketing Materials

28. 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 Units set forth in any marketing materials and/or advertisements, and/or websites used in connection with the sales and marketing of the Units imply or represent that any such FFE will be

located within any portion of the Building or 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 Units that differ from the designations utilized on the Floor Plans of the 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

29. 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 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.)

Subsoil and Ground Water Impacts

30. There are two active New York State Department of Environmental Conservation (NYSDEC) Spills at the Property related to two remaining underground storage tanks (Spill Nos. 06-11866 and 15-07406). The sub-soil and groundwater beneath the development site will be remediated pursuant to the NYC Mayor's Office of Environmental Remediation's (OER's) oversight per the hazardous materials Restrictive Declaration (City Environmental Quality Review No. 07-DCP-095M) applied during rezoning. The NYSDEC and OER will coordinate the remediation and closure of the Spills. Any sub-soil and groundwater impacts will be mitigated or remediated through fill/soil excavation and proper disposal for foundations, installation of a vapor mitigation system (e.g., vapor barrier and/or subslab depressurization system) and establishment and long-term protection of institutional and engineering controls. The OER will review and approve a Remedial Action Work Plan prior to development that will detail sub-soil and groundwater remediation. . (Purchasers should refer to the Description of Property and Building Condition set forth in Part II of the Plan for further details.)

Lot Line Windows

31. Lot line windows exist on the West façade of the Building on the 5th and 6th floors. Purchasers should refer to the Floor Plans set forth in Part II of the Plan for the specific Units containing lot line windows. Lot line windows are windows located on an exterior wall abutting a property line, where the adjacent property is owned by others. While such windows provide views, light and air to spaces in the Unit, they cannot be utilized to meet the light and ventilation requirements of the Building Code of the City of New York. Units having lot line windows have other windows that satisfy requirements for the lawful use of such Units for habitation. Lot line windows are considered amenities that potentially can be lost. Should an abutting property owner redevelop the abutting property with one or more buildings of different configurations, it may be necessary to close the affected lot line windows and seal them in a manner and with such materials as are acceptable to the Buildings Department and the Condominium. The cost to close-up any lot line windows, if necessary, shall be borne by the affected Unit Owner (including Sponsor with respect to Unsold Units), which cost is currently estimated to be approximately Five Thousand Dollars (\$5,000) per window. This cost may increase in the future. Neither Sponsor, Sponsor's architect, the Condominium Board nor any other Person who took part in this offering will have any liability or obligation if the closing-up of any or all lot line windows is required. (See the Floor Plans set forth in Part II of the Plan for details.)

Resale Fee

32. Each Unit Owner who acquired a Unit from Sponsor ("Sponsor Sale") and subsequently enters into an agreement ("Resale Agreement") to sell such 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 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 Unit set forth in the Resale Agreement less the following expenses actually paid by the 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 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 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

33. 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

34. (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.

INTRODUCTION

Nature of the Transaction

PMG Leroy Street Development LLC (“Sponsor”) is a limited liability company organized and existing under the laws of the State of Delaware. Sponsor acquired the Property on May 6, 2014 from KMG Greenwich, LLC and KMG PMA Leroy 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 111 Leroy Condominium and located at 111 Leroy Street, New York, New York 10014 (“Property”).

The principals of Sponsor in this offering are Kevin Maloney and Richard Lam. (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) 13 Units, 4 of which are being retained by Sponsor and are not being offered at this time and (b) 7 Storage Lockers.

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 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 Units to begin on or about November 1, 2017. Purchasers should note however that: (i) 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) Units on higher floors generally close later than 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 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, except for any Special Work Funds to the extent that such Special Work Funds have been expended.

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 Units for Sale

Sponsor hereby offers the Units for sale pursuant to the Plan. The Purchase Prices for each of the 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 Storage Lockers for Sale

Sponsor hereby offers the Storage Lockers for sale pursuant to the Plan. There will not be a sufficient number of Storage Lockers available for each Purchaser to purchase. The Storage Lockers will be conveyed pursuant to a license agreement, the form of which is set forth in Part II of the Plan ("Storage Locker License"). A Storage Locker may only be purchased by a Purchaser of a Unit. The Purchase Price for each of the Storage Lockers is listed in Schedule "A." THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY. The Condominium Board has the right to impose monthly license fees and Special Assessments in connection with the Storage Locker Licenses. Although the Storage Locker Area(s) are General Common Elements, the Condominium Board has granted Sponsor the exclusive right, without charge, to sell Storage Lockers located therein and retain all proceeds of such sale. The Condominium will not be entitled to any of the proceeds from the sale of Storage Lockers.

Sponsor reserves the right to offer as many Storage Lockers as it determines and to withhold one or more for future sale. In addition, Sponsor has the right to limit the number of Storage Lockers sold to any single Purchaser of a 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 Storage Locker, Sponsor reserves the right to withdraw the offering of any particular Storage Locker category and/or to reduce the number of Storage Lockers offered within any such category. After such time that Sponsor has entered into a Purchase Agreement with respect to the sale of a Storage Locker, Sponsor may withdraw or reduce the offering of any Storage Locker but only to the extent that such withdrawal or reduction does not affect any Storage Locker already under contract. If, subject to the foregoing limitations, Sponsor elects to withdraw or reduce the offering of any Storage Locker, 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 Storage Locker 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 Storage Lockers and (ii) who have entered into Purchase Agreements for Storage Lockers 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 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 Units

Sponsor intends, in good faith, to sell rather than rent Units. However, Sponsor reserves the unconditional right to rent rather than sell Units after the consummation of the Plan. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, Sponsor is not committed to sell more 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 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 Unit Owners who occupy Units may have different interests than those Unit Owners who do not occupy Units.

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

Sponsor has procured financing for the construction of the Building from 111 Leroy Gap Lender LLC ("Construction Lender"). Sponsor will receive advances each month from Construction Lender provided Sponsor complies with the provisions of the construction loan regarding its responsibilities to use the funds advanced in the agreed manner and generally proceeds with the construction as agreed to in the loan documents. Pursuant to the terms of the construction loan documents, Sponsor must meet certain minimum release prices prior to Construction Lender's release of its lien against the Unit and enter into Purchase Agreements for the sale of not less than 25% of the saleable square footage of all Units (as such square footage is described in the Plan).

Basic Aspects of Condominium Ownership

The ownership of a Unit is similar in many respects to the ownership of a private home. Each Unit Owner owns fee title to 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 and hallways, these Common Elements being more specifically designated as "General Common Elements," and (ii) portions of the Building exclusively serving and benefiting one Unit such as a Terrace, these Common Elements being specifically designated as "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 Units. Each Unit is separate and will not be subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

Operation of the Condominium will be vested in a Condominium Board, the members of whom will be elected by the Unit Owners, subject to the rights of Sponsor 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 Unit Owner shall be entitled to cast one vote for each .0001% of Common Interest attributable to the Unit per 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 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 Charges will be assessed against Unit Owners in the same proportion their respective Units bears to the aggregate Common Interest of all 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).

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 percentage of Common Interest is 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 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 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 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 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 Unit will be required to make a non-refundable contribution to the Working Capital Fund of the Condominium. Such contribution, to be made at the time of Closing of the Unit, shall be in an amount equal to 2 months’ Common Charges assessed against the Unit at Closing. (See the Section of the Plan entitled “Working Capital Fund and Apportionments” for details.)

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

A 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 Unit at one time. A Unit may not be used for any “dormitory,” “bed and breakfast” or other transient hotel-type use. A 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 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 Unit shall be subject to the Rules and Regulations of the Condominium which may be amended from time to time.

A Storage Locker may be used only for the storage of personal effects of a Unit Owner, and in no event shall any food or other perishable item be stored therein.

Storage Lockers may not be used for any Prohibited Use. The use of a Storage Locker for a Prohibited Use can result in violations being posted against the Building. Any and all costs or expenses incurred by the Condominium or other Unit Owner as a result of any Prohibited Use of a Storage Locker shall be borne by such Unit Owner.

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

With certain exceptions, as set forth in the By-Laws, any sale or rental of a Unit will be subject to a right by the Condominium Board to acquire or lease such Unit or to produce a third party to acquire or lease such Unit on the same terms as were offered to the owner of such Unit. Sponsor may sell or lease their respective Units, or portions thereof, without any restriction or limitation. (See the Section of the Plan entitled “Rights and Obligations of Unit Owners” subsection “Sales and Leases of Units” for details.)

Each Unit Owner has exclusive use, subject to any and all Rules and Regulations implemented by the Condominium Board, of any Limited Common Element appurtenant to such Unit Owner's 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 Limited Common Element (including any leaks which are not caused by the negligence of the Unit Owner having access to same) shall be charged to all Unit Owners as a 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 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. Prior to March 25, 2015, the Act would require 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. However, on September 26, 2014, President Obama signed into law a bill amending the Act that exempts sponsors of condominium projects in New York from the registration and filing requirements of the Act, including the obligation to file a Statement and Property Report. The law took effect on March 25, 2015.

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.

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:

“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 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 111 Leroy Street, New York, New York 10014.

“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 Units or 20% of the total number of 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 is scheduled to occur.

“Common Charges” shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata, in accordance with the 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 and the 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 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 111 Leroy 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 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 PMG Leroy Street Development 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.

“Deposit” shall mean, collectively, all deposits, advances and payments delivered by a Purchaser prior to the Closing of a Unit, but excluding Special Work Funds.

“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 Unit Owner who reside in such Unit Owner’s 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 Unit Owners.

“First Closing” shall mean the Closing of Title with respect to the first 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 - Budget for First Year of Condominium Operation.” 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 Storage Lockers 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 Storage Lockers, which are only available for use by the licensee of the particular Storage Locker.

“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) 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 Manhattan on the Tax Map of the Division of Land Records of The City of New York as Block 602, Lot 85 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.

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

“Majority of Unit Owners” shall mean (i) Unit Owners representing more than fifty percent (50%) in aggregate Common Interest appurtenant to all Units or (ii) Unit Owners representing more than fifty percent (50%) in aggregate Common Interest 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.

“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.

"Prohibited Use" shall mean one or more of any of the following uses: (a) for storing any flammable or explosive item or any item which would impose a health or safety threat or cause noxious odors, dirt, or other sanitary problems or create a nuisance, or (b) for sleeping or other occupancy uses.

"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 New York.

"Rules and Regulations" shall mean the 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.

"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 - Budget for First Year of Condominium Operation." 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.

"Special Work Funds" shall mean all amounts funded by Purchaser, whether or not expended, or reimbursable to, Sponsor for special work requested by Purchaser and agreed to in writing by Sponsor.

“Sponsor” shall mean PMG Leroy Street Development 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; or (iii) the date on which Sponsor otherwise exercises its right to relinquish voting control of the Condominium Board.

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

“Storage Locker Area” shall mean an area located in the cellar of the Building containing the Storage Lockers. The Storage Locker Area is a General Common Element.

“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 Unit as a 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, Inc., having an office at 630 3rd Avenue, New York, NY 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 Storage Locker.

“Unsold Storage Locker” shall mean a Storage Locker 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 Storage Lockers are, collectively, referred to as the “Unsold Storage Lockers.”

“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.”

“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.

Improvements - General Description of Units

The Condominium will consist of Units and Storage Lockers, located within a structure comprising 10 above-grade stories, one (1) below-grade level(s), one (1) roof level and three (3) bulkheads.

There will also be various amenities for the benefit of the Unit Owners, including a common lounge and a common terrace, both on the ground level, bicycle storage and a gym located at the cellar level and 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.

Units

There will be 13 Units located on floors 1, 2, 4, 5, 6, 7, 8, 9 and floor 10 (PH), the square footages of which are set forth on Schedule A. The 4 Units on floor 3 are not being offered at this time and will be retained by Sponsor.

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 Units.

Storage Lockers

There will be 7 Storage Lockers located in the cellar. The approximate square footages and Purchase Prices of the Storage Lockers are set forth on Schedule A.

A Storage Locker may be used only for the storage of personal effects of a Unit Owner, and in no event shall any food or other perishable item be stored therein. Storage Lockers may not be used for any Prohibited Use. The use of a Storage Locker for a Prohibited Use can result in violations being posted against the Building. Any and all costs or expenses incurred by the Condominium or other Unit Owner as a result of any Prohibited Use of a Storage Locker shall be borne by such Unit Owner.

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

Although the Storage Locker Area is a General Common Element, the Condominium Board has granted Sponsor the exclusive right, without charge, to sell Storage Lockers 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 Storage Lockers.

There will not be a sufficient number of Storage Lockers available for each Purchaser to purchase. Based upon market conditions, until such time as Sponsor has entered into a Purchase Agreement with respect to the sale of a Storage Locker, Sponsor reserves the right to withdraw the offering of any particular

Storage Locker and/or to reduce the number of Storage Lockers offered. After such time that Sponsor has entered into a Purchase Agreement with respect to the sale of a Storage Locker, Sponsor may withdraw or reduce the offering of any Storage Locker but only to the extent that such withdrawal or reduction does not affect any Storage Locker already under contract. If, subject to the foregoing limitations, Sponsor elects to withdraw or reduce the offering of any Storage Lockers, 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 Storage Locker Area(s) 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 Storage Lockers and (ii) who have entered into Purchase Agreements for Storage Lockers 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 Unit.

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 Storage Locker Area.

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

Gym

Residents will have access to a gym facility located in the cellar of the Building, which will contain exercise equipment for aerobic and weight training.

Bicycle Storage

Residents will have access to a bicycle storage room located in the cellar.

Location/Zoning

Zoning

The Property is located at 111 Leroy Street in the Borough of Manhattan, City and State of New York in an R7X/M1-5 manufacturing district (Special District MX-6), as shown on Map 12a of the Zoning Resolution of the City of New York. Permissible uses include Use Group 1-14, 16 and 17. Proposed use will be Use Group 2 for residential development. The Property is not in a historic district.

Declaration of Zoning Lot Restrictions

Sponsor and the owner of an adjoining property located at 90 Morton Street ("Morton Street Property") are parties to an agreement ("Declaration of Zoning Lot Restrictions") dated as of November 11, 2015. The Declaration of Zoning Lot Restrictions merges lots 55 (623 Greenwich Street), 58 (Morton Street Property), 64 (78 Morton Street), 83 (111-113 Leroy Street) and 85 (617 Greenwich Street) of Block 602 into a single zoning lot. A copy of the Declaration of Zoning Lot Restrictions is set forth in Part II of the Plan.

Zoning Lot Development and Easement Agreement

Sponsor and the owner of the Morton Street Property are parties to a certain Zoning Lot Development Agreement ("ZLDA"), dated as of November 2, 2015.

Pursuant to the ZLDA, 28.08% of the development rights appurtenant to a zoning lot consisting of tax lot 58 (the Morton Street Property), lots 55, 83, 85 (the Property) and 64 were granted to Sponsor, with the balance being granted to the owner of the Morton Street Property (excluding the existing development rights utilized by the building on tax lot 64). The twelve-story plus cellar building

located on the Morton Street Property is being converted to mixed residential and commercial use, with ground floor retail use and 34 residential units.

In the ZLDA, Sponsor granted to the Morton Street Property owner a light and air easement over areas designated as “East Easement Area” and “South Easement Area” (see descriptions below). Diagrams of the East Easement Area and South Easement Area are set forth in Part II of the Plan. Moreover, Sponsor granted to the owner of the Morton Street Property a perpetual easement to project windows, up to 1.5 feet (horizontally), from any building constructed on the Morton Street Property into the East Easement Area and South Easement Area. Further, Sponsor granted to the Morton Street Property owner temporary easements to locate window washing equipment, scaffolding and rigging over a 5 foot portion of the East Easement Area (adjacent to the eastern lot line of the Morton Street Property) and over a 5 foot portion of the South Easement Area (adjacent to the southern lot line of the Morton Street Property) for the purpose of ordinary cleaning, repair and maintenance of the façade of any building on the Morton Street Property. The ZLDA also prohibits Sponsor from constructing a “wall” in any of the easement areas. However, Sponsor may, but is not required to, improve the easement areas with, among others, landscaping, fences, awnings, trellises, open parking spaces, sun control devices and recreational equipment.

All subsequent owners and parties in interest with respect to the Property and the Morton Street Property, including Sponsor, the Condominium Board and the Unit Owners, are bound by the terms and provisions of the ZLDA. Sponsor makes no representation and does not guarantee that the ZLDA will or will not be modified at some future date. The development of the Property does not violate the terms of the ZLDA. Purchasers should refer to the ZLDA, a copy of which is set forth in Part II of the Plan, for further details.

Light and Air Easement

Sponsor and the owner of the Morton Street Property are parties to a Light and Air Easement (“Light and Air Easement”), made as of November 2, 2015.

Pursuant to the Light and Air Easement, Sponsor granted a perpetual easement to the owner of the Morton Street Property for light and air, beginning at the Lower Limiting Plane (which is defined as a height of 16 feet above NAVD over two easement areas:

- East Easement Area: an approximate 25’ by 100’ rectangular area located on the northern panhandle portion of Lot 85, between eastern lot line of Lot 58 and western lot line of Lot 64; and
- South Easement Area: an approximate 30’ by 46’-11” rectangular located on Lot 85, adjacent to the rear lot line of Lot 56 and southern lot line of Lot 58.

With respect to the Light and Air Easement, no buildings, improvements, structures, alterations or additions, including any rooftop structures or equipment shall be constructed or allowed to exist on the Property that encroaches upon the East or South Easement Areas and no rebuilding, following a casualty or otherwise, shall encroach on the East or South Easement Area.

All subsequent owners and parties in interest with respect to the Property and the Morton Street Property, including Sponsor, the Condominium Board and the Unit Owners, are bound by the terms and provisions of the Light and Air Easement. Sponsor makes no representation and does not guarantee that the Light and Air Easement will or will not be modified at some future date. The development of the Property does not violate the terms of the Light and Air Easement. Purchasers should refer to the Light and Air Easement, a copy of which is set forth in Part II of the Plan, for further details.

Declaration of Restrictions

Sponsor is a party to a Declaration of Restrictions (“Declaration of Restrictions”), made as of November 2, 2015.

Pursuant to the Declaration of Restrictions, Sponsor relinquished its rights under a certain January 19, 2006 pre-consideration, signed by the-then Chief Examiner of the Manhattan Office of the NYC Department of Buildings and approved on September 6, 2007, authorizing Sponsor to seek an increase in floor area available to the Property pursuant to Zoning Resolution Section 43-121. However, the Property’s floor area may be increased if there is a zoning change that increases the as-of-right floor area available to the Property or by discretionary approval.

All subsequent owners and parties in interest with respect to the Property, including Sponsor, the Condominium Board and the Unit Owners, are bound by the terms and provisions of the Declaration of Restrictions. Sponsor makes no representation and does not guarantee that the Declaration of Restrictions will or will not be modified at some future date. The development of the Property does not violate the terms of the Declaration of Restrictions. Purchasers should refer to the Declaration of Restrictions, a copy of which is set forth in Part II of the Plan, for further details.

Unrecorded Declaration

On or about July 23, 2008, prior owners of the Property, and of adjacent properties, at the time owned by a single individual, executed a declaration of restrictions, purportedly in connection with development approvals issued by the New York City Council (“Declaration”). The Declaration was never recorded. The Declaration defines “Property” as including the Property, as well as the Morton Street Property. The Property, together with the Morton Street Property, shall be referred to together as, “Adjacent Properties”). The-then owners of the Adjacent Properties agreed that they would be held, sold, transferred, conveyed, developed and occupied subject to certain restrictions, covenants and obligations and agreements, which were to inure to the benefit of the City of New York and would run with each of the Adjacent Properties.

In pertinent part, the Declaration contemplated commercial development within the Adjacent Properties, not to include retail space greater than 10,000 square feet and also provided that at least 20% of residential units developed on the Adjacent Properties would be permanent “Affordable Units”. The Declaration further provided the Community Board was an “interested party” to the Declaration and that the owners of the Adjacent Properties consented to enforcement thereof by the City or the Community Board.

Sponsor has been advised that the Declaration is unenforceable for a number of reasons:

- It was created outside the City of New York’s formal land use process - - the Unified Land Use Review Procedure (“ULURP”), through which all dispositions of property and land use decisions must pass;
- The Declaration was executed after approval by the City Planning Commission, but was not voted upon by the City Council, as required.
- The Community Board has no jurisdiction to enforce the provisions of the Declaration the covenants and restrictions.
- The obligations contained in the Declaration are personal to the original declarants who no longer have any right, title or interest in the Adjacent Property.

- The Declaration expressly bound only “the Declarants so long as any of them has any right, title or interest in any Property or any part thereof” and none of the original declarants any longer have “any right, title or interest in the Adjacent Property.”

In the event of a binding interpretation of the Declaration of a court of competent jurisdiction, Sponsor and the Condominium shall be subject to such interpretation.

Splitting of Tax Lots

Presently the property consists of Manhattan Block 602, Lots 85, 83, and 55. An RP-602 (Application for Mergers or Apportionments) has been filed with the New York City Department of Finance and tentative lots have been assigned to reapportion/reconfigure the 3 existing tax lots into 7 lots: 55, 77, 79, 81, 83, 85 and 86. Upon final approval of the application, the Condominium will lie within lot 85. A copy of the application, together with a diagram of the reconfiguration of the lots, is set forth in Part II of the Plan.

Construction Data for Units and Common Elements

Sponsor has engaged Workshop/APD as architect of record and design architect, Simpson Gumpertz & Heger Inc., as structural engineer and Consulting Engineering Services LLC, 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, except for any Special Work Funds to the extent that such Special Work Funds have been expended.

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 Units to begin on or about November 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 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, except for any Special Work Funds to the extent that such Special Work Funds have been expended. 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 Unit Owners and are included in the Common Charges, unless otherwise specified below.

(a) Lobby

The lobby will contain furniture, furnishings, and a front desk reception area.

(b) 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.

(c) Elevator Service

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

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

(d) Telecommunications

The Building will be pre-wired for telephone, cable television and internet services to the 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 Unit Owner as a Common Expense.

(e) Mail

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

(f) Laundry Facilities

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

(g) Refuse Disposal

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

(h) Communication Facilities and Intercom System

Each Unit will be equipped with an intercom system which will enable the occupants to communicate directly from the lobby desk or main entrance to the Building using a system that will have voice and video display capabilities. Sponsor reserves the right to substitute an alternate service to enable communication between the residents and lobby desk or main entrance to the Building.

There will also be a video surveillance system.

(i) Smoke and Carbon Monoxide Detector/Sprinklers

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

(j) Service Entrance

There will be a service entrance located on Leroy Street.

(k) Common Terrace

The Unit Owners will have shared access to a terrace located at the rear of the Building on the ground level. The terrace 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.

(l) General

Use of the services and facilities shall be available only to individuals who reside in a Unit in the Building (i.e. a Unit Owner or permitted tenant) and such individual's guests, provided that such 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 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 elevator, 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. 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 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 Units, the amenities and facilities, Storage Lockers, the decoration or finishing of the lobby, corridors, elevator finishes and other portions of the Building, including installing light fixtures, painting, hanging wall coverings or laying carpeting. All of the foregoing work and conditions may create a noisy or otherwise disruptive condition in the Building. The Condominium Board may refuse to permit a Unit Owner to perform alterations in a 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 Units or lines of Units until such scaffolding, hoists, elevators or temporary facilities are no longer needed and are removed.

LOCATION AND AREA INFORMATION

Location

The Property is located at 111 Leroy Street in the Borough of Manhattan in the City and State of New York. The Property is bounded by Leroy Street to the South and Morton Street to the north.

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.

The neighborhood has a variety of types of buildings including high-rise apartment buildings, three and four story dwellings, four through six story walk-up apartment buildings, as well as some stores and small loft buildings.

Near the property are many noteworthy local attractions such as Chelsea Piers, the Hudson River, Chelsea dog run, the Gallery District, the Meatpacking District, Historic Chelsea, the Seminary block of Chelsea, Chelsea market, the Highline Parks, Penn Station, Madison Square Garden, Chelsea Park, Joyce Theater, Irish Repertory Theater, the Atlantic Theater Company, Dance Theater Workshop, Dr. Gertrude B. Kelly Playground, and the Clement Clarke Moore Park.

111 Leroy Street is a short walk from the arts, shopping, entertainment, and popular restaurants.

Adjacent Development

An affiliate of Sponsor owns a parcel of land adjacent to the Property, which abuts the Property to the west and occupies the remainder of the block to Greenwich Street. Currently, it is anticipated that five brick townhouses ranging between three and four stories will be built on the adjacent parcel, none of which are part of this offering. The tentative addresses of the townhouses are 115, 117, 119 and 121 Leroy Street, New York, New York. The anticipated start of construction of the townhouses is September, 2016, with substantial completion anticipated for September, 2017.

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. A number of commercial parking garages are located nearby.

Medical, Educational, and Religious Facilities

A number of medical centers are located within close proximity to the Building, such as New York Allergy and Sinus Centers-Chelsea, Lenox Health Greenwich Village, New York Doctors' Urgent Care and Washington Square Institute.

Private schools, public schools and parochial schools on the elementary, middle school and high school levels are located within walking distance of the Condominium, such as St. Luke's School, Our Lady of Pompeii School, Chelsea Career & Technical Education High School and LREI-High School

There are many colleges, universities, and other educational centers available in the New York City area, such as New York University, The New School, Pratt Institute, Metropolitan College of New York and Benjamin Cardozo School of Law.

There are houses of worship of most major denominations in the vicinity of the Condominium, such as Our Lady of Pompeii Church, St. John's Lutheran Church, Washington Square Methodist Church and Saint Veronica's Roman Catholic Church.

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 233 West 10th Street, New York, New York.

The local fire station is located at 132 West 10th Street, New York, New York.

The local water utility company is located at 233 Spring Street, New York, New York.

Mailing Address

The mailing address for the Building is 111 Leroy Street, New York, New York 10014.

Zoning

The Property is located within a M1-5/R7X (Special District MX-6) zoning district in which residential use is permitted. See section entitled, "Description of Property and Improvements" for further details.

Landmark Designation

The Building does not have landmark status, nor is it in a historic district.

General

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

SCHEDULE A – PURCHASE PRICES OF UNITS AND RELATED INFORMATION

SCHEDULE A--PURCHASE PRICES AND RELATED INFORMATION

111 LEROY CONDOMINIUM

111 Leroy Street
New York, NY 10014

(All projected charges and real estate taxes are for the twelve month period from November 1, 2017 through October 31, 2018)

UNIT NUMBER	FLOOR	NUMBER OF BEDROOMS	NUMBER OF BATHROOMS	APPROX. SQUARE FOOTAGE	APPROX. OUTDOOR SQUARE FOOTAGE	PRICE	PERCENTAGE OF COMMON INTEREST	PROJECTED MONTHLY COMMON CHARGES	PROJECTED ANNUAL REAL ESTATE TAXES	PROJECTED MONTHLY REAL ESTATE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES
(1)		(1)	(1)	(2)	(2)	(3)	(4)	(5)	(6)	(6)	(7)
1	1	2	2.5	2,038	532	\$ 3,500,000	6.8376%	\$ 2,423.72	15,521.40	\$ 1,293.45	\$ 3,717.17
2	2	3	3.5	2,975	0	5,900,000	9.0777%	3,217.77	20,606.40	1,717.20	4,934.97
3A	3	0	1	547	0	n/a	1.7148%	607.85	3,892.56	324.38	932.23
3B	3	0	1	506	0	n/a	1.5863%	562.30	3,600.96	300.08	862.38
3C	3	0	1	783	0	n/a	2.4546%	870.08	5,571.96	464.33	1,334.41
3D	3	1	1.5	900	0	n/a	2.8214%	1,000.10	6,404.52	533.71	1,533.81
4	4	4	4.5	3,370	0	9,200,000	10.8464%	3,844.72	24,621.36	2,051.78	5,896.50
5	5	4	4.5	3,370	0	9,300,000	11.1281%	3,944.58	25,260.84	2,105.07	6,049.65
6	6	4	4.5	3,370	0	9,400,000	11.4098%	4,044.43	25,900.20	2,158.35	6,202.78
7	7	3	2.5	2,430	940	7,100,000	10.0610%	3,566.32	22,838.52	1,903.21	5,469.53
8	8	3	3.5	2,430	0	6,900,000	8.6335%	3,060.32	19,598.04	1,633.17	4,693.49
9	9	3	3.5	2,430	0	7,100,000	8.8367%	3,132.35	20,059.32	1,671.61	4,803.96
PH	10	2	2.5	2,985	1,875	8,500,000	14.5921%	5,172.46	33,124.08	2,760.34	7,932.80
Total				28,134	3,347	\$ 66,900,000	100.0000%	\$ 35,447.00	\$ 227,000.16	\$ 18,916.68	\$ 54,363.68

SCHEDULE A--PURCHASE PRICES AND RELATED INFORMATION

111 LEROY CONDOMINIUM

111 Leroy Street

New York, NY 10014

(All projected charges are for the twelve month period from November 1, 2017 through October 31, 2018)

STORAGE UNIT NUMBER	APPROX. SQUARE FOOTAGE	PRICE	PROJECTED ANNUAL LICENSE FEE
1	44	\$ 100,000	\$ 528
2	46	100,000	552
3	46	100,000	552
4	46	100,000	552
5	43	100,000	516
6	44	100,000	528
Total	269	\$ 600,000	\$ 3,228

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 Units. The number of bedrooms and bathrooms for each 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 Unit should be inspected to determine its actual dimensions, layout and physical condition prior to Closing.

2. The square footages of the Units listed in Schedule A and in the Declaration are approximate and may change due to field conditions, construction variances and tolerances and were obtained by using the method customarily used in New York City to measure condominium units. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit by 5% or less (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, except for any Special Work Funds to the extent that such Special Work Funds have been expended. Each Unit is measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes (whether along the perimeter or within the Unit), structural walls, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit) to the midpoint of the interior wall and demising partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, the elevator and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of glass or the opposite exterior walls. Each Unit is measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the top of the floor above. Elevators, elevator hoistway, elevator lobby, refuse room, mechanical shafts, and egress stair, inclusive of the interior walls and partitions separating a unit from these general common elements are not deducted from the square foot area of full-floor units. As is customary in New York, the square footage exceeds the usable floor area of each Unit.

3. 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 Units may be negotiated by Sponsor and, therefore, may be changed. Accordingly, Purchasers may pay different Purchase Prices for similar 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 Storage Locker Licenses.

4. 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).

5. The estimated monthly Common Charges for each Unit are based on Schedule B - Budget for First Year of Condominium Operation prepared by Sponsor's Condominium Budget Expert on the assumption that the First Year of Condominium Operation will be the year from November 1, 2017 through October 31, 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 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 Units.

It is presently anticipated that an application will 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.

6. As set forth in the real estate tax projection opinion prepared by Podell, Schwartz, Schechter & Banfield, LLP, it is estimated that the aggregate real estate taxes payable with respect to all Units for the First Year of Condominium Operation will be approximately \$222,000, assuming (a) an estimated taxable assessed valuation for the Property of \$850,000 for fiscal year 2017/18 reflecting partial completion of the residential construction of the Property and an estimated taxable assessed valuation for the Property of \$3,450,000 for fiscal year 2018/19 reflecting partial completion of construction, and (b) an estimated tax rate of 12.883% (the final residential class 2 tax rate in effect for 2015/16); Purchasers should note that once the Building is assessed as being fully constructed, it is estimated that the real estate taxes for the Units will total approximately \$499,000, assuming the above-listed tax rate and an estimated taxable assessed valuation for the Property of \$3,870,000 for fiscal year 2019/20.

7. 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. In no event will Sponsor, its principals, Selling Agent, Real Estate Tax Counsel, 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.

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 Unit Owner who uses the 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 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 Unit Owners and Tax Status of the Condominium" for more details.)

8. These figures represent the aggregate estimated monthly carrying charges which include estimated Common Charges and estimated real estate taxes.

A Purchaser of a Unit will be required to make a non-refundable contribution at the Closing of Title to the Working Capital Fund in an amount equal to 2 months' Common Charges with respect to the Unit based on the Condominium budget in effect on the Closing Date of the Unit. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.)

SCHEDULE B – BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

SCHEDULE B
111 LEROY STREET CONDOMINIUM
Projected Budget for First Year of Condominium Operation
November 1, 2017 to October 31, 2018

INCOME		
COMMON CHARGES - RESIDENTIAL	(2)	\$425,364
STORAGE LICENSE FEES	(3)	\$3,228
TOTAL INCOME		<u>\$428,592</u>
EXPENSES		
LABOR.....	(4)	189,244
GAS (COOKING AND & HOT WATER).....	(5)	49,004
ELECTRICITY	(6)	35,216
WATER & SEWER	(7)	20,128
REPAIRS & MAINTENANCE	(8)	24,000
SERVICE CONTRACTS	(9)	24,500
INSURANCE	(10)	29,500
MANAGEMENT FEE	(11)	25,000
LEGAL & AUDIT	(12)	12,000
OTHER EXPENSES	(13)	10,000
CONTINGENCY	(14)	10,000
TOTAL OPERATING EXPENSES		<u>\$428,592</u>

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

Notes to Schedule B

- (1) Amounts are projected on the assumption that the First Year of Condominium Operation will be the year from November 1, 2017 to October 31, 2018. The actual First Year of Condominium Operation may begin earlier or later than that year. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the amended budget exceeds this projected budget by 25% or more, Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period, if the Plan has been declared effective) the right to rescind their Purchase Agreements within not less than fifteen days after the presentation date of the amendment containing such revised budget, and any Purchasers electing rescission pursuant to such offer will have their deposits returned, together with interest earned thereon.

(2) **Common Charges Residential Units**

These amounts represent the total Common Charges to be levied against and collected from the Residential Units during the projected First Year of Condominium Operation. The Common Charges will be utilized by the Board to defray the operational expenses of the Condominium. The Common Expenses have been allocated among the Units on the basis of percentage interest in the Common Elements.

Common Expenses to be borne by the Residential Unit Owners have been allocated on the basis of the combined percentage of percentage common interest in the Common Elements of such Units, for a total of 100.0000%.

(3) **Storage Unit Income: \$3,228**

This amount represents income that will be generated by licensing fees related to storage units. These units will be licensed to Unit Owners at a rate of \$1.00 per square foot per month.

(4) **Payroll and Related Expenses: \$ 189,244**

Unless otherwise noted in these footnotes, for purposes of estimating all payroll costs in Schedule B, it has been assumed that employees will not be members of an organized labor union. All wage, salary and benefit costs, including applicable payroll taxes reflect that assumption.

The payroll taxes and benefits include FICA, Federal unemployment, New York State unemployment insurance, workers' compensation, and disability insurance at rates currently in effect. The level of staffing described in this Schedule B complies with all applicable housing and labor laws.

No warranty is made with respect to the Building employees right to organize or the actual wages, salaries, benefits and related payroll taxes and similar expenses which will be applicable and in effect during the First Year of Condominium Operation. However,

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, Douglas Elliman Property Management, in managing comparable buildings.

The wage and salary estimates included in Common Expenses are detailed as follows:

POSITION	WAGES PER PERSON
1 Superintendent	\$ 55,000 per annum
1.9 Lobby Attendant	\$ 46,800 per annum

The building will be staffed with one superintendent who will work 40 hours per week (1 shift in total), and two lobby attendants- one who will work 40 hours per week and one who will work 36 hours per week (1.9 shifts in total).

In addition, 10 days per year of vacation days, sick days and personal days have been allowed for each of the employees and have been included in the total payroll and related expenses.

(5) Gas Cooking, Clothes Dryer and Hot Water: \$ 49,004

The estimates and projections of consumption of gas for cooking, for the clothes dryer and hot water are as described in a letter, dated January 11, 2016 and revised on August 2, 2016 from CES Engineering LLC located at 811 Middle Street, Middletown, CT 06457, which reflects an estimated annual consumption of approximately 27,670 therms per year at an average rate of \$1.61 per therm. The cost estimate has been increased by 10% to allow for cost fluctuations that may be incurred during the First Year of Condominium Operation

It is impossible to predict whether the budgeted figure will reflect the actual cost of gas for the actual First Year of Condominium Operation. This cost will vary with both the level of consumption of gas and the rate charged by the utility company. The level of consumption of gas will be affected by any conservation measures (such as lowering the temperature of the heat and hot water, etc.) adopted by the Board. Any projection of future costs therefore is difficult.

It is believed that the budgeted figure will be sufficient to cover any reasonable increase in the cost of gas during the projected First Year of Condominium Operation. However, no budget item is warranted.

(6) Electricity: \$ 35,216

The amount set forth is the estimate for the electricity consumed only by the Common Elements. There will be one Con Edison meter servicing Common Elements of the building. Each Residential Unit will have its own Con Edison meter for lighting and appliance loads as well as for heating and air conditioning as referenced in Schedule B-1.

The amount set forth in Schedule B for electricity is based on the estimate and projections of consumption for all Common Elements as described in a letter, dated January 11, 2016 and revised on August 2, 2016, from CES Engineering LLC, which reflects an estimated annual consumption of approximately 177,908 kilowatt hours of electricity based on a rate of \$.1800 per kilowatt hour of electricity including demand charges, fuel adjustment and taxes and surcharges. The cost estimate has been increased by 10% to allow for cost fluctuations that may be incurred during the First Year of Condominium Operation.

It is impossible to predict whether the budgeted figure will reflect the actual cost of electricity for the actual First Year of Condominium Operation. This cost will vary with both the level of consumption of electricity and the rate charged by the utility company. The level of consumption of electricity will be affected by the severity of the weather and any conservation measures adopted by the Board. Any projection of future costs therefore is difficult.

It is believed that the budgeted figure will be sufficient to cover any reasonable increase in the cost of electricity during the projected First Year of Condominium Operation. However, no budget item is warrantied.

(7) Water Charges and Sewer Rent: \$ 20,128

The budgeted amount constitutes a projection of the water charges and sewer rents that will be payable with respect to the Building. The budgeted amount is based upon the estimate and projection of consumption and rates as described in a letter, dated January 11, 2016 and revised on August 2, 2016 from CES Engineering LLC, which reflects consumption by the Residential Units and common area of 1,387,000 gallons at an average rate of \$3.81 per 100 cubic feet for water and \$6.06 per 100 cubic feet for sewer. The cost estimate has been increased by 10% to allow for cost fluctuations that may be incurred during the First Year of Condominium Operation.

It is impossible to predict whether the budgeted figure will reflect the actual cost of water and sewer costs for the actual First Year of Condominium Operation. This cost will vary with both the level of consumption of water and the rate charged by the utility company. The level of consumption of gas will be affected by any conservation measures adopted by the Board. Any projection of future costs therefore is difficult.

It is believed that the budgeted figure will be sufficient to cover any reasonable increase in the cost of water and sewer during the projected First Year of Condominium Operation. However, no budget item is warrantied.

(8) Repairs and Maintenance and Building Supplies: \$ 24,000

This figure represents the estimated cost for ordinary maintenance and repairs of the Common Elements, including periodic painting, and supplies such as cleaning supplies, lubricants, bulbs, fixtures, hardware, rubbish bags, etc. used in connection with the operation of the Common Elements.

No amounts have been budgeted for repairs to the roof, the heating, ventilating and air-conditioning system or the Building exterior, and a relatively small amount has been estimated for other repairs, because the Building's roof, the heating, ventilating and air-conditioning system and virtually all of the other Building systems will be new. This estimate is based on experience of Sponsor's budget expert, Douglas Elliman Property Management in operating comparable new buildings.

(9) Service Contracts: \$ 24,500

This estimate includes the cost of various services used in or for the Common Elements, including heating and cooling maintenance, sprinkler and fire protection, extermination, uniform laundry, water treatment landscaping/flowers, and window washing. There is no provision for an elevator maintenance contract as service for the First Year of Condominium Operation is included with the elevator installation/construction contract. The following is a cost estimate for each prospective contract:

Heating & Cooling Maintenance	\$ 2,000
Sprinkler & Fire Protection	6,000
Extermination	1,000
Uniform Laundry	1,000
Water Treatment	2,000
Landscaping/Flowers	2,500
Window Washing	10,000

No maintenance or service contracts have been entered into as of the date of the Plan. The estimated cost for service contracts have been allocated among all Units based upon their shared percentage interest in the Common Elements. The budgeted amounts are based on estimates received from contractors and otherwise or the experience of Sponsor's budget expert, Douglas Elliman Property Management in operating similar buildings. While this Schedule B includes a reasonable allowance for possible increases in cost, which may occur prior to and during the First Year of Condominium Operation, no warranty is made that the actual cost for these or other services will be in accordance with this projection.

(10) Insurance: \$ 29,500

The insurance premiums are based on a letter, dated August 4, 2016 from Willis Towers Watson, setting forth the following coverage:

Coverage Description	Amount
Property Coverage Premium	\$ 12,500
Building—All Risk Agreed Amount—RC	\$ 12,000,000
Personal Property – All Risk	\$ 10,000
Common Charges	\$ 450,000
Flood	\$ 5,000,000
Earthquake	\$ 5,000,000
Building Ordinance Coverage A	Included
Demolition/Increase Cost of Construction	\$ 1,000,000
Boiler & Machinery Coverage	Included
Property Deductible	\$ 5,000
Flood Deductible	\$ 50,000
Earthquake Deductible	\$ 50,000
Sewer Back Up	Included
Comprehensive General Liability Premium:	\$ 8,000
General Aggregate – per location	\$ 2,000,000
Each Occurrence	\$ 1,000,000
Personal & Advertising Injury	\$ 1,000,000
Products/Completed Operations Aggregate	\$ 2,000,000
Fire Damage Legal Liability	\$ 100,000
Medical Payments - each person	\$ 5,000
Water Damage Legal Liability	Included
Hired & Non-owned Auto Liability	\$ 1,000,000
Employee Benefit Liability	Included
Directors & Officers Liability Premium	\$ 5,000
Each occurrence	\$ 1,000,000
Aggregate	\$ 1,000,000
Retention	\$ 2,500
Commercial Umbrella Premium	\$ 4,000
Each Occurrence/Aggregate	\$ 10,000,000
Self-Insured Retention	\$ 10,000,000
Fidelity Bond	Included
Employee Dishonesty Limit	\$ 250,000
Deductible	\$ 1,000

TOTAL PREMIUM:

\$ 29,500

The coverage and pricing for this quote are part of Property, Casualty, D&O and Crime Program for 111 Leroy Street Condominium. The limits, deductibles and premium indicated are based on current pricing and availability and cannot be guaranteed.

The total premium for this various coverage is estimated at \$29,500. This coverage does not include claims for personal injury or property damage resulting from occurrences in individual Units, nor does it include coverage of the furniture or personal property of Unit Owners.

This quotation is an indication of insurance premiums at current rates. Because conditions in the insurance marketplace are volatile, it is not possible to predict what the premiums will be for the First Year of Condominium Operation. Purchasers should be aware of the possibility of rate increases.

Sponsor will procure, on behalf of the Board, on or before the date of the First Closing, the general liability insurance required to be carried by the Condominium. Unit Owners should consider procuring their own coverage for their contents and liability within their Unit and appurtenant (private) Limited Residential Common Elements.

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 Board of Managers; a waiver of subrogation; a waiver of invalidity because of the acts of the insured and Unit Owners; and a waiver of pro-rata reduction if Unit Owners obtain additional coverage. At Closing, adequate fire and casualty insurance will be in place to replace the building in the event of total loss and so that the Condominium will not be required to be a co-insurer in the event of partial loss.

(11) Management Fee: \$ 25,000

Based on the management agreement to be entered into at or before the First Closing, Sponsor anticipates that the Managing Agent will receive an annual fee of \$25,000 for the First Year of Condominium Operation. In the opinion of Douglas Elliman Property Management, the Managing Agent's fee for the First Year of Condominium Operation is comparable to the fees charged for such services at similar buildings. Reference should be made to "Management Agreement" for further discussion of the terms of the Management Agreement.

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

Based upon the estimate of Cywiak & Company LLP located at 19 W. 44th Street, Suite 510, New York, NY 10036, as set forth in a letter dated November 11, 2015, \$ 8,000 has been budgeted for fees to be incurred in connection with the preparation of the audited financial statements for the Condominium's First Year of Condominium Operation and its Federal, New York State and New York City income tax returns. The balance of the budgeted amount \$ 4,000 has been estimated to provide for minor legal services to be rendered in connection with the operation of the Building such as attendance at Board meetings, preparation of Board minutes and negotiation of minor agreements.

(13) Telephone and Miscellaneous: \$ 10,000

This estimate is included to provide for the estimated cost of miscellaneous

administrative and other costs including, but not limited to, inspection fees, license fees, permits, stationery, postage, printing, telephone, cell phone, cable television, resident manager's parking and other fees.

(14) Contingency: \$ 10,000

This amount is to cover possible increases in expenses not now foreseen and for expenses not included. The budget may be modified from time to time prior to commencement of, or during, the First Year of Condominium Operation to increase items of expenses and decrease the contingency reserve.

.....

This budget does not include an estimate for income taxes payable by the Condominium. More than 85% of the total square footage of all Units of the Condominium will be used by individuals for residential purposes. Accordingly, the Condominium may be eligible to elect to be treated as a homeowners association which is not subject to Federal income tax on amounts received as membership dues, fees, or assessments from Residential Unit Owners, for its first taxable year. Absent such election, the status of the Condominium for tax purposes is uncertain. The Condominium may be treated as a conduit for the Unit Owners, rather than a separate taxpayer. If treated as a separate entity, the Condominium may be treated as a partnership for tax purposes, and as such would not be subject to Federal or New York State income tax, but may be subject to the New York City Unincorporated Business Tax. (See the Sections of the Plan entitled, "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" and "Opinions of Counsel" for further discussion.

In the opinion of Douglas Elliman Property Management, the projected income for the Condominium is adequate to meet the estimated expenses for the First Year of Condominium Operation, assuming that such first year is the fiscal year commencing November 1, 2017. The budget, however, is not intended, and should not be taken, as a guarantee by anyone that the annual Common Charges or Common Expenses for the first or any subsequent year of operation of the Property by the Board will be as set forth in the budget. In fact, it is likely that the actual income and expenses for the First Year of Condominium operation will vary from the amounts shown in the budget.

SCHEDULE B-1 - PROJECTED INDIVIDUAL ENERGY COSTS BUDGET

SCHEDULE B-1**Projected Annual Electricity Cost**

By letter dated January 11, 2016 and revised on August 2, 2016, CES Engineering LLC, located at 811 Middle Street, Middletown, CT 06457, provided the following estimate of annual electric energy costs for lighting, typical electrical appliances and heating and air conditioning within each apartment.

The projections were based upon an estimated rate of \$0.18 per KWH. The projections also state that the estimated total number of KWH's to be 152,585 for the annual electric service referenced above. For the purposes of this schedule, the rate has been increased by 10% to allow for fluctuation in the per kilowatt cost that may be incurred during the First Year of Condominium Operation.

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 the 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 occupants and weather conditions.

Electric Usage

Electric							
Apartment	Lighting (kW)	Lighting (kWh)	AC (kW)	AC (kWh)	Misc (kW)	Misc (kWh)	Cost
1A	4.47	3263.1	4.97	4669.315	12.45	11397	\$2,051.46
2A	5.1	3723	4.97	4669.315	13.5	12930	\$2,327.40
3A	1.821	1329.33	4.97	4669.315	8.035	4951.1	\$891.20
3B	1.902	1388.46	4.97	4669.315	8.17	5148.2	\$926.68
3C	1.83	1335.9	4.97	4669.315	8.05	4973	\$895.14
3D	1.32	963.6	4.97	4669.315	7.2	3732	\$671.76
4A	6.855	5004.15	5.62	5279.99	16.425	17200.5	\$3,096.09
5A	6.855	5004.15	5.62	5279.99	16.425	17200.5	\$3,096.09
6A	6.855	5004.15	5.62	5279.99	16.425	17200.5	\$3,096.09
7A	5.73	4182.9	5.62	5279.99	14.55	14463.0	\$2,603.34
8A	5.73	4182.9	5.62	5279.99	14.55	14463.0	\$2,603.34
9A	5.73	4182.9	5.62	5279.99	14.55	14463.0	\$2,603.34
10A	5.73	4182.9	5.62	5279.99	14.55	14463.0	\$2,603.34
Total	59.928	43747.44	69.16	64975.8	164.88	152584.8	\$27,465.26

SCHEDULE B-1
Projected Individual Energy Costs Budget

CES Engineering LLC, having an office at 811 Middle Street, Middletown, CT 06457 provided the following estimate of annual electric energy costs for lighting and for operating the typical electrical appliances located in each 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 Unit Owners and weather conditions.

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

STARR ASSOCIATES LLP
ATTORNEYS AT LAW

220 EAST 42 STREET
NEW YORK, NY 10017
TEL 212 620 2680
FAX 212 696 5013
www.starr-lawfirm.com

April 12, 2017

PMG Leroy Street Development LLC
111 Fifth Avenue, 6th Floor
New York, NY 10003

Re: 111 Leroy Condominium
111 Leroy Street
New York, New York 10014 ("Property")

Ladies and Gentlemen:

You have requested our opinion regarding the allocation of Common Interest 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 Interest 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 Douglas Elliman Real Estate ("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 Interest is permissible under Real Property Law ("RPL") Section 339-i(1)(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

By: 
Name: Andrea L. Roschelle
Title: Partner

REAL PROPERTY LAW SECTION 339-I COMPLIANCE LETTER

RESIDENTIAL MANAGEMENT GROUP, LLC
D/B/A DOUGLAS ELLIMAN PROPERTY MANAGEMENT
675 Third Avenue
New York, New York 10017

Part 20: LETTER TO ATTORNEY GENERAL
RE: REAL PROPERTY LAW SECTION 339-i.1 COMPLIANCE

March 7, 2017

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, New York 10271

RE: Condominium Offering Plan
111 Leroy Street
New York, New York 10014

To Sir/Madam:

PMG Leroy Street Development LLC ("Sponsor") of the Condominium Offering Plan ("Offering Plan") for the Property retained Residential Management Group, LLC d/b/a Douglas Elliman Property Management ("Firm"), to review the percentage of Common Interest in the Common Elements allocated to each Unit in the Property set forth in Schedule A of the Offering Plan.

The Firm is a licensed real estate brokerage and management firm in the State of New York. The Firm has been engaged in the real estate and brokerage business for over 50 years and has been actively associated with sale and management of condominium and cooperative buildings.

The Firm has been advised by Sponsor that the Common Interest of each Unit has been determined in accordance with Real Property Law Section 339-i.1 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).

In the Firm's opinion, within the framework of Real Property Law Section 339-i.1, this method of determining Common Interest is reasonable and equitable.

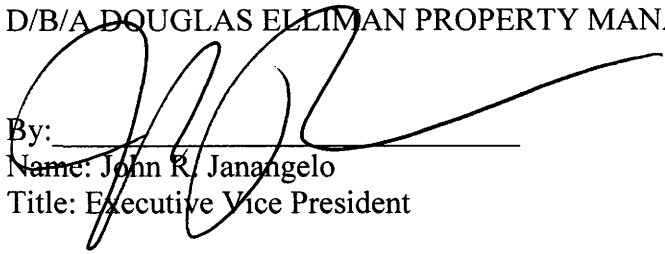
The Firm certifies that it is not owned or controlled by Sponsor and that it has no financial interest in the offering other than its fee for services rendered in connection with the preparation of this letter (and acting as Selling Agent under the Offering Plan). The

Firm understands that a copy of this letter is intended to be incorporated into the Offering Plan.

All capitalized terms not defined in this letter shall have the meaning ascribed to them in the Offering Plan.

Very truly yours,

RESIDENTIAL MANAGEMENT GROUP, LLC
D/B/A DOUGLAS ELLIMAN PROPERTY MANAGEMENT

By: 

Name: John R. Janangelo

Title: Executive Vice President

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. 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 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 Unit, (b) change the size and/or number of Unsold Units by dividing one or more such Units into two or more separate Unsold Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Unsold Units, altering any boundary walls between two or more Unsold Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Unit into such Unsold Unit without changing the percentage of Common Interest of such Unit, and (c) if appropriate, reapportion among the Unsold Units affected by any such change, their aggregate Common Interest. In the event of any change pursuant to (a), (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 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 Unit size, the layout or Common Interest of such Unsold 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, except for any Special Work Funds.

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

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

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

USE AND OCCUPANCY AGREEMENTS

Sponsor reserves the right with respect to any Unsold Unit, to enter into a pre-closing Use and Occupancy Agreement with the Purchaser of such Unsold 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 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 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 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 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 substantially in the form set forth in Part II of the Plan.

Purchasers entering into a Use and Occupancy Agreement for an Unsold 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 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 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.

PROCEDURE TO PURCHASE

A Purchaser desiring to purchase a 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 Storage Locker will be required to execute the form of Rider annexed to the Purchase Agreement set forth in Part II of the Plan. There will not be a sufficient number of Storage Lockers available for each Purchaser to purchase.

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 \$200 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 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 Unit is not contingent on Purchaser obtaining financing. Neither Sponsor nor Selling Agent makes any representation as to the availability or terms of any form of financing. Purchasers may want to finalize their financing arrangements before signing a Purchase Agreement. 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. While the First Closing is projected to occur on or around November 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 a Deposit in an amount equal to 20% of the Purchase Price. Sponsor may require that Purchasers of more than 1 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 Storage Locker s, 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 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 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 Unit, except as prohibited by Law, and (b) a Purchase Agreement for more than one 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 Unit and, if applicable, the Storage Locker License. The deed and Storage Locker 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 Units to begin on or about November 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 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, except for any Special Work Funds to the extent that such Special Work Funds have been expended. 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, (a) all Deposits and any interest earned thereon and (b) Special Work Funds. 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 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 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 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 2 years' Common Charges with respect to the Unit, based on the Condominium budget in effect as of the Closing Date of the 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 Unit Owner who acquired title to the 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 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 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 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 Unit, whether or not Purchaser has taken possession of the Unit, and whether or not all work required to be performed by anyone in or to the Unit has been completed.

The risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until Purchaser takes possession of the 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 Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Unit, the Purchase Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price of the Unit. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section 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, except for any Special Work Funds to the extent that such Special Work Funds have been expended, 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 Unit and one or more Storage Lockers and Sponsor does not elect, or the Unit Owners do not resolve to make such repair or restoration to the affected Storage Locker or Storage Locker Area pursuant to the By-Laws following the fire or casualty, then the Purchase Agreement shall only be cancelled, as described above, with respect to the particular Storage Locker in question, and Purchaser shall remain obligated to purchase the Unit. At the Closing of Title to the Unit, Purchaser will receive a credit against the Balance of the Purchase Price equal to the amount allocated to the affected Storage Locker, to the extent any such money has been paid under the Purchase Agreement.

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

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 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 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 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 Sponsor, Selling Agent, Managing Agent, or any principal thereof, or has any beneficial interest in any of the foregoing.

Escrow Agent has established an escrow account entitled “Starr Associates LLP, Escrow Account” (“Escrow Account”) at First Republic located at 1230 Avenue of Americas, 2nd Floor, New York, New York 10020 (“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 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. 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 (excluding Special Work Funds). Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8 (Certificate of Foreign Status) in the forms set forth in Part II to the Plan, to Attorneys for Sponsor (or Escrow Agent) at the time Purchaser signs and delivers the Purchase Agreement and the 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 (except for deposits for Special Work Funds). If a Purchaser does not deliver the Form W-9 or Form W-8, the Deposit will remain in the non-interest bearing portion of the 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 December 21, 2015, that the interest rate for the Escrow Bank is 0.08%. 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, except for any Special Work Funds, are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, until such time as Sponsor is entitled to the Deposits as per GBL § 352-h.

Special Work Funds will initially be placed in the Escrow Account. However, Purchasers should note that such Special Work Funds may be released from the Escrow Account by Escrow Agent to Sponsor to pay, or reimburse Sponsor, for such special work. As a result, in the event Sponsor cancels the Purchase Agreement or Purchaser is entitled to rescind the Purchase Agreement in accordance with the Plan, Purchaser will not receive a refund of any Special Work Funds, except if Sponsor abandons or withdraws the Plan, in which case the Special Work Funds will be returned to Purchaser to the extent not expended by Sponsor. Escrow Agent shall be under no duty to verify that Sponsor used or committed such funds for special work.

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 Deposit. If Purchaser does not receive notice that the Deposit has been placed in the Escrow Account within 15 business days after delivery of the Deposit, Purchaser may cancel the Purchase and rescind the Purchase Agreement so long as the right to rescind is exercised within 90 days after delivery or crediting of the Deposit by notice delivered to Sponsor and to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations.

Escrow Agent 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 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 Deposit 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. 2 Units based on 9 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. 7 Units based on 9 Units offered for sale).

The loan documents entered into with the Construction Lender require Sponsor to (i) enter into Purchase Agreements for the sale of not less than 25% of the saleable square footage of all Units (as such square footage is described in the Plan) prior to declaring the Plan effective; and (ii) meet certain minimum release prices prior to Construction Lender's release of its lien against the Unit.

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 $\frac{1}{2}$ 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 $\frac{1}{2}$ of 1% of the total offering amount in the aggregate; or (3) a taking of a material portion of the Property in condemnation proceedings or by eminent domain. Excluded from the dollar amounts set forth in (1) and (2) above are attorneys' fees and title defects (including violations of record or work orders) or determinations of any authority or regulatory association which existed on the Filing Date of the Plan and were either known to Sponsor or were a matter of public record.

If the Plan is abandoned and Sponsor has accepted Purchase Agreements, then Sponsor shall file an amendment with the Department of Law abandoning the Plan together with a form RS-3. If Sponsor has accepted Purchase Agreement, all Deposits, together with any interest earned thereon, including for Special Work Funds, 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. 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.

TERMS OF SALE

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

(c) the recording or filing of the Declaration, By-Laws, 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 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 Unit, during normal business hours and in the company of Sponsor's representative, prior to Closing. So long as a TCO for the 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 Unit.

(g) the conveyance of title to the 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 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 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 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 Unit or if the Purchaser wants to have window guards and/or legally compliant window stops installed on the windows of the Unit even though no child under the age of eleven (11) will be living in the Unit. In the event that legally compliant window guards and/or window stops are to be installed, replaced, or repaired in the 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 Unit.
- (d) certificates or other evidence of property and liability insurance for the 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.

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, except for any Special Work Funds to the extent that such Special Work Funds have been expended, 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).

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.

The risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until Purchaser takes possession of the Unit, at which time such risk, 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 Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Unit, the Purchase Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price of the Unit. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section 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, except for any Special Work Funds to the extent that such Special Work Funds have been expended, 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

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 Storage Lockers are deemed personal property and accordingly, are not mortgageable, insurable for title insurance purposes, or otherwise subject to the imposition of transfer taxes detailed in this Section. In the event that transfer taxes are imposed on the sale of Storage Lockers, payment of such taxes shall be the obligation of Purchaser. Recording charges, fees, title costs and taxes set forth below pertain to 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 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 premium will be calculated 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. New York Land Services, Inc., having an office at 630 3rd Avenue, New York, NY 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:

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:

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

The tax on the 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 Units:**

The tax on each 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 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 Unit (i.e. two 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 Unit may provide that the 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 Unit, together with 1/12 of the annual fire and casualty insurance policy premiums for the Unit, or other amounts, and, at Closing, Purchaser may be required to deposit with the lender a multiple of the aggregate of such one month's real estate taxes, tax assessments and insurance premiums, or other amounts, in order that sufficient funds will be available for the lender to pay the same when due.

(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) \$3,000 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 each 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 \$750 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 2 years' Common Charges with respect to the 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 Unit

A numerical example of estimated closing costs and expenses for a single Unit with a Purchase Price of \$7,000,000 and a mortgage of \$3,500,000 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 \$7,000,000 of owner's insurance	(70% first condo bulk sale rate)	\$17,953.00
Mortgage Insurance Premium for \$3,500,000 of lender's insurance	(21% first condo bulk sale simultaneous rate)	\$2,392.00
NYC RPT Tax	NOTE: transfer taxes are based upon bulked-up consideration of \$7,127,750.00. The NYC RPT rate is 1.425%.	\$101,570.44
NYS Mansion Tax	1% of bulked-up consideration	\$71,277.50
NYS Transfer Tax	The tax rate is \$2 for every \$500 of consideration or fraction thereof.	\$28,512.00
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 \$8,750.00.	\$67,345.00
Departmental and Bankruptcy Searches	Title Searches	\$419.17
Estimated Recording Fees	(one deed, one mortgage and one condo power of attorney)	\$450.00
Estimated Lender's Title Endorsements	Three (3) endorsements at \$25.00 each.	\$75.00
Closing fees to Starr Associates LLP	Basic closing fee (\$2,500 + ACRIIS document preparation fee (\$250) + mortgage financing fee (\$750)	\$3,250
Working Capital Fund	2 months' Common Charges	See Schedule A
Total Estimated Closing Costs	Excluding Working Capital Fund	\$293,244.11

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 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 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:

Sponsor has procured financing for the construction of the Building from 111 Leroy Gap Lender, LLC, having an address at 333 South Grand Avenue, 28th Floor, Los Angeles, California 90071 ("Construction Lender"). Sponsor will receive advances each month from Construction Lender provided Sponsor complies with the provisions of the construction loan regarding its responsibilities to use the funds advanced in the agreed manner and proceeds with the construction as agreed to in the loan documents. Pursuant to the terms of the construction loan documents, Sponsor must meet certain minimum release prices prior to Construction Lender's release of its lien against the Unit and enter into Purchase Agreements for the sale of not less than 25% of the saleable square footage of all Units (as such square footage is described in the Plan).

- (a) 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).
- (b) 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 Units to begin on or about November 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 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, except for any Special Work Funds to the extent that such Special Work Funds have been expended. 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).

- (c) 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, 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.
- (d) Notwithstanding anything to the contrary, 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 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 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 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 for damages or losses against Sponsor as a result of any such change and such change will not affect a Purchaser's obligations under the Purchase Agreement or the Plan, it being understood that nothing contained in this Section will be construed so as to render Sponsor liable for money damages, nor shall Purchaser have against Sponsor any liability, suit, claim, cause of action, or demand under any legal theory. If Purchaser's consent is required as a result of such change and Purchaser refuses to consent, then in such event, Sponsor's sole obligation shall be to refund to Purchaser the Deposit made under the Purchase Agreement and any interest earned thereon, except for any Special Work Funds to the extent that such Special Work Funds have not been expended. Any material and adverse modification will be reflected in an amendment to the Plan.
- (e) 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.

- (f) 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 Unit will occur prior to the issuance of a TCO for the particular 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 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://www1.nyc.gov/site/buildings/homeowner/certificate-of-occupancy.page>.

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

- (g) 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.

- (h) 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.
- (i) The Building will contain certain major mechanical equipment, including, but not limited to, elevator machine rooms, fans, pumps, an emergency generator, domestic water tanks, chillers, packaged units and cooling towers (collectively, "Equipment") located on the bulkhead, the roof and in the cellar which may cause noise and vibration throughout the Building. While Sponsor will endeavor to reduce excessive noise and vibration that may emanate from the Equipment, it may be impossible to eliminate noise and vibration entirely. As a result, Units and amenity areas in close proximity may be affected. . In addition, the Condominium Board and Sponsor have the right to operate the emergency generator as necessary, as well as to activate the emergency generator for testing on a periodic basis, normally once per month. During such testing periods, which may occur at any time, occupants of Units may experience loud noise and vibration. In no event, however, shall any noise emanating from the Equipment be in violation of Law, including applicable New York City noise ordinances.
- (j) 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 the elevator, may require substantial time to complete and may need to be shut down temporarily. Various other adjustments to windows and the elevator 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 Units or lines of 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 will not disturb occupants of the Units, and Sponsor shall have no liability whatsoever for any such disturbance to any Unit Owner or occupant.

- (k) 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).
- (l) Each Unit and the fixtures and personal property contained therein, are being sold and delivered as described in the Plan, at the time of transfer of title to such Unit unless Sponsor and the Purchaser otherwise agree in writing. With respect to Units, upon receipt of the Initial Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the 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 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 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, 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.
- (m) Article 36-B of the New York General Business Law ("Housing Merchant Implied Warranty Law") does not apply to this offering as the Building comprises more than 5 stories. Sponsor makes no other warranties, express or implied, in connection with this offering of the Units and all such warranties are excluded, except as provided in the limited warranty ("Limited Warranty") set forth in this Section. Sponsor will correct, repair, or replace any and all defects relating to construction of the Building, Common Elements or the Units or in the installation or operation of any appliances, fixtures, or equipment therein, or will cause the same to be corrected, repaired, or replaced, but only if:
 - (1) such defects are due to substantially improper workmanship or construction practices or the use of materials that are substantially and materially at variance with the Plans and Specifications for the same; and

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

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

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

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

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

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

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

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

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

d. Purchaser, through any act or omission (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.

(n) 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 Unit or its appurtenant 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 the limestone used on the exterior façade of the Building) 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, insulation attached to the curtain wall, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, water closets, kitchen cabinets, backsplashes, and countertops, vanity tops and cabinets, tile or natural stone floors and walls, saddles, appliances, woodwork, millwork, doors, mirrors, and hardware;

h. normal wear, including chips, to the passenger elevator cab, 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.

- (o) 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 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.
- (p) 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.

- (q) 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).
- (r) 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.
- (s) 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.
- (t) No Closing of a Unit will occur prior to the issuance of a TCO for the particular Unit. Sponsor will perform any work and/or supply any material necessary to obtain a PCO.
- (u) 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.
- (v) At or subsequent to the First Closing, Sponsor will deliver to the Condominium Board copies of the following documents, as applicable, and as otherwise in Sponsor's possession: (i) mechanical, electrical and plumbing drawings for the Building; (ii) operating and maintenance manuals for mechanical equipment; (iii) electronic system manuals; (iv) major equipment start-up sheets and control system as-built; and (v) original test and balance report for HVAC system.
- (w) 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.
- (x) 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 Units in accordance with the provisions of the By-Laws. Sponsor expects to have the financial resources to meet the aforesaid obligations and to fund same from income from projected sales, the rental or leasing of Unsold Units and Sponsor's other financial resources. No bond or other security will be posted by Sponsor with respect to this obligation.
- (y) 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.")

- (z) 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.
- (aa) 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.
- (bb) In the event of the dissolution or liquidation of Sponsor or the transfer by Sponsor of 10 or more Units or 20% or more of the total number of 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 Units under the Plan and Laws.
- (cc) The risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until Purchaser takes possession of the Unit, at which time such risk, 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 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 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 Unit. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of 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, except for any Special Work Funds to the extent that such Special Work Funds have not been expended, 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.
- (dd) Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements (including Storage Lockers) for 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.

- (ee) Sponsor intends, in good faith, to sell rather than rent Units. However, under the Plan, Sponsor has reserved the unconditional right to rent rather than sell Units after the consummation of the Plan. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, Sponsor is not committed to sell more Units than the 15% necessary to declare the Plan effective and, therefore, owner-occupants may never gain effective control and management of the Condominium.
- (ff) Sponsor intends to offer Unsold 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.
- (gg) 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.
- (hh) Sponsor does not anticipate that any Excess Development Rights will remain upon completion of the Building. However, if the applicable provisions of the Zoning Resolution change in the future, such changes may generate transferable Excess Development Rights which will not be included in the Property and shall be the exclusive property of Sponsor. Sponsor cannot represent the amount of transferable Excess Development Rights that could result from such changes. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Excess Development Rights. Excess Development Rights may not be used to expand the size, height, bulk or density of any portion of the Property after the recording of the Declaration.

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.

To the best of Sponsor's knowledge, as of the Filing Date of the Plan, Sponsor has sufficient resources to fund its obligations set forth in the Plan. Sponsor has not furnished any bond or other security

for the performance of the obligations of Sponsor under the Plan. 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 returned, except for any Special Work Funds to the extent that such Special Work Funds have been expended.

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 Units

Sponsor reserves the right, without prior notice or amendment to the Plan, to use any Unsold Units as sales, rental offices and model units and in any other manner in compliance with Law. In the event Sponsor thereafter elects to sell any such Unsold 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.

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 Units set forth in any marketing materials and/or advertisements, and/or websites used in connection with the sales and marketing of the Units imply or represent that such FFE will be located within any portion of the Building or Units. The presence of FFE in marketing materials is for illustrative purposes only. In addition, marketing materials may use designations, labels or nomenclature to describe certain areas or rooms within Units that differ from the designations utilized on the Floor Plans of the 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 designations, labels or nomenclature is for marketing purposes only and does not obligate Sponsor to deliver areas or rooms designed or fitted out in the manner depicted or implied in the marketing materials.

Sponsor's Easement Rights

Sponsor shall have an exclusive easement (i) to erect, use, lease, maintain, repair, replace and operate (a) antennae, satellite dishes and other communications equipment, the profits, if any, for which will be retained by Sponsor and (b) any pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust, or ventilation as required or, as permitted by Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements (excluding Limited Common Elements and Storage Locker) 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 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 Kevin Maloney, Richard Lam and Dan Kaplan, who shall serve as President, Vice President and Secretary/Treasurer, respectively. Each of these individuals is a principal of, or is affiliated with, Sponsor. Sponsor reserves the right to designate different individuals to serve on the initial Condominium Board in lieu of the above mentioned individuals. In the event Construction Lender takes title to the Unsold Units, it shall have the right to designate members of the Condominium board as if it were Sponsor. 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; 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 Unit Owners, Sponsor will have the right to vote all of the Common Interest attributable to the Unsold Units as it sees fit. When voting for members of the Condominium Board, each Unit Owner shall be entitled to cast 1 vote for each .0001% of Common Interest attributable to the Unit per 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 Members of the Condominium Board.

So long as Sponsor shall continue to own at least 1 Unsold Unit, Sponsor shall have the right to designate 1 Member to the Condominium Board, and shall have the right to vote its Common Interest attributable to the Unsold Units for the remaining 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 Members of the Condominium Board who were designated by Sponsor shall resign and a replacement shall be filled by a vote of the 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 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 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 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 Units representing at least 50% in number of all Units offered for sale.

Commencing with the First Annual Meeting, the Condominium Board shall consist of 3 individuals, who shall be elected and/or designated in accordance with the terms of the By-Laws by the Unit Owners (including Sponsor) (collectively, the "Members"). Except for members designated by Sponsor and/or the Unit Owners, all Members of the Condominium Board shall be either: (i) individual Unit Owners or adult Family Members of an individual 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 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 Member of the Condominium Board may be removed with or without cause by an affirmative vote of a majority of Unit Owners who are present at a meeting containing a quorum of Unit Owners, provided, however, that any Member designated by Sponsor may only be removed and replaced by Sponsor, 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.

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 Interest 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.

Generally, subject to certain exceptions concerning, among other things, Sponsor or 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 Rules and Regulations affecting the 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, 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 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.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sales and Leases of Units

Each Unit Owner may either lease the Unit for terms of not less nor more than 1 year or sell the Unit provided that, in each instance, the Unit Owner ("Offering Unit Owner") first gives the Condominium Board, on behalf of all 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 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 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 Unit without prior approval of a majority in interest of all Unit Owners. The By-Laws permit the Condominium Board to (i) borrow money on behalf of the Condominium for the benefit of Unit Owners, (ii) increase Common Charges assessed against all Unit Owners and (iii) impose Special Assessments against all 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 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 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 Unit Owner may lease, sell or convey the Unit to a Family Member, may convey the Unit by gift, may devise the Unit by will, or have it pass by intestacy, without complying with the foregoing restrictions; provided, however, that each succeeding Unit Owner shall be bound by, and the Unit shall be subject to, the preceding restrictions. In addition, any Unit Owner may lease, sell or convey the Unit to a related or controlled individual or entity, as more particularly set forth in the By-Laws.

A Unit Owner may only sell or lease the entire Unit. In addition, each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, the Unit Owner's undivided interest in (a) the Common Elements, (b) 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 (c) any other assets of the Condominium. No part of the Unit Owner's interest in the Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all affected Unit Owners.

A Unit may not be 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 Units and (ii) implement fees in connection with the sale or rental of Units, which shall be payable by the Offering 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 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 Units shall not apply to Sponsor or Construction Lender, should it take title to the Unsold Units, or to Unit Owners with respect to any 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 a Resale Fee or any other fees.

Notwithstanding anything contained herein to the contrary, a Unit Owner who acquired title to the 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 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 Unit for sale.

Each Unit Owner who acquired a Unit from Sponsor ("Sponsor Sale") and subsequently enters into an agreement ("Resale Agreement") to sell such 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 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 Unit set forth in the Resale Agreement ("Resale Price") less the following expenses actually paid by the 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 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 of the Resale. Any deductions for allowable expenses paid by a Unit Owner must be supported by documentation acceptable to Sponsor. At such time as Sponsor no longer owns any Unsold 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 Storage Lockers

Storage Lockers may not be licensed independently of the ownership of a Unit and may be licensed only to another Unit Owner or Purchaser who is simultaneously purchasing a Unit. These restrictions shall not apply to Sponsor, who may sell, assign, transfer or lease any Storage Locker to any party in its sole

discretion. Each Unit Owner licensing a Storage Locker will be required to maintain insurance in amounts sufficient to cover the property located in the Storage Lockers. If the Condominium Board terminates a Storage Locker License or a Unit Owner surrenders a Storage Locker License without assigning the Storage Locker License to another Unit Owner, the Condominium Board shall have the right to issue a new Storage Locker License to another Unit Owner, in its sole discretion.

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

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

Use of Units and Common Elements and Storage Lockers

A 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 Unit at one time. A Unit may not be used for any "dormitory," "bed and breakfast" or other transient hotel-type use. A 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 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 and Purchase Prices of the Storage Lockers are set forth on Schedule A.

Storage Lockers will be located in the Storage Locker Area of the Building, shown on the Floor Plans set forth in Part II of the Plan. A Storage Locker may be used only for the storage of personal effects of a Unit Owner, and in no event shall any food or other perishable item be stored therein.

Storage Lockers may not be used for any Prohibited Use. The use of a Storage Locker for a Prohibited Use can result in violations being posted against the Building. Any and all costs or expenses incurred by the Condominium or other Unit Owner as a result of any Prohibited Use of a Storage Locker shall be borne by such Unit Owner.

Notwithstanding anything to the contrary, Sponsor may, without the consent of either the Condominium Board or the Unit Owners, use any Unsold Storage Lockers for any purpose permitted by Law or to change the permitted use of an Unsold Storage Locker, subject to the provisions of the By-Laws. Except for Sponsor and the Condominium Board, Storage Lockers may not be licensed independently of a Unit. [

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

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 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

Units for use as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Units or for any other purpose, subject only to compliance with Law; and (c) lease any Unsold 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 Unit without the consent of the Condominium Board. Each 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 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 Rules and Regulations concerning the use of Units may be amended from time to time by the Condominium Board provided that copies thereof are furnished to each Unit prior to the time that they become effective (except that no amendment thereof affecting the Unsold Units may be made unless agreed to in writing by Sponsor).

Mortgage of Units by Unit Owners

Each Unit Owner may mortgage the 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 Unit, other than Permitted Mortgages. Sponsor shall have the right to mortgage any Unsold 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 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 in proportion to their respective Common Interest. Common Expenses include, among other things, (a) all costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements, (b) water charges and sewer rents in connection with the Building; and (c) amounts for certain other items as the Condominium Board may deem proper, such as amounts for reserves for capital expenditures or in connection with the purchase or lease by the Condominium Board of any Unit. In addition, the Condominium Board has the right to impose license fees and Special Assessments in connection with the Storage Locker Licenses.

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

During the 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 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 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 Interest. 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 Unit to the Condominium Board and thereby exempt itself from Common Charges attributable to such Unsold Unit thereafter accruing, unless: (i) the aggregate Common Interest appertaining to the Unsold Units constitutes 15% or less of the total Common Interest then appertaining to all 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 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 Common Expense, and (c) in or to the Limited Common Elements shall be performed (i) by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a 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 Unit Owner having direct and exclusive access thereto at such Unit Owner's sole cost and expense, if involving painting, decorating, and non-structural ordinary maintenance, repairs and replacements.

If the hallway appurtenant to a Unit is utilized by a single Unit Owner, such Unit Owner shall have the right to modify the décor of such hallway, provided that such décor is in keeping with the status of a first class luxury condominium. Such Unit Owner shall be responsible, at its sole cost and expense, for all maintenance, repairs, replacements and upkeep of the common hallway and the furnishings located thereon.

Any 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 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. 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 Units shall not be colored or painted. The glass surfaces of all windows located in any Unit are to be washed and cleaned by the Unit Owner at such Unit Owner's sole cost and expense with the exception that the cleaning of the exterior portion of the glass surfaces shall be performed by a professional window washing company engaged by the

Condominium Board, the cost and expense of which shall be borne by all Unit Owners as a Common Expense. The replacement of any glass window located in a Unit because of breakage or otherwise shall be made by the Unit Owner thereof at the sole cost and expense of such Unit Owner, including, without limitation, the expense of an exterior hoist if the replacement window does not fit into the 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 Unit Owner must obtain the prior approval of the Condominium Board with respect to the type of replacement windows to be installed. Notwithstanding the foregoing, replacements of any curtain wall windows shall be performed solely by a professional glass company engaged by the Condominium Board, in its sole discretion.

In order to preserve the architectural harmony of the Building, the By-Laws provide that all 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 (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 subsection below 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 Unit Owner may make any structural alteration, addition, improvement or repair in or to the Unit or its appurtenant 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 Unit. Except as otherwise permitted in the By-Laws, no Unit Owner may make any alteration, addition, improvement or repair in or to the Common Elements without the prior approval of the Condominium Board.

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

Sponsor shall have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or representatives of holders of Mortgages on Units to: (a) make alterations additions, improvements, or repairs in or to its Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (b) subdivide, combine and change the boundary walls of its 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 Unit, or its appurtenant Limited Common Elements each 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 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. 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 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 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 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 Unit provided any alteration to such Unsold Unit shall be in accordance with, and only as permitted by, the Condominium Act and Law.

Insurance

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

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 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 Limited Common Elements appurtenant to such Unit, if any, or a Storage Locker, if any, or in the event of any breach of the Condominium Documents, then, as set forth in Article 9 of the By-Laws, the Condominium Board shall have certain rights to perform such maintenance or repairs, or to cure such breach, at such Unit Owner's expense.

General

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

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 Units representing at least 50% in number of all Units offered for sale. At such meeting, the incumbent Condominium Board shall resign and, subject to the rights of Sponsor to designate members of the Condominium Board, the Unit Owners (including Sponsor) shall elect and/or designate a new Condominium Board consisting of 3 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, all Members of the Condominium Board must be either 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 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 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 Unit Owners shall elect the 3 Members to the Condominium

Board, subject to any rights of Sponsor to designate Members to the Condominium Board, and there shall also be transacted such other business as may properly come before such meetings. 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 Unit Owners, the presence in person or by proxy of Unit Owners owning more than 40% of the total Common Interest shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Unit Owners.

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

Officers

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

Repair or Reconstruction after Fire or Other Casualty

In the event that the Building 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 Interest. 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 Interest, 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 Interest of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any.

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

Insurance

The Condominium Board is required to obtain and maintain, in accordance with the provisions of the By-Laws, to the extent 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.

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 Common Expense.

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 Interest 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 Interest, 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 or 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 Rules and Regulations affecting the 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, 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 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.

Termination of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain as provided in the By-Laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the vote to do so of at least 80% in number and in Common Interest of all 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 Interest 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 Interest 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.

Units Acquired by Condominium Board

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

The purchase of any Unit by the Condominium Board on behalf of the 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 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 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 Unit Owners, will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Units. All Unit Owners will share the costs in connection therewith and the benefits derived therefrom based on their respective Common Interest. In the event any Unit Owner individually seeks to have the assessed valuation of the 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 Unit Owner in pursuing, such reduction, provided that such 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 Interest. 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 Limited Common Elements and the General 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 has been granted certain easements with respect to the use and operation of its 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 Storage Lockers) 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.

Window Washing/Replacement Equipment

Window washing equipment and window replacement equipment (collectively, the "Window Washing/Replacement Equipment") will be installed on the roof of the Building. The Window Washing/Replacement Equipment will be owned by the Condominium and utilized by the window contractor at scheduled cleaning times and during the replacement of windows. During the periods of window washing/replacement, the Window Washing/Replacement Equipment will be lowered from the roof to clean/replace the windows of the Building. The existence and use of the Window Washing/Replacement Equipment may result in the obstruction of the views from the windows of the Units during the periods of window washing/replacement and may result in the temporary loss of use on the Terraces on the 7th and 10th floors and the roof. In addition to all other easements set forth in the Declaration, Sponsor and the Condominium Board and each of their respective Permitted Users shall have an easement in, through and upon the Terraces appurtenant to Unit 7 on the 7th floor and the Penthouse Unit on the 10th floor and on the roof for the purpose of accessing, servicing and utilizing the Window Washing/Replacement Equipment.

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 UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The following discussion of certain income tax consequences of the ownership of Units by Purchasers who use such Units as a personal residence was prepared by Sponsor based, in part, upon the 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 Unit Owners

Each Unit Owner will own such Unit Owner's Unit and its appurtenant interest in the Common Elements in fee simple and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Unit Owner will own such Unit Owner's 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 Unit Owner who uses such Unit Owner's 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, 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 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 interest earned on any reserve funds (less expenses directly connected with the production of such income).

Sponsor anticipates that the Condominium will qualify as a homeowners association. 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 non-membership, and possible 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 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 Projection Opinion prepared by Podell, Schwartz, Schechter & Banfield, LLP, real estate tax counsel to 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 Units for the First Year of Condominium Operation will be approximately \$222,000, assuming (a) an estimated taxable assessed valuation for the Property of \$850,000 for fiscal year 2017/18 reflecting partial completion of the residential construction of the Property and an estimated taxable assessed valuation for the Property of \$3,450,000 for fiscal year 2018/19 reflecting partial completion of construction, and (b) an estimated tax rate of 12.883% (the final residential class 2 tax rate in effect for 2015/16); Purchasers should note that once the Building is assessed as being fully constructed, it is estimated that the real estate taxes for the Units will total approximately \$499,000, assuming the above-listed tax rate and an estimated taxable assessed valuation for the Property of \$3,870,000 for fiscal year 2019/20.

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, Income Tax Counsel, Real Estate Tax Counsel or Selling Agent be liable to any Purchaser nor will any Purchaser have the right to rescind the Purchase Agreement if the assessed valuations, tax rates or taxes, when actually established, are lesser or greater than that projected herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future. Please refer to the Section of the Plan entitled "Income Tax Deductions to 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 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 for the 2015/2016 tax year. Any such proceedings shall be undertaken at Sponsor's sole cost and expense and for Sponsor's sole benefit, until the First Closing.

WORKING CAPITAL FUND AND APPORTIONMENTS

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

Sponsor has not established a reserve fund for capital replacements or repairs. Upon completion of construction, the Building will be entirely new construction and consequently Sponsor does not anticipate the imminent need for capital repairs, replacements or improvements. However, no representation is given that such needs will not arise in the future. Therefore, 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, unless there are sufficient Working Capital Funds or other funds available. The Condominium Board, in its discretion, and subject to certain restrictions contained in the By-Laws, may decide in the future to create a reserve fund by Special Assessment or by increases in Common Charges.

MANAGEMENT AGREEMENT

At the First Closing, Sponsor will assign, and the Condominium Board will assume, the Management Agreement for the Condominium between Sponsor and Douglas Elliman Property Management t (“Managing Agent”), having an office at 675 Third Avenue, 6th Floor, New York, NY 10017 (“Management Agreement”). Sponsor may, in the alternative, have the Condominium Board enter into the Management Agreement directly with Managing Agent.

The Management Agreement will provide for an initial term of 3 years commencing on the date of the First Closing (“Commencement Date”). Thereafter, the Management Agreement will continue on a month-to-month basis, but may be cancelled by either party without cause, upon not less than 30 day’s prior written notice.

Managing Agent will receive an annual fee, payable in equal monthly installments during the initial term of the Management Agreement as follows: \$25,000 per annum. The management fee is comparable to the rate for similar services in comparable buildings. In addition, for services rendered to Unit Owners (other than Sponsor), in connection with processing applications to (i) sell, lease or otherwise transfer 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 Unit and (iii) alter or renovate a Unit, Managing Agent shall receive a fee from the 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 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. The Management Agreement may not be assigned by Managing Agent without the prior approval of the Condominium Board. The Condominium Board may not assign the Management Agreement.

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

IDENTITY OF PARTIES

Sponsor

PMG Leroy Street Development LLC is a limited liability company organized under the laws of the State of Delaware, with an office at 111 Fifth Avenue, 6th Floor, New York, NY 10003 (“Sponsor”). The principals of Sponsor are Kevin Maloney, Richard Lam, having an office address c/o Sponsor at 111 Fifth Avenue, 6th Floor, New York, NY 10003.

Kevin Maloney is the founder of Property Markets Group (“PMG”). Mr. Maloney has direct hands-on experience in the acquisition, construction, renovation, financing, operation, and marketing of residential and commercial real estate. Mr. Maloney has been directly responsible for all of PMG’s 100+ real property acquisitions. As a principal of PMG, Mr. Maloney manages all aspects of the company’s operations, which includes contract review; client, seller, and vendor negotiations; identification of new investment projects; and procurement of new capital sources. Since its foundation in 1991, under Mr. Maloney’s direction, PMG has transformed underutilized assets into profitable operating properties. The company has developed over \$3 billion dollars’ worth of property in over 100 real estate transactions during its 20-year history. In addition to being one of the leading converters of NYC residential buildings, PMG has been on the forefront of development of new construction condominium projects throughout New York City as well as in Florida, South Carolina, and Chicago.

Richard Lam began his career in real estate in 1987 with the real estate investment firm S.R. Morgan & Co, where he handled acquisitions for the firm’s own account, as well as for third parties. By 1990, Mr. Lam was working with American Overseas Property Company, a partnership that managed several national acquisition and development funds. In 2000, after bringing a loft conversion to Kevin Maloney for financing, Mr. Lam joined PMG and has since been involved in the acquisition and real estate development of properties from New York to South Carolina to Florida. Key New York City residential projects that have been developed under Mr. Lam’s oversight include 22 Mercer Street, a 16 unit conversion of an 1860 Landmark Building in the heart of SoHo, and 10 Sullivan Street, a 24 unit condominium and townhome ground-up development in Downtown Manhattan. In addition to these projects, Mr. Lam has played a key role in adding commercial, residential, and resort real estate holdings to the firm's portfolio.

Prior Offerings

With respect to public offerings which were initially offered during the past 5 years, (i) Sponsor has not taken part in any such offerings. Principals of Sponsor have taken part in the following:]

<u>Project:</u>	<u>Date Filed:</u>
435 West 50 th Street (Stella Tower)	March 18, 2014
10 Sullivan Street	June 16, 2014
23-01 Queens Plaza South	August 20, 2015

These principals are current in their financial obligations with respect to these projects.

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, NY 10017 to represent it in connection with the Plan and to serve as Escrow Agent. Andrea L. Roschelle, 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 Units.

Sponsor has retained the law firm of Olshan Frome Wolosky LLP, having an office at 65 E 55th Street, New York, NY 10022 to prepare the Income Tax Opinion for the Condominium and Unit Owners.

Sponsor has retained the law firm of Podell, Schwartz, Schechter & Banfield, LLP, having an office at 605 Third Avenue, 18th Floor, New York, NY 10158, to provide the Real Estate Tax opinion set forth in Part II of the Plan.

Selling Agent

Selling Agent for the Condominium will be Douglas Elliman Real Estate, having an address at 675 Third Avenue, 6th Floor, New York, NY 10017. 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 Douglas Elliman Property Management, having an office at 675 Third Avenue, 6th Floor, New York, New York 10017. Managing Agent is a licensed real estate and property 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 a millennium. 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

Workshop, having an office at 39 West 38th Street New York, NY 10018 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 421 Hudson Street, 88 Lexington Avenue 90 Lexington Avenue, New York, New York.

b) Structural Engineer

Simpson Gumpertz & Heger Inc. (“Structural Engineer”), having an office 550 7th Avenue, 10th Floor, New York, NY 10018, is the structural engineer for the Building. The Structural Engineer has been providing structural engineering services for many years and has been the structural engineer of record on many buildings, including 58 and 80 Metropolitan Avenue, Brooklyn, NY; Macallen Building Condominiums in Boston, MA, the second phase of a 270-unit residential development at the tip of the Fort Point Channel in South Boston; the New Museum of Contemporary Art, New York, NY and 41-43 Bond St., New York, NY.

c) Mechanical Engineer

Consulting Engineering Services LLC (“Mechanical Engineer”), having an office at 216 East 45th Street, 16th floor, New York, New York 10017 is the mechanical engineer for the Building. The Mechanical Engineer has been providing engineering services for 15 years and has been or has consulted for the mechanical engineer for the following buildings: One Beacon Court (151 East 58th Street, New York, New York), 166 Duane Street, New York, New York One57 (157 West 57, New York, New York), 720 Park Avenue, New York, New York, 50 Central Park South, New York, New York and 834 5th Avenue, New York, New York, to name a few.

Condominium Budget Expert

Sponsor has engaged Douglas Elliman Real Estate, having an address at 675 Third Avenue, 6th Floor, New York, NY 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, 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 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 to Purchasers who rescind all Deposits, together with any interest earned thereon, as well as any Special Work Funds, less any amounts expended by Sponsor for Special Work, 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 Units because of such person's race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law.

Unless the context otherwise requires, words used in the singular in Part I of the Plan include the plural and vice versa, and a reference herein to any one gender, masculine, feminine or neuter, includes the other two.

No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. The Plan may not be changed or modified orally.

The Property has not been the subject of a prior public offering.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the "Description of Property and Improvements" set forth in Part II of the Plan and represents that it has no knowledge of any material defects or need for major repairs to the Building except as set forth in the Description of Property and Improvements or as contemplated to be made as described therein.

PART II

CONDOMINIUM OFFERING PLAN

**111 LEROY CONDOMINIUM
111 LEROY STREET
NEW YORK, NEW YORK 10014**

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

—
39 West 38th Street, 7th Floor
New York, NY 10018
212 273 9712
—

workshopapd.com

DESCRIPTION OF PROPERTY & SPECIFICATIONS



111 LEROY STREET
NEW YORK, NY 10014

8 March 2017
Prepared by:

WORKSHOP/APD

DESCRIPTION OF PROPERTY & 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.

All Architectural work described in this report is for a new multifamily high-rise condominium building.

(a) Location & Use of Property

- The property is located on a parcel on Leroy Street, mid-block between Greenwich Street and Hudson Street in the Borough of Manhattan
- (1) Address
 - 111 Leroy Street, New York, NY 10014
- (2) Block & Lot
 - Block: 602
 - Lot: 85
- (3) Zoning
 - The property lies in the M1-5/R7X District, Special District MX-6, as shown on Map 12a of the Zoning Resolution of the City of New York.
 - The property is located in Community Board 2.
 - The building is designed to be in compliance with zoning requirements of the Zoning Resolution of the City of New York.
- (4) Permissible Use
 - Permissible use include Use Group 1-14, 16 and 17.
 - Proposed use will be Use Group 2 for residential development.
 - The building is designed to be in compliance with use requirements of the Zoning Resolution of the City of New York.

(b) Status of Construction

- (1) Year Built
 - The proposed building will be new with the anticipated start of construction in September 2016.
 - Substantial completion is anticipated for November 2017.
- (2) Class of Construction
 - The proposed building will be a Class IB non-combustible fireproof building.
- (3) Certificate of Occupancy
 - A new Certificate of Occupancy will be issued under DOB, Application No. 122622992 for a 10 story residential building.
 - The building is designed to be in compliance with the 2014 New York City Construction Code.
- (4) Alteration Permit Numbers
 - N/A

(c) Site

- (1) Size
 - The Site is an approximately 4,964 square foot parcel located on Tax Lot 85 that is an interior lot on Leroy Street. The building will front Leroy Street, with a landscaped Rear Yard Equivalent.
 - Leroy Street Frontage: 49'-9"
- (2) Number of Buildings & Use
 - The development consists of a ten (10) story multifamily residential building and will be used as a residential condominium.
- (3) Streets Owned or Maintained by the Project
 - The Site borders Leroy Street to the south, which is owned and maintained by the City of New York.
 - (i) Paving

- Paving is owned and maintained by the City of New York.
- (ii) Curbing
 - Curbing is owned and maintained by the City of New York.
- (iii) Catch Basins & Drainage
 - No catch basins front the subject parcel.
- (iv) Street Lighting
 - No street lights front the subject parcel.
- (v) Code Compliance Statement
 - Leroy Street is owned and maintained by the City of New York. Paving, curbing, catch basins, drainage, and street lighting are believed to be in conformance with the NYC Building Code.
- (4) Drives, Sidewalks & Ramps
 - All proposed improvements in the NYC right of way will be in accordance with the NYCDOT standard details and specifications as shown on the Builder's Pavement Plans (BPP). All sidewalks are to be maintained by the condominium in accordance with applicable laws.
 - (i) Paving
 - New concrete sidewalk paving will be constructed in accordance with NYCDOT standards.
 - (ii) Curbing
 - New steel faced concrete curbs will be constructed in accordance with NYCDOT standards.
 - (iii) Catch Basins & Drainage
 - No catch basins front the subject parcel.
 - (iv) Street Lighting
 - No street lights front the subject parcel.
 - (v) Code Compliance Statement
 - The BPP was submitted to the NYC Department of Buildings (NYCDOB) and is undergoing review. The revised street tree application was prepared and submitted to the NYC Department of Parks and Recreation for review.
 - The building is designed to be in compliance with the 2014 New York City Construction Code.
- (d) Utilities
 - (1) Incoming Electrical Service
 - The electrical service will be 120/208 volt, 3-phase, 4-wire and will enter 111 Leroy Street on Leroy Street. The main electrical service room and switchboards will be located in the Cellar of 111 Leroy Street. The utility meter banks and distribution panels are located in the Cellar. The electricity will be provided by Con Edison (Con Ed) Company. The Building will be provided with a single house meter and Quad Logic sub meters. Quad logic will meter building common areas, base building mechanical systems, and individual residential electric usage. The cost of the electric usage for the common areas will be borne by all Unit Owners as a common expense and apportioned to each Unit in accordance with its common interest as provided in the First Year's Budget.
 - (2) Water Service
 - The domestic water service is provided by a new 2-1/2" domestic water service connected to the existing water service from Leroy Street. The service enters the building in the Cellar Water Service Room. Water and Sewer service will be provided by the City of New York. The new domestic water service will be provided with a meter and backflow prevention device in accordance with requirements of the New York Department of Environmental Protection. The charges for water and sewer service provided to the Building will be levied on the basis of metered usage and the cost of the same will be borne by only the Unit Owners as a Common Expense.
 - (3) Sanitary and Storm
 - There will be a new 8" combined sanitary and storm water drainage. Storm water will be collected from leaders throughout the building. A new sanitary and storm water drainage line will be installed in the Cellar to connect existing sewer in Leroy Street and will be filed with the New York Department of Environmental Protection. The storm water will be detained on site in a tank to maintain the correct allowable flow from the building.
 - (4) Sprinkler and Standpipe



- A new 6" fire protection service is provided by connecting to the existing water main in Leroy Street, in the Cellar. The incoming fire service will be provided with a double check valve assembly in accordance with requirements of the New York Department of Environmental Protection. The building will be provided with a combination sprinkler standpipe and a regular standpipe, one located in each stair served via the fire pump and FDNY Siamese street connection.
- (5) Natural Gas
 - A new 3" natural gas service from Leroy Street will be provided from connection to gas service on Leroy Street. Gas will be provided by Con Edison Company. Gas for the Units will be collectively metered. The cost of the gas consumed (including all gas used for cooking purposes and domestic hot water) will be borne by the Unit Owners as a common expense.
- (6) Telephone
 - "Local" telephone service will be available through Verizon and/or other service providers. Every Unit Owner will be required to pay their associated telephone charges and initial charges for activating individual outlets in the Unit. The telephone charges with respect to the common areas of the Building (such as the lobby's desk, maintenance offices, etc.) will be borne by Unit Owners as a Common Expense and apportioned to each Unit in accordance with its common interest as provided in the First Year's Budget.
- (e) Sub-Soil Conditions
 - (1) Foundation Movement & Settling
 - The foundation design is in accordance with the maximum allowable bearing pressure as permitted by the NYC Building Code. Based on the structural information provided, we have calculated settlements ranging between 1" and 1½". Differential settlement is anticipated to be less than one half of the total settlement. Estimated settlement values were reported to the structural engineer and considered acceptable values for the proposed Tower.
 - (2) Moisture & Ground Water Infiltration
 - Groundwater levels observed between 2006 and 2015 are 4 to 7 feet below the bottom of the cellar slab. Only the elevator pit extends into the observed groundwater range. Therefore, ground water infiltration into the cellar is not a concern under normal conditions. Waterproofing membranes and sump pits will be used to manage potential groundwater infiltration at the elevator pit. The buildings will be designed to be protected from moisture or seepage from surface water such as rain water and utility breaks.
 - There is one active New York State Department of Environmental Conservation (NYSDEC) Spill at the site (Spill No. 15-07406) and one suspected underground storage tank that will be removed.
 - The sub-soil and groundwater beneath the development site will be remediated pursuant to the NYC Mayor's Office of Environmental Remediation's (OER's) oversight per the hazardous materials Restrictive Declaration (City Environmental Quality Review No. 07-DCP-095M) applied during rezoning. OER assigned Site No. 16RH-A105M for Restrictive Declaration and the project enrolled into the NYC Voluntary Cleanup Program (Site No. 16CVCP027M). The NYSDEC and OER will coordinate the remediation and closure of the Spill.
 - Sub-soil and groundwater impacts will be mitigated or remediated through fill/soil excavation and proper disposal for foundations, installation of a vapor mitigation system (e.g., vapor barrier and subslab depressurization system) and establishment and long-term protection of institutional and engineering controls. The OER will review and approve a Remedial Action Work Plan prior to development that will detail sub-soil and groundwater remediation.
 - (3) Flood Risk
 - FEMA Flood Insurance Rate Maps indicate the site is located outside the 0.2% annual chance flood plain.
 - The measured groundwater table is about 8 to 11 feet below the top of the cellar slab. Groundwater may rise seasonally, but is not expected to rise higher than about 3 feet below the top of the Cellar. Hence, flooding of the cellar floor from water table rise is unlikely for the project. Flooding of the elevator pit will be managed by use of a sump pit.

(f) Landscape & Enclosures

(1) Grass Cover

- There is no grass cover in this project.

(2) Plantings

- New plantings will be provided in permanent planters located on common terraces at ground level. Owners/purchasers of units with private terrace spaces are responsible for their own landscaping and upkeep.

(3) Trees

- One (1) new street tree is proposed on the Leroy Street sidewalk, pending approval by Con Edison and NYCDOT.

(4) Fencing

- Metal fencing will be provided at ground level on Leroy Street enclosing a terrace appurtenant to Unit 1. Metal fencing will be provided at ground level at the rear of the building enclosing terrace space appurtenant to Unit 1.

(5) Gates

- A metal gate will be provided allowing access through the metal fencing enclosing the rear terrace space appurtenant to Unit 1.

(6) Garden Walls

- There are no garden walls in this project.

(7) Retaining Walls

- There are no retaining walls in this project.

(8) Display Pools & Fountains

- There are no display pools or fountains in this project.

(g) Building Size

(1) Total Height

- The building's total height is approximately 155'- 0" from ground level to the top of the bulkhead enclosure.

(2) Crawl Spaces

- There are no crawl spaces in the building.

(3) Number of Cellars & Sub-Cellars

- The building contains one below grade level (Cellar).
- The Cellar is accessed by elevator and egress stair from the 1st Floor.

(4) Number of Floors (actual including penthouses)

- The building consists of 15 Floor Levels: Cellar, 1st Floor to 10th Floor, Roof, and three bulkhead levels.
 - Cellar: Mechanical, Water Room, Fire Alarm, Refuse/Compactor, Gym, Bike Storage, Electrical, Fire Pump, Gas Meter, Building Services, Storage, Bathroom
 - 1st Floor: Lobby, Mailboxes, Lounge, Package Room, Common Terrace, Residential
 - 2nd Floor: Residential
 - 3rd Floor: Residential
 - 4th Floor: Residential
 - 5th Floor: Residential
 - 6th Floor: Residential
 - 7th Floor: Residential
 - 8th Floor: Residential
 - 9th Floor: Residential
 - 10th Floor (PH): Residential
 - Roof: PH Residential Terrace
 - Bulkhead 1: Boiler Room, ATS Room
 - Bulkhead 2: Elevator Machine Room, Generator, Condenser Unit, Exterior Mechanical Area
 - Bulkhead Roof : Exterior Mechanical Area

(5) Equipment Rooms (location and use)

- Cellar: Mechanical, Gas Meter, Compactor, Electrical, Water, Fire Alarm, Fire Pump, Refuse Room
- Bulkhead 1: Boiler Room, ATS Room
- Bulkhead 2: Elevator Machine Room, Generator, Condenser Unit, Exterior Mechanical Area
- Bulkhead Roof: Exterior Mechanical Area

(6) Parapet

- Parapet roof railings are a minimum of 42" above the finished walking surface.

(h) Structural System

- The structural system consists of structural steel framing and composite concrete-on-metal-deck slabs. Lateral stability of the building structure is provided by braced frames located at discrete locations around the building perimeter and around the elevator and stair cores. The foundation consists of a reinforced concrete mat foundation. All basement areas are protected with a waterproofing membrane at the exterior wall face and under the mat. The structure is designed for gravity, snow, wind, and seismic loads in accordance with the 2014 New York City Construction Code. Impact sound insulation will be provided between floors by resilient underlayment installed between slab and finished flooring to comply with the requirements of the 2014 New York City Construction Code. Sound attenuation between adjacent apartments and common spaces will be provided by demising partitions which comply with the requirements of the 2014 New York City Construction Code. Exterior wall and appurtenances are subject to periodic inspections in accordance with local law 11/98.

(1) Exterior of Building

(i) Walls:

- The exterior opaque walls primarily feature 6" thick CMU infill walls and braced frames at specific locations. Where these walls are not directly adjacent to the neighboring buildings, the exterior finish varies between stone veneer and metal panel cladding.
- Metal panels consist of the following:
 - Manufacturer: Alcan Composites, Alucobond - Alcoa Inc, Reynobond, or approved equal.
 - Material: Aluminum with Kynar finish or approved equal.
 - Warranty stipulation as per enclosure specifications:
Unless stated otherwise in these Specifications, Guarantee shall state that the Panels are in accord with Drawings and Specifications, as amended by any changes authorized by the Architect, free from defects in materials and workmanship for a period of 2 yrs (20 yrs for finish) from the date of acceptance of the Panels by the Owner.
- Remaining portions of the façade consist of stick built window wall fixed glazing and operable windows.
 - Stick built window walls with floor to ceiling vision glass.
 - Insulated glazing units throughout mechanically fastened with pressure bars.
- Insulation
 - All exterior walls to be insulated. Insulation and thermal performance of exterior walls/windows meet 2014 NYC Building Code via ASHRAE 90.1-2010 Compliance path.
 - Various insulation materials to include:
Mineral wool, Roxul or approved equal
Closed cell spray foam

(ii) Windows:

- Punched windows within concrete block wall construction consist of painted aluminum thermally broken frames with insulating glazing units.
- Windows have painted metal sills and are continuously caulked at the perimeter with silicone sealant.
- Windows consist of fixed lites and operable lites that are out-swing, awning, or casement.
- One lot line window in each unit is located on the West façade of the 5th and 6th Floors and are protected as required by the Building Code of the City of New York.
- Manufacturers/Product:

Oldcastle - Building Envelope Zero Sightline Projected Windows, Kawneer – AA 6400 Thermal Windows, Wausau Window and Wall Systems – Invent Windows, or approved equal. All window units to meet specified performance criteria. Manufacturer to provide industry standard warranty as outlined in enclosure specifications.

- Hardware:
Multi-point locks in compliance with operating force requirements.
- Operation:
Hopper window insert with limiting device in accordance with The Rules of the City of New York, Title 24 Chapter 12 – Window Guards.
Casement in-swing with 42" A.F.F. metal guardrail.
Operable units to incorporate window screens.
- U-Factor = 0.42
Performance criteria to incorporate thermal isolation devices / thermal breaks where possible to meet minimum baseline performance per 2014 NYC ECC via ASHRAE 90.1-2010 Compliance Path.

(iii) Landmark Status

- The Building is not a Landmark and it is not in a Landmark District.

(2) Parapets & Copings

- Opaque parapets are constructed of CMU wrapped in waterproofing membrane with drainage board, clad with bluestone veneer and ACM panel cladding, consistent with building exterior metal panel system.
- Coping will be bluestone anchored to CMU parapet with aluminum flashing finished to match metal cladding.
- All parapets are anchored directly to the structure.

(3) Chimneys & Caps

- There are no fireplaces in the project.
- The metal refuse chute will be vented above the bulkhead roof.
- There are two (2) metal flues for a natural gas fired boilers and three (3) metal flues for natural gas fired water heaters located at the Bulkhead level. These will terminate above the bulkhead roof at a minimum separation of 42' – 0" from the East lot line as prescribed by the (E) designation for air quality placed on the site through the Hudson Square North Rezoning (CEQR No. 07DCP095M).
- There is one (1) flue for a natural gas fired generator located at the Bulkhead 2 level. It will terminate above the bulkhead roof at a minimum separation of 42' – 0" from the East lot line as prescribed by the (E) designation for air quality placed on the site through the Hudson Square North Rezoning (CEQR No. 07DCP095M).

(4) Balconies & Terraces

- The building will have a common terrace at ground level at the rear of the building.
- Private terrace space appurtenant to Unit 1 will be located to the front and rear at ground level.
- Private terrace space appurtenant to Unit 7 will be located on the roof setback facing South and West.
- Private terrace space appurtenant to Penthouse will be located on the Roof facing North, South, and West.
- Terraces will be enclosed with parapets or guard rails as necessary to comply with code.
 - (i) Deck Finish Material
 - All terraces located over composite deck roofs will be waterproofed with a waterproofing membrane over concrete topping sloped to area drains. Pavers to be natural stone tile installed on level pedestals.
 - (ii) Balustrade
 - There are no balustrades in this project.
 - (iii) Railings
 - All Terraces will be enclosed with parapets and/or metal guard rails as necessary to comply with code. Metal guardrails are to be mechanically fastened to the building structure via bolts and

braced sufficiently to provide the code required lateral load restraint. Railings to be 42" above finished terrace floor level. Railings to be compliant with all applicable codes.

- (iv) Copings
 - Opaque parapets are constructed of CMU, clad with stone veneer or metal panel cladding.
 - Coping will be stone to match stone veneer or metal to match metal cladding.
 - All parapets are anchored directly to the structure.
- (v) Soffits
 - All exterior soffits will be painted metal to match metal panel cladding.
- (vi) Doors to Terraces
 - Terrace Doors
 - Terrace doors are fabricated from extruded aluminum.
 - All door frames will be thermally improved and factory finished to match window wall.
 - Door hardware will include hinges, patio lockset, aluminum threshold and weather-stripping.
 - ADA compliant threshold to interior floor.
 - Sliding Glass Doors
 - Aluminum framed, thermally improved, finished to match window wall.
- (5) Exterior Entrances
 - (i) Exterior Doors & Frames
 - Primary residential entrance is located on Leroy Street.
 - Secondary residential entrance is located on the ground level at the rear of the building into the Lounge.
 - Each entrance is a pair of glass/metal framed ADA compliant entry doors with saddle conditions free of tripping hazards.
 - (ii) Vestibule Doors & Frames
 - The primary residential entrance has a pair of insulated glass/metal framed ADA compliant entry doors on each end of the entryway vestibule with flush saddle conditions free of tripping hazards.
 - (iii) Exterior Stairs
 - There are no exterior stairs in this project.
 - (iv) Railings
 - There are no exterior railings in this project.
 - (v) Mailboxes
 - There are no exterior mailboxes in this project.
 - USPS approved Type 4C mailboxes manufactured by AF Florence Manufacturing to be located in mail area on the first floor that meets ADA accessibility requirements.
 - Mailboxes for the building are to be located in the Lobby.
 - (vi) Lighting
 - Exterior lighting will be installed at the underside of the entry canopy above the primary residential entrance and the rear yard entrance. These units to be high efficacy LEDs with exterior grade enclosures, Bega or approved equal.
- (6) Service Entrance
 - (i) Doors & Frames
 - Service entrance is located on Leroy Street.
 - Service entrance is a hollow metal door serving interior service corridor.
 - (ii) Gates
 - There are no exterior service gates in this project.
 - (iii) Exterior Stairs
 - There are no exterior service stairs in this project.
 - (iv) Railings
 - There are no exterior service railings in this project.
- (7) Roof & Roof Structures
 - (i) Types of Roofs for all Areas

- The roof structure consists of concrete-on-metal-deck slabs supported by structural steel framing.
 - The roofing system at exterior terraces consists of rigid insulation above drainage mat on top of waterproofing membrane applied onto cementitious pitched topping slab. Above rigid insulation there will be filter fabric and pavers installed on level pedestals.
 - The roofing system at bulkheads will be comprised of tapered insulation above vapor retarder adhered directly onto concrete slab. Cover board, base sheet, and roofing membrane covers the rigid insulation.
 - The roof membrane is guaranteed by the manufacturer for 20 years.
 - Flashing will be comprised of reinforced cold fluid-applied membrane flashing assemblies with metal flashing assemblies.
- (ii) Drains
- New roof drains will be provided at the main roof levels.
 - The terrace and bulkhead roofs will have primary and overflow drains or scuppers serving each roof area.
 - (a) Roof and large terrace drains to be cast iron drains with iron dome, flashing clamp and gravel stop.
 - (b) There are no gutters or leaders in this project.
- (iii) Skylights
- There are no skylights in this project.
- (iv) Bulkheads
- There will be a stair, elevator, and mechanical bulkhead above the Roof level. A single egress stair and ships ladders will serve the three levels above the Roof level within the mechanical bulkhead.
 - (a) Stairs
 - A single non-combustible egress stair accesses the bulkhead.
 - (b) Elevator
 - There is no elevator access above the Roof level.
 - (c) Mechanical
 - Bulkhead 1: Boiler Room, Exterior Mechanical Level
 - Bulkhead 2: Elevator Machine Room, Exterior Mechanical Level
 - Bulkhead 3: Exterior Mechanical Level
- (v) Metal Work at Roof Levels
- Portions of the second and third levels within the mechanical bulkhead will be exterior galvanized steel grating walkway surfaces.
 - There are miscellaneous hot dipped galvanized steel dunnage and walkway assemblies within the mechanical bulkhead to support mechanical equipment.
 - (a) Exterior Metal Stairs
 - There are no exterior metal stairs in this project.
 - (b) Vertical Ladders
 - There are no exterior vertical ladders in this project.
 - (c) Railings
 - Railings will be galvanized steel tubing anchored to walkway assemblies.
 - (d) Hatches to Roof
 - There are no hatches to roofs in this project.
 - (e) N/A
- (vi) Rooftop Facilities
- Refer to section (h)(4) for description of the roof terraces and their locations.
 - Access to all roof areas shall be provided to the maintenance staff for standard building maintenance and window washing.
- (8) Fire Escapes
- (i) There will be no exterior fire escapes in this project.

- (ii) N/A
- (iii) There will be no exterior drop ladders in this project.
- (iv) N/A
- (v) N/A

(9) Yards & Courts

- There is a Rear Yard Equivalent as required per New York City Zoning Resolution immediately abutting the rear of the building which will be landscaped as per (f)(2). The Rear Yard Equivalent will be accessed through the lobby lounge corridor rear entrance on the ground floor. This area is accessible to all building occupants. The rear yard equivalent is to be landscaped with plants and trees.
 - (i) Paving
 - The paving material will be natural stone pavers in the Rear Yard Equivalent.
 - (ii) Drainage (type and material)
 - Pavers will be installed on bedding sand and compacted gravel base.
 - Drainage will be through infiltration and subsurface percolation, and area drains as required.
 - (iii) Railings
 - There are no railings in the Rear Yard Equivalent.
 - (iv) Stairs
 - There are no stairs in the Rear Yard Equivalent.
 - (v) Fencing
 - 6ft tall powder coated, custom fabricated slatted Metal fencing will be provided at ground level at the rear of the building enclosing terrace space appurtenant to Unit 1 and at the perimeter of the rear yard equivalent.
 - Exterior lighting is to be located at the rear yard perimeter fencing.
 - (vi) Walls
 - There are no walls in the Rear Yard Equivalent.

(10) Interior Stairs

- (i) Number & Location
 - There are two non-combustible stairs specified for egress in the building.
 - (a) Stair A provides egress from the Cellar to the Roof.
 - (b) Stair B provides egress from the Cellar to Bulkhead 3.
 - (c) Stair C provides egress from the Cellar to 1st Floor.
 - Penthouse will have a code compliant convenience stair connecting the 10th Floor with terrace space on the Roof level.
- (ii) Enclosure
 - All egress stairs are of 2 hour fire-rated gypsum wall board construction, poured in place concrete, and/or CMU wall construction to meet the requirements of the New York City Construction Code for a Type IB fireproof building.
 - Convenience stair will be unenclosed.
- (iii) Stair Construction
 - All egress stair construction will be of poured-in-place reinforced concrete.
 - Convenience stair construction will be of plate steel with decorative wood accents.
- (iv) Stringers
 - All egress stair stringers will be integral to its poured-in-place reinforced concrete construction.
 - Convenience stair stringers will be of plate steel.
- (v) Treads
 - All egress stair treads will be integral to its poured-in-place reinforced concrete construction.
 - Convenience stair treads will be of plate steel with wood overlay wear surface.
- (vi) Risers
 - All egress stair risers will be integral to its poured-in-place reinforced concrete construction.
 - Convenience stair risers will be of plate steel with wood overlay wear surface.
- (vii) Handrails
 - All egress stair handrails will be tubular steel.

- Convenience stair handrails will be of tubular steel with decorative vertical steel balusters.
- (viii) Balustrade
 - There are no stair balustrades in this project.
- (11) Interior Doors & Frames
 - (i) Unit Entrance and Interior Doors & Frames
 - All residential unit doors are solid core wood doors. Door and frame construction includes self-closing hardware. Doors and frames are 90 min fire rated and are UL certified. Doors are nominally 2¼" thick and 3'-0" wide by 8'-0" high.
 - Bedroom and bathroom doors are typically solid core wood doors, nominally 1¾" thick and approximately 2'-11" wide by 8'-0" high. Frames are composite wood product with paint grade finish.
 - Closet doors are typically solid core wood doors, nominally 1¾" thick and varying widths by 8'-0" high. Frames are composite wood product with paint grade finish.
 - (ii) Corridor Doors & Frames
 - Corridor utility doors and frames are typically hollow metal (HM) doors, nominally 1¾" thick and varying widths by 8'-0" high with standard painted metal frame with UL listing and fire-rating as required. Hardware & closers are included based on specific requirements. Identification signage is intended to be provided as required.
 - (iii) Stair Hall Doors & Frames
 - Stair hall doors and frames to be hollow metal (HM), fireproof self-closing (FPSC), and fire-rated as required.
 - (iv) Roof Doors, Basement Doors & Frames
 - Roof and cellar utility doors and frames to be hollow metal (HM), fireproof self-closing (FPSC), and fire-rated as required.
- (12) Elevators
 - (i) Number of Passenger and Service Elevators
 - There is one (1) handicap accessible passenger ` meeting current New York City Construction Code stretcher requirements.
 - (ii) Manufacturer, age of each and capacity.
 - The passenger elevators is a Hollister Whitney or approved equal and has a rated capacity of 3,500lbs, 12 passengers, and operates at 350fpm.
 - (iii) Type of Operation
 - The passenger elevator has two side opening doors and simplex selective collective operation. It will be fully compliant with Phase 1 and 2 Fire emergency Service as outlined in Appendix K of the 2014 New York City Construction Code.
 - (iv) Type of Controls
 - The passenger elevator will have automatic operation, push call buttons controlled with HID iClass contactless smartcard, and controls interior to cab.
 - (v) Floor Served
 - The passenger elevator serves the Cellar, residential floors (1st through 10th Floor) and the Roof.
 - (vi) Type
 - The passenger elevator is an overhead traction elevator.
 - (vii) Doors
 - The passenger elevator doors will be automatic two speed side opening doors.
 - Doors opening directly into full-floor units will incorporate zero-clearance swing doors.
 - (viii) Location of machine rooms.
 - The passenger elevator will have a machine room located directly above the hoistway.
 - (ix) AC Motor
 - Hollister Whitney, Imperial or approved equal
- (13) Elevator Cabs
 - (i) Kind
 - Cab manufacturer for passenger elevator to be determined.
 - (ii) Floor

- Passenger elevator floor to consist of lightweight aluminum composite backed natural stone panels, or approved equal.
 - (iii) Walls
 - Passenger elevator walls to consist of lightweight aluminum composite backed natural stone panels, or approved equal.
 - (iv) Ceiling
 - Passenger elevator ceiling to consist of lightweight aluminum composite backed natural stone panels, or approved equal.
 - (v) Lighting
 - Passenger elevator lighting to have indirect lighting, or approved equal.
 - (vi) Alarm, Safety System
 - Passenger elevator is equipped with Fireman's Service and emergency phones.
- (i) Auxiliary Facilities
- The building will include a package room located adjacent to the main lobby, gym located in the Cellar, storage lockers and bike storage room located in the Cellar, and a common lounge located on the 1st Floor.
- (1) Laundry Room
- (i) The building does not have an auxiliary laundry room.
 - (ii) All units are provided with an electric washer.
 - (iii) All units are provided with an electric dryer with an integral lint trap.
 - (iv) N/A
 - (v) All electric dryers will be exhausted through a dedicated exhaust fan for the residential floors located in the bulkhead. The dryer exhaust system fan will modulate to accommodate the load in the building by maintaining duct pressure. Each individual dryer will be ducted back to the main riser and connected with a sub-duct for an up flow only.
- (2) Refuse Disposal
- (i) Incinerator
 - There are no incinerators in this project.
 - (ii) Compactor
 - The trash compactor will be located in the Cellar trash room.
 - The trash chute equipment will be capable for handling general trash only.
 - The compactor is an automatic multi-bag hydraulic compactor by Chutes International, Dempster Bros., Inc., Multi-pak Sales Corp., International Dynetics Corp., or approved equal.
 - (iii) Approvals
 - Approvals for the installation are part of the overall building permit to be issued by the New York City Department of Buildings.
 - (iv) Initial Storage Location
 - Storage for refuse is in the Cellar trash room. From the trash room the refuse is taken by building personnel onto the street for pick-up on the designated days of the week.
 - (v) Pick-up Schedule
 - Refuse pick-up will be provided by the City of New York. Recycling will be picked up by the City of New York.
- (j) Plumbing & Drainage
- (1) Water Supply
- A 2-1/2 inch domestic water service with a double check valve assembly backflow prevention device and water meter will be provided from the public water main from Leroy Street to the building by duplex booster pumps each rated at 80 gpm located in the Cellar. One of the pumps will be provided with emergency power. The minimum pressure delivered to the fixture will be 30 psi and maximum 85 psi. The building will have two pressure zones: low zone cellar through 4th floor; and high zone 5th floor thru roof. The high zone is boosted through 80 gpm duplex booster pumps. Direct fired domestic water heaters for both the zones. Material of water pipes will be Type "L" copper. Insulation will be provided on all domestic water piping. A full building hot water recirculation system will be provided throughout

the building. Makeup water for mechanical equipment shall be provided to all mechanical equipment as required.

(2) Fire Protection System

(i) Standpipes

- The building will be protected by a combined automatic wet fire standpipe and sprinkler system. The combined risers will be 6 inch black steel (Schedule 10 or 40) and located in each fire stair. A hose connection will be provided in the stair at each floor. A three way roof manifold will be provided.

(ii) Hose Racks, Hoses & Nozzles

- None are provided in this project.

(iii) Sprinkler Heads

- Building will be fully sprinklered except for switch gear rooms, elevator machine rooms, residential closets less than 12 square feet in area and bathrooms less than 55 square feet in area noted as exceptions in code. The trash chute will be provided with sprinkler at every other floor starting above the highest access point to the chute.

(iv) Siamese Connection

- The Fire Department Siamese connections facing Leroy Street will be provided for the combined automatic wet standpipe and sprinkler system and be 6"x3"x3".

(3) Water Storage Tank

- There are no water storage tanks in this project.

(4) Water Pressure & Maintenance

- Peerless C810G duplex domestic water booster system with cushion tank or approved equal will be provided to ensure a minimum of 35 psi at the top floor. The pump's internal multistage pumping assemblies and pressure regulating valves shall be guaranteed for one year from date of shipment against defective material and workmanship. The motors shall also be guaranteed for one year from date of shipment against burnout from any cause when equipped with the pumping system manufacturer's over-temperature protection and maintained according to instructions.
- There will be a single house meter. Domestic cold water system will be distributed horizontally at the base of the building to supply risers. Branch piping will be provided to all plumbing fixtures, appliances and mechanical equipment within the building, including Amenity Areas and all common areas.

(5) Sanitary Sewage System

(i) Sewage Piping

- Sanitary piping above ground will be hubless cast iron piping with stainless steel band clamps and neoprene rubber gaskets.
- Sanitary piping below ground will be extra heavy cast iron with extra heavy cast iron hubs and spigots and neoprene rubber compression gaskets.

(ii) Sewage Pumps

- The sewage ejector pump shall be a Liberty duplex ejector pump, type 703/LE51A (or equivalent), with 20 gpm at 20 feet of total dynamic head, with a 1/2 HP motor and concrete basin at a depth of 6 feet, and will be located in the Cellar.
- The sewage pump will have a 1 year warranty starting from the date of substantial completion.

(iii) Sewage Disposal

- Sanitary sewage will be conveyed by gravity via vented waste branches, stacks and house drains to the combined house sewer.
- Sanitary and storm sewer discharged from the building will connect to the public combined storm sewer system of New York City, DEP (an un-metered Public Utility). A new combined 8" sewer service shall be connected to the existing sewer on Leroy Street. The cost of water and sewer will be allocated based on water meter usage.

(6) Permits Required

- All municipal permits required for Water, Sanitary & Storm connections will be provided as required.

(7) Storm Drainage System

- Storm drainage from all roofs and setbacks will be conducted down the building in cast iron piping and will be conveyed to an approved DEP storm water detention tank. Rainwater will be captured in the storm water detention tank and will discharge to the city sewer in Leroy Street by gravity.

(i) Storm Detention Tank

- There will be storm detention tank in the Cellar that will retain water per DEP requirements. Storm water will be discharge via gravity in a 2" minimum orifice pipe which will increase to a 8" connection to the sewer in Leroy Street.

(ii) Yard and Roof Drains

- Gravity roof drainage from roof drains, and drains located in the outdoor spaces drain to the storm detention tank, which is connected to street municipal sewer on Leroy Street.

(iii) Piping

- Cast iron piping with spigot fittings and push-on joints.

(iv) Eject or Sump Pump

- Elevator sump pump to be Liberty model 293 or similar rated for 82 gpm at 48 feet of head.

(k) Heating

(1) General Characteristics

- The system consists of a condensing boiler plant located on the bulkhead roof that provides service heating to the building. The intent is for the boilers to provide 160F water and operate on a 40F delta T.

(2) Number of Boilers

- Two
- Located on Bulkhead Level 1

(3) Manufacturer of Boilers

- Viessmann Vitodens 200-W B2HA 150

(4) Manufacturer of Burners

- Viessmann

(5) Type of Controls

- Manufacturer controls, lead/lag firing, modulating firing.

(6) Radiators, Piping, Insulation, Valves, Pumps

- The building is heated by radiant floor heating as manufactured by Uponor. The radiant manifolds are provided with motorized valves for control (one controller per zone if multiple radiators), actuators at each loop and circuit setter balancing valves. The water is circulated throughout the building via a primary and secondary pumping system with the systems being isolated by a low loss header. The primary pumps are part of the boilers while the secondary pumps are manufactured by Taco. All piping is insulated as per NYECCC and as indicated on the plans.

(7) Fuel

- Natural Gas fired

(8) Location of Oil Tank, Materials, Enclosure:

- None are provided in this project.

(9) Capacity of Oil Tank

- N/A

(l) Gas Supply

(1) Services

- Two gas services will enter the building at Leroy Street, one for building loads; one for emergency generator. Gas meters will be located in the Cellar. The gas will supply Unit cooking ranges, dryers, and outdoor grills as well as heat and hot water for the building. Emergency generator gas line will have its own shut off at the street as per code.

(2) Gas Meters

- Multiple gas meters will be provided by Con Edison. One twin set master meter will be provided to collectively meter resident cooking and outdoor grills; individual meters will be provided each for application of the generator and boilers.

(3) Piping

- Black steel Schedule 40 pipe with threaded malleable iron fittings for low pressure gas; welded fittings for high pressure gas. No gas risers or distribution piping shall run in rated walls to meet code. Architect shall provide rated enclosures to achieve this requirement.

(m) Air Conditioning

- (1) Type of System: Variable refrigerant flow air cooled split systems. The VRF system shall be manufactured by LG. The indoor units have an electric rating of 208 volts, 1 Ph, 60Hz, as follows:

- Horizontal concealed ceiling units shall be LG model ARUN Series.

(2) Central System/Condensers

- There will be four (4) air cooled condensing units for the building plant and will serve the entire building. Each individual unit and the base building fan coils will be monitored by a third party for usage and charged to unit owners as such. The condensing units are located at the roof level and the rear yard. The condensers shall be manufactured by LG Model ARUN-GS and ARUN-TE (or Equal) 208V, 3Ph, 60 Hz. The air cooled split system is capable of handling complete building cooling loads under conditions of New York State Energy Code.

(3) Cooling Towers & Condensers

- Building equipment is designed to meet all requirements of New York State Energy Code.
- HVAC equipment will provide air conditioning for the main lobby, common areas, amenity, and back of house spaces.
- Equipment for common areas will be provided with VRF split units of capacities shown on Plans and Specifications. Numbers of units of each type are shown on Construction Documents plans, EER ratings meet current requirements of New York State Energy Code. Fan Coil units are sized for the calculated individual peak cooling requirements. Each fan coil unit will be thermostatically controlled.
- Condensate generated by the cooling coil will be independently piped from each unit to dedicated condensate drain risers. The condensate drain risers will collect in the basement and connected indirectly to the sanitary system at the lowest point in the riser system.
- Cooling and heating of corridor ventilation air will be provided by energy recovery unit on the bulkhead roof mechanical room. The unit will have a heating coil.

(4) Individual Units

- Individual unit equipment is designed to meet all requirements of New York State Energy Code.
- Equipment for residential floors will be provided with VRF split units of capacities shown on Plans and Specifications. Numbers of units of each type are shown on Construction Documents plans, EER ratings meet current requirements of New York State Energy Code. Fan Coil units are sized for the calculated individual peak cooling requirements. Each fan coil unit will be thermostatically controlled.
- Condensate generated by the cooling coil will be independently piped from each unit to dedicated condensate drain risers. The condensate drain risers will collect in the basement and connected indirectly to the sanitary system at the lowest point in the riser system.
- Cooling and heating of the apartment ventilation air will be first provided by an energy recovery unit located on the bulkhead roof mechanical room.
- The building HVAC systems shall be capable of maintaining the following environmental standards:

1. Outdoor design conditions within the normal conditions as per ASHRAE standards (99% in winter, 1% summer). Cooling loads assume that residents will use internal blinds, shades or similar window treatment during the cooling season:

Summer	Winter
95°F DB	11°F DB
75°F WB	

2. Units design conditions:

Summer	Winter
72°F	72°F DB
50% RH	Not Controlled

(n) Ventilation

- Kitchens on residential floors will be exhausted with a centrally ducted system through a stovetop hood. As the user activates the hood exhaust fan, a motorized damper will open and conditioned makeup ventilation air will be provided to the residence. This allows the exhaust air to balance the makeup supply air to the kitchen. When the hood is not activated by the user, air will be exhausted at a reduced rate through the kitchen exhaust system.
- Unit bathrooms will be ventilated at an exhaust rate as follows: 50 cfm per powder room, 75 cfm per standard bathroom, and 75 cfm per master bathroom.
- Conditioned make-up air is supplied to each Unit corresponding to the number of bathrooms installed.
- Interior non-residential bathrooms located in the Cellar will be ventilated with an exhaust ventilation system exhausting a minimum of 75 cfm for each water closet.
- Public corridors are provided with heating and air-conditioned supply air at a minimum of 0.5 cfm of air per square foot. This is in accordance with code requirements.
- Individual washer/dryers are provided in all units. All units will be provided with ducted dryer exhaust to a common riser at 150 cfm per dryer.
- The trash room will be exhausted at 30 cfm per floor on each floor. Air conditioning is provided to the Cellar refuse collection room.
- Gas meter room will be vented to the outside in accordance with code.
- Each studio unit kitchenette is ventilated via exhaust fans.

(o) Electrical System

(1) Building Service

- Electrical service will be provided at 208/120 Volt, 3-phase, 4-wires via switchboards located in the Cellar level electrical room. The switchboards shall be sized to accommodate the loads for the project. The electrical switchboards and distribution system shall be capable of accepting low tension power at 120/208V, 3-phase, 4-wires from the facilities provided by Con Edison. Distribution to all electrical panel boards and distribution panels will be provided. All feeders to be insulated copper conductors in metal conduits. Electricity consumed by each unit shall be individually submetered by Quad Logic. Owner's house loads for the residential building portion of the project to be individually submetered by Quad Logic will be located in the Cellar. The anticipated service will be 1200 Amps, 120/208 Volt, 3-phase, 4-wire. Each main switchgear will provide power to house panels and residential meter banks.

(2) Building Distribution

- All residential units will be provided with between 100 Amps and 150 Amps, 120/208 Volts, 3-phase, 4-wire electrical service with the main circuit breaker located in the metering equipment in the Cellar Electrical Room. The electrical panels shall be rated for either 125 amps or 225 amps.
- Apartment panels are allocated as below:

ELECTRICAL PANEL RATING	
Unit Designation	Panel Size (Amp)
1	125
2	150
3A	100

3B	100
3C	100
3D	100
4	150
5	150
6	150
7	150
8	150
9	150
Penthouse	150

(3) Compartment Switch Gear

- All base building loads will be fed from house panels located within the Cellar.
- Feeders are to run to each Unit from Cellar Electrical Room. Feeders vary in size as required by load and voltage drop.
- Arc Fault Circuit Interrupters (AFCI) type circuit breakers shall be provided for each circuit within the dwelling units as per latest New York City Electrical Code requirements.
- Rooftop HVAC equipment will be fed from rooftop electrical panels.

(4) Unit Service

- The main service switchboards will consist of switch-and-fuse type assemblies, with each switch rated for service entrance. Each switchboard serves house panels, which in turn feed base-building HVAC, lighting, and convenience receptacle loads along with building common areas spaces (i.e. amenity areas, lobby, etc). The main electrical switchboard will serve the residential meter banks.
- Proposed common corridors will be provided with convenience outlets and egress lighting, adequately equipped with integral emergency capability in the event of a power outage. Approximately 50% of the egress corridor lighting will be automatically controlled via occupancy sensors that will turn off connected lights after 30 minutes of inactivity, while the other 50% of the egress corridor lighting will remain on 24 hours to maintain minimum, code required illumination levels.
- Receptacle spacing within units will be as per New York City Electrical Code requirements.

(5) Adequacy

(i) Service

- Capacity provided for each Unit will be in accordance with Code requirements in various sizes from 100 to 150 Amps at 120/208 Volts, single-phase or 3-phase, 3-wire or 4-wire. Number of circuits per Unit panel board will range between 24 - 54 circuits. Service will be adequate to meet normal Unit appliance load and lighting.

(ii) Lighting and Fixtures

- Switched lighting fixtures will be provided in bathrooms, foyers, galleries, and kitchens. Fixtures will be incandescent, fluorescent, or LED type. Junction boxes dedicated for light fixtures will be provided in ceilings in bedrooms, dining rooms, and living rooms.

(iii) Convenience Outlets

- Receptacles will be provided in all rooms to meet the New York City Electrical Code. Ground fault receptacles will be provided in kitchens and bathrooms. Arc fault circuit interrupters will be provided for Unit branch circuits that supply 125-volt, single-phase, 20 ampere receptacles. All receptacles in Units will be provided with tamper-proof receptacles.

(6) Emergency Generator

- A natural gas emergency and stand by generator will be provided on the mechanical bulkhead with a gas booster pump with integral UPS. The generator serves the following loads if the utility power is not available.
- Life Safety:

- (i) All exit signs, egress lighting, and stair lighting.
- (ii) Smoke purge fans/garage vent system.
- (iii) One elevator.
- (iv) Elevator sump pumps.
- (v) Fire pump and controller.
- (vi) Heat tracing of truss and roof piping.
- (vii) Electric unit heaters in stairs.
- Backup:
 - (i) Domestic water pumps.
 - (ii) Sewage ejector pump.
 - (iii) Building Monitoring System (BMS).
 - (iv) One (1) refrigerator, one (1) wine fridge, one (1) lighting, one (1) convenience circuit for all Units.
 - (v) Gas booster pump.
 - (vi) Boilers and all miscellaneous pumps.
 - (vii) Fan coil unit in Electrical Room and Elevator Machine Room.
 - (viii) Building convenience receptacles.
 - (ix) Base building dryer exhaust fan.
 - (x) Base building kitchen exhaust fan.
- (p) Intercommunication and/or door signal systems, security closed-circuit TV
 - (1) Telephone & Cable Services
 - Service will be provided via Verizon Copper, Verizon FiOS and Time Warner Cable. Risers to be located in refuse room. Conduit for all services will be run to all units.
 - Wiring for CATV, data, and phone within each apartments will run to individual headend locations for quick hook up by Verizon or Time Warner.
 - All wires to be plenum-rated to meet standard fire code.
 - (2) Intercom System
 - General
 - The new intercom system will be based on the high-quality technology for video and audio type intercommunications.
 - The intercom system will consist of one (1) residential unit station located in each unit and a master station located at the main entrance lobby desk.
 - The intercom system will also include a module based door station at the main entrance to call the lobby desk or an individual apartment. Owner or desk attendant will be able to grant or refuse access.
 - Residential Unit Station
 - The residential unit station will either be a handset or hands-free device. The unit will have the capability of calling and receiving calls from the lobby desk or main entrance only. The unit will not have the capability to call any other residential unit stations.
 - In addition to voice communications described above, the unit will be equipped with a small video display which will receive live video images from a security camera located in the vicinity of the lobby desk or the main entrance door station.
 - The master station will be a hand-set telephone style exchange. The unit will have the capability of calling and receiving calls from any residential unit station in the system.
 - The master station will not have video capability from apartments, but will be able to view the main entrance door station.
 - (3) Cable TV
 - Service will be provided via Verizon FiOS and Time Warner Cable. Risers to be located in refuse room. Conduit for all services will be run to all units.
 - (4) Security & Access Control System
 - General

- The electronic access control system will be a standard off the shelf system consisting of a software application, multiple data gathering panels, power supplies, card readers, alarm sensor, electrified door hardware and computer workstations.
- Card readers will be located throughout the common areas and back of house spaces.
- One (1) card reader to be provided in the elevator cab for floor control.
- The system will be administered by the property manager. Access policy is to be determined by the condominium board.
- Data Gathering Panel
 - The access control DGP will be a modular microprocessor controlled unit. The panel will serve as the data collection and communications interface between the server and the field devices such as card readers, alarm inputs and control outputs.
 - The DGP will support a minimum of 16-cardreaders. The unit will include a network interface card (NIC) fully compatible with all Ethernet LAN/WAN environments.
 - Each DGP will include an integrated power supply. The power supply will support the CPU, I/O modules, NIC and card readers.
 - Each DGP power supply will include one or more batteries to serve as a standby power source.
- (5) Card readers
 - The cardreader will be HID iClass contactless smartcard type. The card reader is a semi-flush surface mounted device incorporating an iClass 13.56 smartcard contactless technology.
- (6) Electric Locking Hardware
 - Wherever permitted by local building code, all electric locking hardware will be fail-safe.
 - Electrified Locksets
 - Electrified locksets will be installed on fire stair doors equipped with card reader controls.
 - The request-to-exit function (REX) will be an integral part of the lockset and/or panic hardware eliminating the need for a separate REX device.
 - Electromagnetic Locks
 - Electromagnetic locks will be installed on all single and/or double, card reader controlled doors. Electromagnetic locks will be fail-safe devices connected to the base-building fire alarm/life safety system (Class E).
 - All doors equipped with electromagnetic locks will include DPDT request-to-exit (REX) push button control and REX motion sensor that will simultaneously interrupt power to the electromagnetic lock and send a REX signal to the DGP.
 - Any electromagnetic locks installed on the tenant means of egress doors will be equipped with an automatic fire alarm Class E relay release at the door location.
 - Electric Lock Power Supply
 - A minimum of one multi-output electric lock power supply (ELPS) will be required for each security data gathering panel. The ELPS will be located in the IDF rooms. Each unit will include a fire alarm door release connection. Each ELPS will include one or more batteries to serve as a standby power source.
- (7) Video Surveillance Systems
 - General
 - The video surveillance system will be based on an IP video control and management application. The entire system will be IP based including cameras.
 - The system will be configured for thirty (30) days of online storage capacity which will be distributed evenly between each server and or storage unit.
 - The new video surveillance equipment will be connected to a separate security VLAN.
 - All required gigabit PoE network switches will be provided for all systems installed.
 - The new network video recorders will be connected to the security VLAN.
- (8) Video Management System (VMS)
 - The existing VMS will simultaneously record and display live video along with associated text. The system will have the ability to host multiple remote users, archive data, and search for data, all while recording multiple video, audio, and text streams.

- The system will allow an operator to select units, cameras, and timeframes for automatic retrieval of video clips to an operator's workstation.
- Network Video Recorders (NVR)
 - The new NVR unit will support a minimum of sixty four (64) IP cameras. The unit will be rack-mountable. Each unit will include the required memory HDD storage for thirty (30) days of footage.
 - IP HD Cameras
 - Cameras will employ the latest high definition (HD) and mega-pixel technology available. All cameras will be powered by PoE via the security LAN switches.
 - Cameras will be designed for interior and exterior applications. All cameras will be fixed (stationary) for typical applications. All cameras will include integral protective enclosures. Cameras will be either in-ceiling, surfaced and or pendant mount.
 - Pendant mount camera applications will be coordinated with the lighting and other ceiling obstructions (cameras will be installed below lighting fixtures).
 - HD cameras with minimum 2MP 1080p resolution will be deployed for general video surveillance applications.
- (9) Equipment Enclosure
 - Middle Atlantic Rack to house all building provided equipment where applicable.
 - Building rack to include battery backup and power management/surge protection.
 - OnQ distribution panel to be provided for each unit.
- (10) Control System
 - Savant host and license to be provided in each unit.
 - iPad Mini and in-wall dock for each to be provided on each floor of each apartment.
 - Basic Lutron lighting control system with dimming capabilities and engravable keypads to be provided in each unit.
 - Savant HVAC control to be provided in each unit.
 - Each unit to include a thermostat in each bedroom and between 2 and 3 common areas.
 - Units will be pre-wired for motorized shades/blinds.
 - Shades/blinds to be pre-wired for power.
 - Shades/blinds to be pre-wired for control.
- (11) Network
 - One (1) enterprise grade router to be provided for the building.
 - One (1) enterprise grade router to be provided for each unit.
 - Enterprise level network wireless access points to be provided as need for each unit.
 - Provide PoE gigabit network switches as required.
- (q) Public Area Lighting
 - All street level entrances will be provided with light fixtures. The corridors will be provided with light fixtures. The lobby is provided with recessed and surface mounted fixtures. All lighting will be designed in accordance with the New York City Construction Code.
 - Common corridors will be provided with two (2) circuits. One circuit will be on the emergency lighting system. The second circuit on the normal lighting system. Main lobby will have designated lighting fixtures assigned to the emergency lighting system. Lighting in the stairwells and back of house corridors will be built in power packs to handle the emergency lighting requirements.
- (r) Garage & Parking Areas
 - There is no garage or parking area in this project.
- (s) Swimming Pool
 - There is no swimming pool in this project.

(t) Tennis Courts, Playgrounds, & Recreational Facilities

(1) Tennis Courts

- There are no tennis courts in this project.

(2) Playgrounds

- There are no playgrounds in this project.

(3) Recreational Facilities

- A common lounge with seating area and loose furnishings will be provided on the 1st Floor. Walls to be paneled in stone, wood, and metal veneers. Lounge area to be approximately 188 square feet. Lounge seating to be accommodate approximately 8 persons comfortably with standing area for an additional 8-10 persons. There is no required stated occupancy for this space.
- A gym will be provided in the Cellar and will be approximately 235 square feet. It will include exercise equipment to accommodate aerobic and weight training, including treadmills (or other gym equipment) depending on the preference of the building management.
- A bike storage room will be provided in the Cellar. This area is approximately 92 square feet. Depending on storage system/type, approximately 8-10 bicycles can be accommodated in this area.
- An outdoor terrace with landscaping and seating area will be provided at ground level at the rear of the building.
- A package room is located off the lobby mail alcove. The storage area is approximately 28 square feet and is intended to accommodate the storage of packages delivered to building owners.

(u) Permits & Certificates

- The building will be constructed under the 2014 New York City Construction Code.
- All DOB Required Special Inspections to be provided by NYC certified independent inspection agency.

(1) Construction Permits Required (New York City Department of Buildings):

- New Building
- Structural
- Mechanical
- Plumbing
- Sprinkler
- Standpipe
- Fire Alarm
- Construction Fence
- Construction Shed
- Elevator
- Boiler
- Fire Protection Plan

(2) Special & Progress Inspections Required:

- Structural Steel – Welding
- Structural Steel - Details
- Structural Steel - High Strength Bolting
- Concrete Cast-in-place
- Masonry
- Subgrade Inspection
- Subsurface Conditions – Fill Placement & In Place Density
- Wall Panels, Curtain Walls, and Veneers
- Smoke Control Systems
- Mechanical Systems
- Excavations – Sheet piling, Shoring, and Bracing
- Underpinning
- Sprinkler Systems
- Standpipe Systems



- Heating Systems
 - Chimneys
 - Fire-Resistant Penetrations and Joints
 - Emergency and Standby Power Systems (Generators)
 - Concrete Design Mix
 - Concrete Sampling and Testing
 - Footing and Foundation
 - Energy Code Compliance Inspections
 - Fire-Resistive Rated Construction
 - Final
- (3) Annual Inspections Required:
- NYC Annual Inspection Required Include (but may not be limited to) the following:
 - Compactor
 - Boiler
 - Elevator
 - Air Resources
 - Elevator Safety
 - Boiler Safety
 - Fire Department
- (v) Violations
- Any Department of Building violations that are required to obtain Temporary Certificate of Occupancy and are outstanding will be removed prior to closing.
- (w) Residential Unit Information
- Method of Measurement
 - The approximate square foot area of each Unit is measured as follows:
 - Each Unit is measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes (whether along the perimeter or within the Unit), structural walls, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit) to the midpoint of the interior wall and demising partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, elevator and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of glass or the opposite exterior walls. Each Unit is measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the top of the floor above. Elevators, elevator hoistway, elevator lobby, refuse room, mechanical shafts, and egress stair, inclusive of the interior walls and partitions separating a unit from these general common elements are not deducted from the square foot area of full-floor units. As is customary in New York, the square footage exceeds the usable floor area of each Unit.
 - Columns, mechanical pipes (whether along the perimeter or within the Unit), structural walls, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit. The approximate square foot area of exterior terrace area for each Unit where indicated is measured horizontally from the exterior face of the Unit wall to the parapets, divider screens and landscaped planters, inclusive of these elements.
 - Where two terraces abut, the measurement is taken to the centerline of the divider screen.
 - Terrace floor area is not included in the indoor floor area of the associated Residential Unit.
 - Terrace floor area is noted as Exterior Area in the Unit Information Chart below.
 - The approximate square footage of storage units is measured horizontally from centerline of unit enclosure to centerline of demising enclosure walls, and includes any structural elements in whole or partially within such enclosures.
 - Storage unit areas are subject to small dimensional changes due to field conditions.

• Unit Information below:

UNIT AREA				
Unit Designation	Bedrooms/Baths	Interior Area (sf)	Exterior Area (sf)	FTF Height
1	2/2.5	2,038	532	12'-0"
2	3/3.5	2,975	-	12'-0"
3A	0/1	547	-	11'-0"
3B	0/1	513	-	11'-0"
3C	0/1	774	-	11'-0"
3D	1/1.5	900	-	11'-0"
4	4/4.5	3,370	-	12'-0"
5	4/4.5	3,370	-	12'-0"
6	4/4.5	3,370	-	15'-6"
7	3/2.5	2,430	940	12'-0"
8	3/3.5	2,430	-	12'-0"
9	3/3.5	2,430	-	12'-0"
Penthouse	2/2.5	2,985	1,875	14'-0"
	Total:	28,132	3,347	

• Unit Description

- Unit 1 shall consist of one master bedroom with master bathroom, second bedroom with second bathroom, living/dining room, kitchen, powder room, laundry closet, foyer, and outdoor terraces.
- Unit 2 shall consist of one master bedroom with master bathroom, second bedroom with second bathroom, third bedroom with third bathroom, living/dining room, kitchen, powder room, laundry room, and foyer.
- Unit 3A shall consist of open studio space, bathroom, kitchenette, laundry closet, and foyer.
- Unit 3B shall consist of open studio space, bathroom, kitchenette, and laundry closet.
- Unit 3C shall consist of open studio space, bathroom, kitchenette, laundry closet, and foyer.
- Unit 3D shall consist of one bedroom with one bathroom, living/dining room, kitchen, powder room, laundry closet, and foyer.
- Unit 4 shall consist of one master bedroom with master bathroom, second bedroom with second bathroom, third bedroom with third bathroom, fourth bedroom with fourth bathroom, living/dining room, kitchen, powder room, laundry room, and foyer.
- Unit 5 shall consist of one master bedroom with master bathroom, second bedroom with second bathroom, third bedroom with third bathroom, fourth bedroom with fourth bathroom, living/dining room, kitchen, powder room, laundry room, and foyer.
- Unit 6 shall consist of one master bedroom with master bathroom, second bedroom with second bathroom, third bedroom with third bathroom, fourth bedroom with fourth bathroom, living/dining room, kitchen, powder room, laundry room, and foyer.
- Unit 7 shall consist of one master bedroom with master bathroom, second bedroom, third bedroom, bathroom, living/dining room, kitchen, powder room, laundry closet, foyer, and outdoor terrace.
- Unit 8 shall consist of one master bedroom with master bathroom, second bedroom with second bathroom, third bedroom with third bathroom, living/dining room, kitchen, powder room, laundry closet, and foyer.



- Unit 9 shall consist of one master bedroom with master bathroom, second bedroom with second bathroom, third bedroom with third bathroom, living/dining room, kitchen, powder room, laundry closet, and foyer.
- Penthouse shall consist of one master bedroom with master bathroom, second bedroom with second bathroom, living/dining room, kitchen, powder room, laundry closet, foyer, and outdoor terrace at Roof level.

(1) Unit Schedules

- Unit Finish Schedule below:

UNIT FINISHES				
ROOM	FLOOR	BASEBOARD	WALL	CEILING
Foyer/Halls	Engineered Hardwood	Solid Oak	Painted gypsum wall board	Painted gypsum wall board
Living/Dining Rooms	Engineered Hardwood	Solid Oak	Painted gypsum wall board	Painted gypsum wall board
Kitchen	Engineered Hardwood	Solid Oak	Painted gypsum wall board	Painted gypsum wall board
Powder Room	Engineered Hardwood	Solid Oak	Stone slab and painted gypsum wall board	Painted gypsum wall board
Laundry Closet/Room	Engineered Hardwood	Solid Oak	Painted gypsum wall board	Painted gypsum wall board
Master Bedroom	Engineered Hardwood	Solid Oak	Painted gypsum wall board	Painted gypsum wall board
Master Bathroom	Stone Tile	Stone Tile	Stone Tile	Painted gypsum wall board
Secondary Bedrooms	Engineered Hardwood	Solid Oak	Painted gypsum wall board	Painted gypsum wall board
Secondary Bathrooms	Stone Tile	Stone Tile	Crystallized Glass Tile	Painted gypsum wall board
Studios	Engineered Hardwood	Solid Oak	Painted gypsum wall board	Painted gypsum wall board

• Wood Flooring Notes:

- The wood floor is 3/4" thick x 9" wide Plain sawn European Oak in engineered construction manufactured by Grato. The construction shall consist of a 4mm hardwood veneer wear layer, 12mm plywood core and 3mm hardwood base layer. See Manufacturer's specifications for additional details.
- All wood flooring, being a natural material, is subject to the inherent varying characteristics in color and grain. These characteristics may change over time, particularly when subject to sunlight, and seasonal variations in temperature and humidity. Additional changes in the floor presented as cupping, crowning, shrinkage, or checking may occur over time as a result of seasonal variations in temperature and humidity, or exposure to water or improper cleaning agents/techniques.
- The preceding changes may be exacerbated as a function of use and actual environmental exposure and they may be minimized by maintaining interior relative humidity within the range

of 35% to 50% at all times (which may require supplemental humidification/ dehumidification equipment).

- It is recommended that Manufacturer's care and maintenance instructions be carefully complied with.

(2) Plumbing Fixture Schedule

- Unit Plumbing Fixture Schedule below:

KITCHENS			
FIXTURE	MFG	MODEL #	MATERIAL
32" Sink	Blanco	QUATRUS 5181172	Stainless Steel
Sink Fitting	Dornbracht	Meta 02	Stainless Steel
Garbage Disposal	Insinkerator	EVOLUTION	N/A

MASTER BATHROOMS			
FIXTURE	MFG	MODEL #	MATERIAL
Toilet	Duravit	Starck 3	Ceramics
Toilet Seat & Cover	Duravit	STARCK 3	
Toilet Actuator	Geberit	DUOFIX 111.728.00.1	N/A
Toilet Carrier	Geberit	OMEGA 60 115.081.GH.1	Metal w/ brushed chrome finish
24" Vanity Sink	Kohler	Kathryn K-2230	Porcelain
Sink Fitting	Waterworks	LPLS10	Architectural Bronze Finish
34 1/4"x 70 1/4" Tub	Victoria + Albert	Barcelona BAR-N-SW	Volcanic Limestone & Resin
Shower Head	Waterworks	Formwork FMSH10	Architectural Bronze Finish
Shower Head	Waterworks	Universal UNSH40	Architectural Bronze Finish
Thermostatic Mixer	Waterworks	LPTH10 & LPCV01	Architectural Bronze Finish
Hand Shower	Waterworks	Formwork FMSH01	Architectural Bronze Finish
Tub Filler	Waterworks	.25PTXT90	Architectural Bronze Finish
Steam Generator	Mr. Steam	Varies	N/A

SECONDARY BATHROOMS			
FIXTURE	MFG	MODEL #	MATERIAL
Toilet	Duravit	DARLING 255709	Ceramics
Toilet Seat & Cover	Duravit	STARCK 2 006989	
Toilet Carrier	Geberit	DUOFIX 111.728.00.1	N/A
Toilet Actuator	Geberit	OMEGA 60 115.081.GH.1	Metal w/ brushed chrome finish
24" Vanity Sink	Kohler	K-2297	Porcelain
Sink Fitting	Waterworks	LPLS10	Architectural Bronze Finish
32"x 60" Tub	Kohler	TEA-FOR-TWO K-850/840	Cast iron
Shower Head	Waterworks	Universal UNSH40	Architectural Bronze Finish
Thermostatic Mixer	Waterworks	LPTH10 & LPCV01	Architectural Bronze Finish
Hand Shower	Waterworks	Formwork FMSH01	Architectural Bronze Finish

Tub Spout	Waterworks	.25PTTS82	Architectural Bronze Finish
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POWDER ROOMS			
FIXTURE	MFG	MODEL #	MATERIAL
Toilet	Duravit	DARLING 255709	Ceramics
Toilet Seat & Cover	Duravit	STARCK 2 006989	Satin Chrome
Toilet Carrier	Geberit	DUOFIX 111.728.00.1	N/A
Toilet Actuator	Geberit	OMEGA 60 115.081.GH.1	Metal w/ brushed chrome finish
Vanity Sink	Wetstyle	VC 836 U	Porcelain
Sink Fitting	Waterworks	LPLS70	Architectural Bronze Finish

LAUNDRY ROOM			
FIXTURE	MFG	MODEL #	MATERIAL
Laundry Sink	Kohler	K-6661	Stainless Steel
Sink Fitting	Grohe	Minta 32319	Stainless Steel
LAUNDRY CLOSET (EXCEPT FOR UNIT 3A, 3B, 3C, 3D)			
FIXTURE	MFG	MODEL #	MATERIAL
Laundry Sink	Kohler	K-6661	Stainless Steel
Sink Fitting	Grohe	Minta 32319	Stainless Steel

OUTDOOR KITCHEN (PENTHOUSE ONLY)			
FIXTURE	MFG	MODEL #	MATERIAL
Sink	Blanco	QUATRUS 518171	Stainless Steel
Sink Fitting	Dornbracht	Meta 02	Stainless Steel

(3) Appliance Schedule

- Note that all appliances to be equal or better to those listed below. Refer to Appliance matrix for typical appliances in each unit. Matrix does not account for unique unit layouts, however, same appliances to be used.
- Trim kit required if speed oven is located above or below an appliance of a different dimension.

UNIT APPLIANCES							
TAG	LOCATION						FINISH
	PH	4B	3B	2B	1B	0BR	
AP1	•	•	•	•	•		36" Refrigerator Subzero IT-36CIID Custom Door panel
AP2						•	30" Refrigerator Subzero IT-30CIID Stainless Steel
AP3				•			24" UC Refrigerator Subzero UC 24CI Custom Door Panel
AP4	•	•	•	•	•		24" Wine Refrigerator Subzero 427 G/O Custom Door Panel

W

AP5	•	•	•	•	•	•	24" Dishwasher	Miele	G6365SCVIAM	Custom Door Panel/Stainless Steel
AP6	•	•	•	•	•		30" Wall Oven	Wolf	SO30CE/B/TH	Black Glass
AP7	•	•	•	•			30" Convection Steam Oven	Wolf	CSO30CM/B/TH	Black Glass
AP8	•	•	•	•			30" Microwave Oven	Wolf	MDD30CM/B/TH	Black Glass
AP9	•	•	•	•			24" Coffee System	Wolf	EC24/B	Black Glass
AP10	•	•	•	•	•		36" Gas Cooktop	Wolf	CG365T/S	Stainless Steel
AP11						•	30" Gas Range	Wolf	GR304	Stainless Steel
AP12					•		36" Gas Range	Wolf	GR366	Stainless Steel
AP13	•	•	•	•	•		36" Range Hood	Wolf	DA3490	Stainless Steel
AP14						•	30" Range Hood	Wolf	DA3480	Stainless Steel
AP15	•	•	•	•			Washer	LG	WM4270HVA	Graphite Steel
AP16	•	•	•	•			Dryer	LG	DLEX4270V	Graphite Steel
AP17					•	•	Washer/Dryer	Asko	W6424 / T754W/T	White Paint
AP18	•						24" Outdoor Refrigerator	Subzero	UC-24RO	Custom Door Panel
AP19	•						15" Outdoor Ice Maker	Subzero	UC-15IO	Custom Door Panel
AP20	•						42" Gas Grill	Wolf	OG42	Stainless Steel

(x) Finish Schedule of Areas other than Units

TYPICAL FLOORS				
ROOM	FLOOR	BASEBOARD	WALL	CEILING
Stairs	Concrete	N/A	Painted Concrete/CMU	Painted Concrete
Common Corridor	Modular Carpet Tile	Painted MDF	Vinyl Wall Covering	Painted gypsum board
Elevator Vestibule	Modular Carpet Tile	Painted MDF	Vinyl Wall Covering/ Blackened Steel Plate/ Painted gypsum wall board	Painted gypsum board
Elevator Cab Interior	Aluminum backed Stone Panels	Stainless Steel	Stainless Steel & Aluminum backed Stone Panels, Mirrored Glass	Stainless Steel & Aluminum backed Stone Panels
Trash Room	Rubber Tile	Rubber Base	Painted gypsum board	Painted gypsum board

LOBBY				
ROOM	FLOOR	BASEBOARD	WALL	CEILING
Entry Vestibule	Stone Tile	Stone Tile	Stone Tile	Painted gypsum board

Reception	Stone Tile	Stone Tile	Stone Tile	Painted gypsum board
Elevator Vestibule	Stone Tile	Stone Tile	Stone Tile	Painted gypsum board
Mail Room	Stone Tile	Stone Tile	Stone Tile	Painted gypsum board
Storage Closets	Terrazzo	Painted MDF	Painted gypsum board	Painted gypsum board
Common Lounge	Stone Tile	Stone Tile	Stone Tile/ Wood Panels	Painted gypsum board

RESIDENTIAL AMENITIES (CELLAR)				
ROOM	FLOOR	BASEBOARD	WALL	CEILING
Gym	Rubber Tiles	Rubber Base	Painted gypsum board	Painted gypsum board
Storage Rooms	Concrete	Rubber Base	Painted gypsum board	Painted gypsum board
Bike Storage Room	Concrete	Rubber Base	Painted gypsum board	Painted gypsum board
Common Corridor	Hardwood Flooring	Painted MDF	Painted gypsum board/ Wood Panels	Painted gypsum board
Mechanical Areas	Concrete	Rubber Base	Painted gypsum board	Painted Concrete

- Plumbing Fixtures

CELLAR BATHROOM			
FIXTURE	MFG	MODEL #	MATERIAL
Toilet	Duravit	DARLING 255709	Ceramics
Toilet Carrier	Geberit	DUOFIX 11.012.00.1	N/A
Toilet Actuator	Geberit	OMEGA 60 115.620.FW.1	Metal w/ brushed chrome finish
24" Vanity Sink	Lacava	AQUAGRANDE 5052 UN	Porcelain
Sink Fitting	Waterworks	LPLS 70	Architectural Bronze Finish

- All finishes, fixtures and equipment are subject to Sponsor's right to make substitutions of equal or better quality as recognized by industry standards for performance, efficiency, longevity and/or other classifications as applicable.

(y) **Safety & Warning Devices**

- Each unit will be provided with hardwired combination smoke/carbon monoxide detectors within each bedroom and within fifteen feet of each bedroom door (all devices interconnected) as required by the Building Code of the City of New York. Each unit's system shall be stand alone and not part of the building's fire alarm system.
- 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 management office with remote annunciation at the Building lobby. The alarm signal will be transmitted to a central reporting station.

- An alarm system as required by code for any non-residential areas will be the responsibility of the Sponsor.

(z) Additional Information Required

- (1) A Site plan is attached.
- (2) N/A
- (3) Building Floor Plans are attached.
- (4) Floor-to-floor height drawing is attached and note in the Unit Area chart in section (w). The method of measurement is noted in section (w).
 - Maximum floor to floor heights (all maximum heights are approximate and subject to field conditions and are taken from top of structural floor to top of structural floor above, unless otherwise noted).
- (5) Approximate total area of each unit is included in section (w) and on the attached unit plans.
- (6) N/A

(aa) In the event that certain conditions in the building(s) cannot be adequately evaluated by a visual examination, the Department of Law may, in its discretion, direct that an independent engineer or testing laboratory be retained to perform such tests or monitoring as may be necessary in order to make adequate disclosure. Conditions which may require additional testing or monitoring include, but are not limited to: settlement, masonry cracks, rusting of structural steel, adequacy of concrete cover, firestopping, etc. Test results must be reported in the offering plan or in an amendment thereto.

(bb) Further Development

- Sponsor does not intend to add additional units to the building either above the existing roof, outside the existing building development, or by altering space within the building.

(cc) Asbestos

- The proposed project is a new building. There will be no materials used comprising of asbestos materials that does not comply with New York City Construction Code.

(dd) Lead-based Paint

- The proposed project is a new building. There will be no materials used comprising of lead-based paint that does not comply with New York City Construction Code.

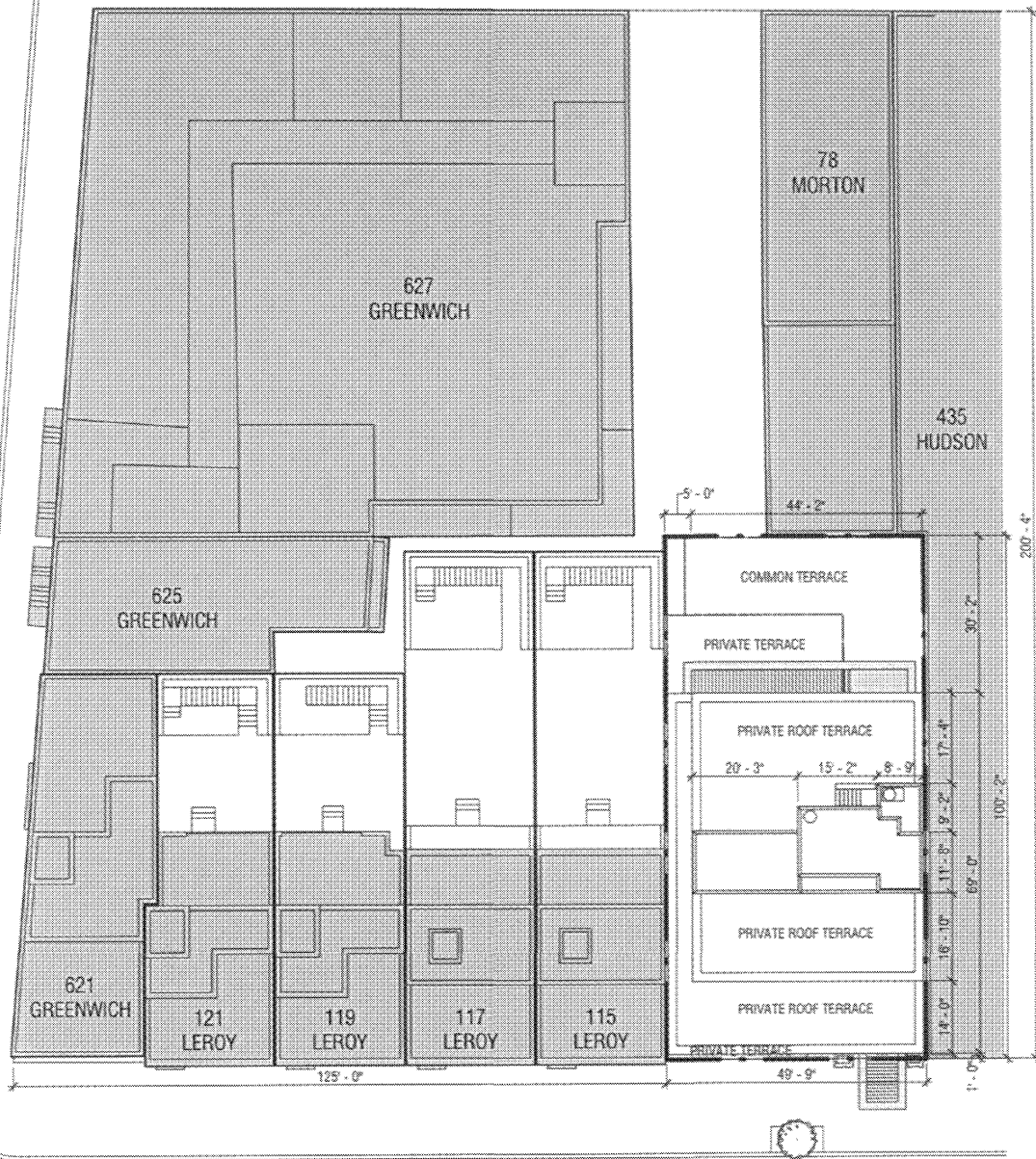


Thomas Julliard Zoli RA NCARB
Workshop/APD Architecture DPC

FLOOR PLANS

MORTON STREET

GREENWICH STREET



LEROY STREET

0' 4' 8' 16' 32'

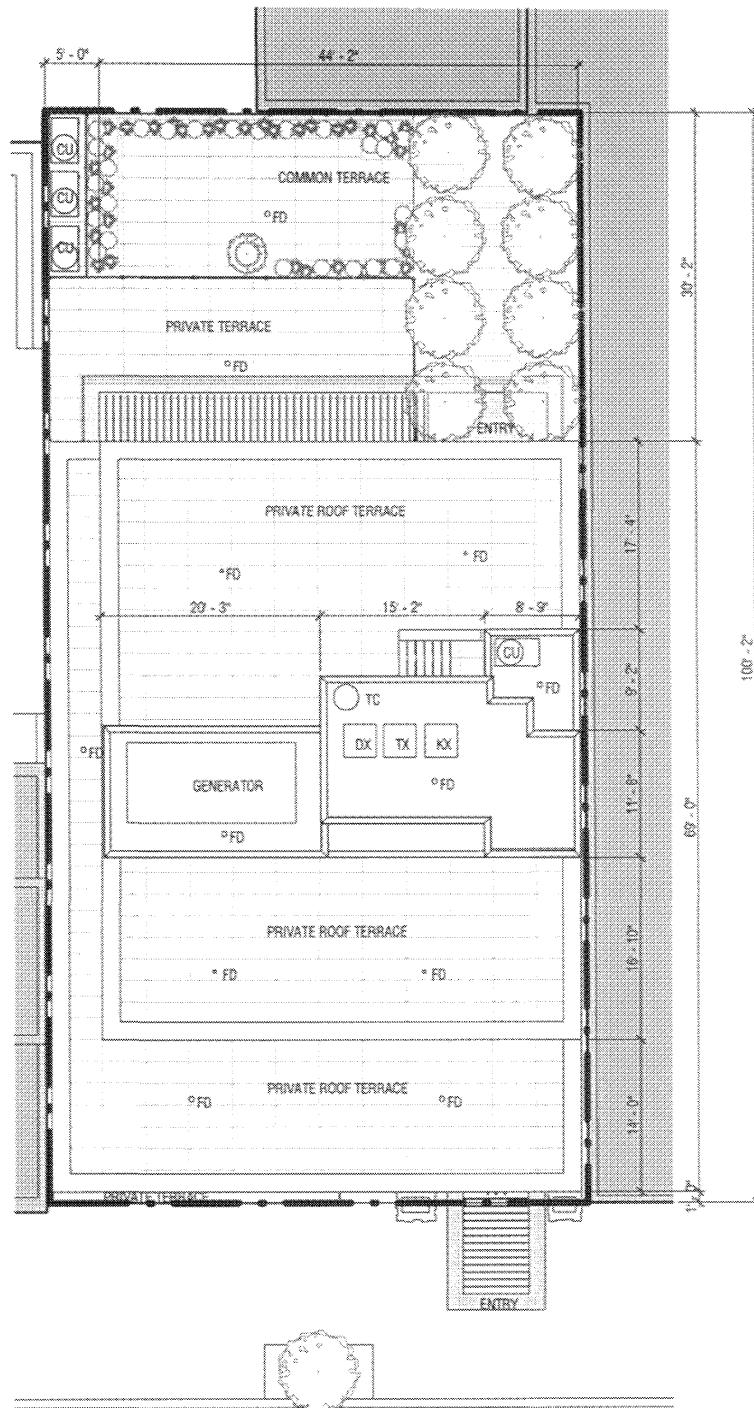
SCALE 1/32" = 1'-0"



111 LEROY STREET
NEW YORK NY 10014

SITE PLAN

ALL DIMENSIONS AND SQUARE FOOTAGE ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE 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' 4' 8' 16' 32'

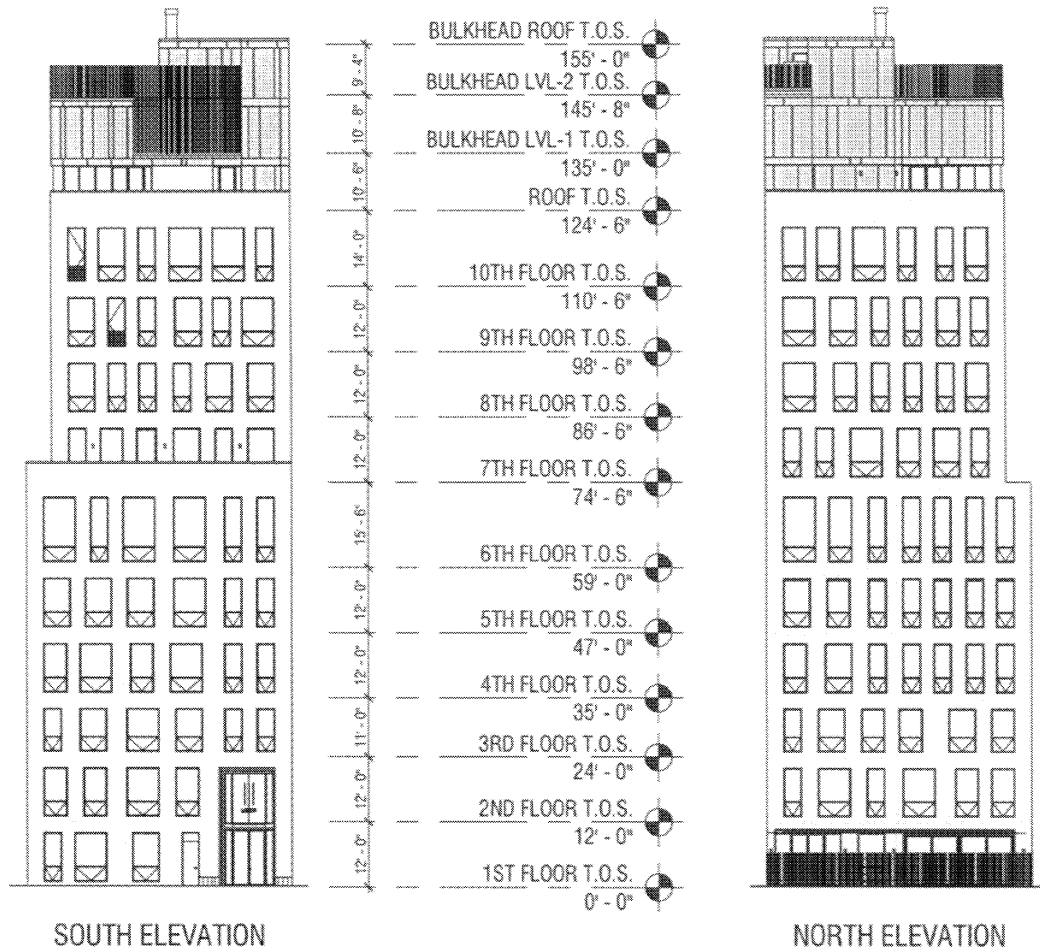
SCALE 1/16" = 1'-0"



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NEW YORK NY 10014

BUILDING SITE
PLAN

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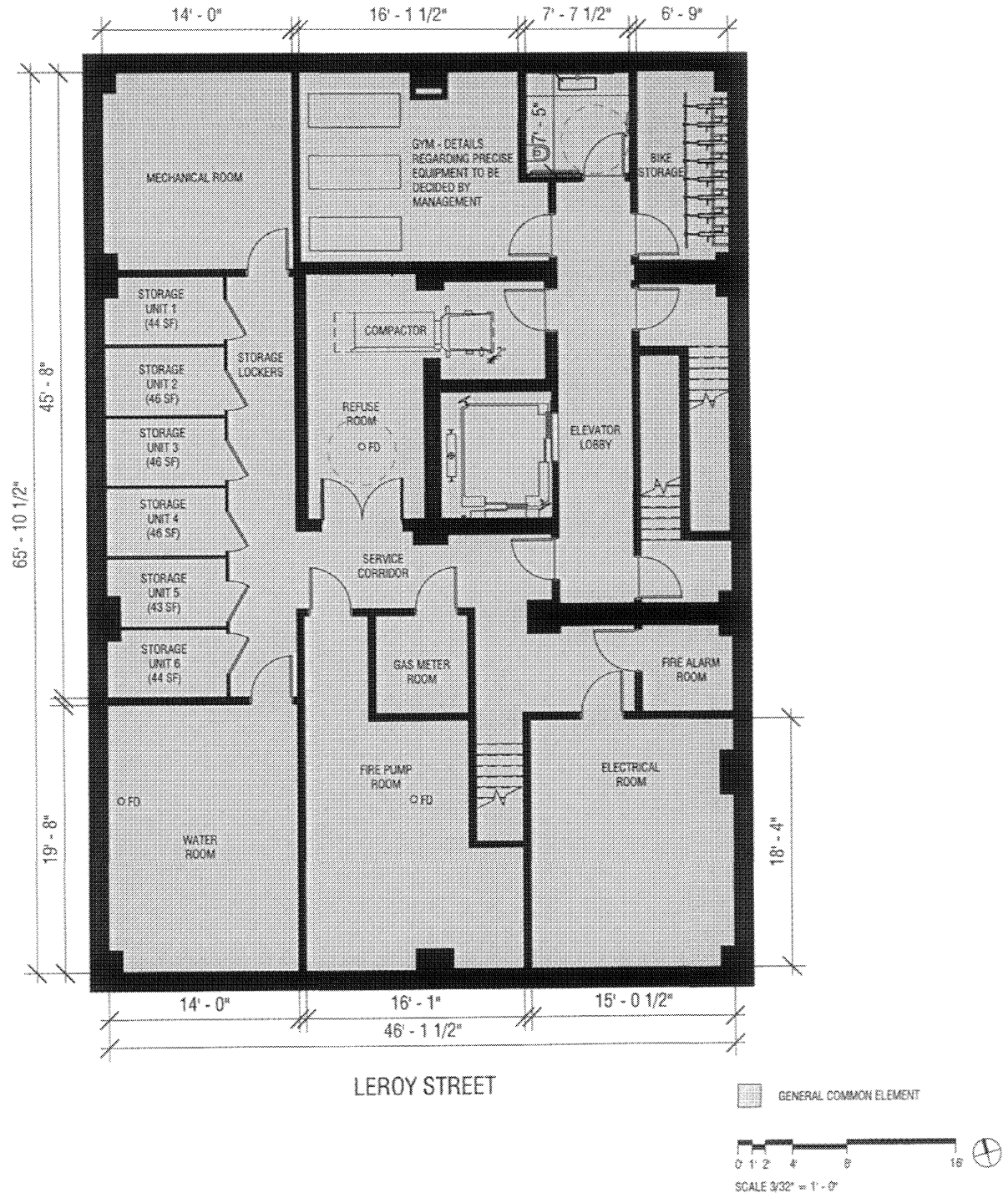
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SCALE 1/32" = 1'-0"

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NEW YORK NY 10014

BUILDING
ELEVATIONS

ALL DIMENSIONS AND SQUARE FOOTAGE ARE APPROXIMATE
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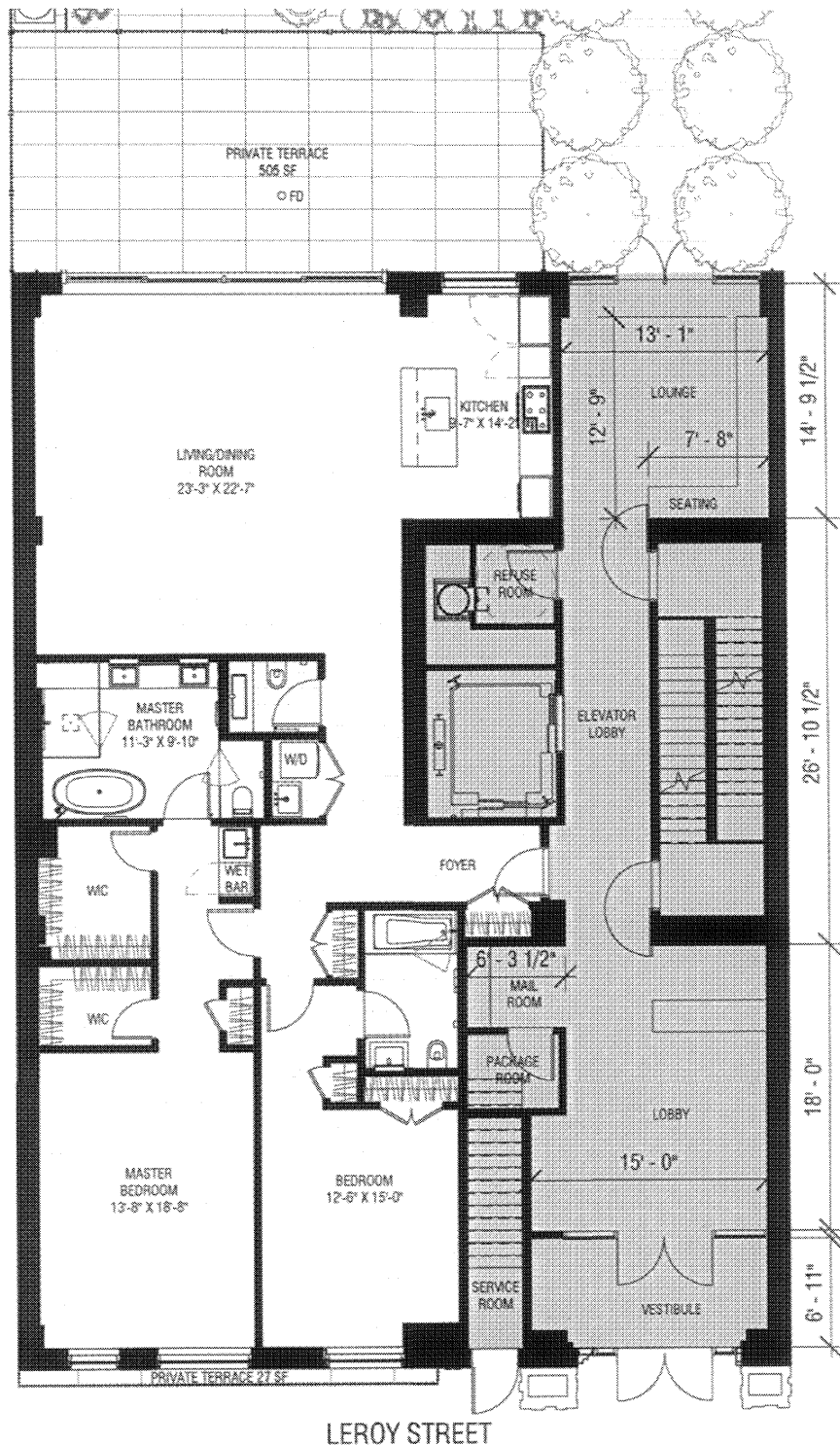


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CELLAR

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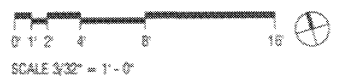
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LEROY STREET

UNIT 1: 2 BED / 2.5 BATH
 FLOOR: 1ST FLOOR
 UNIT AREA: 2,038 SF
 TERRACE AREA: 532 SF

GENERAL COMMON ELEMENT

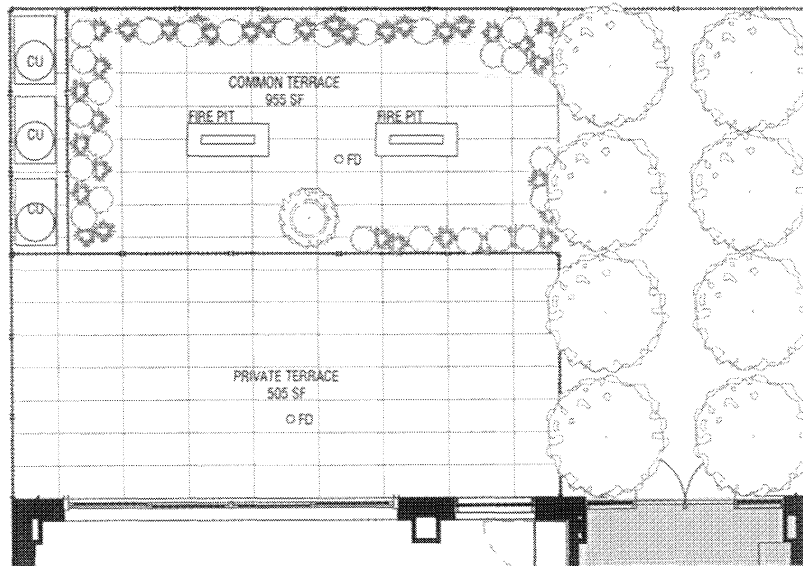


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UNIT **1**

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GENERAL COMMON ELEMENT

0' 4' 8' 16' 32'

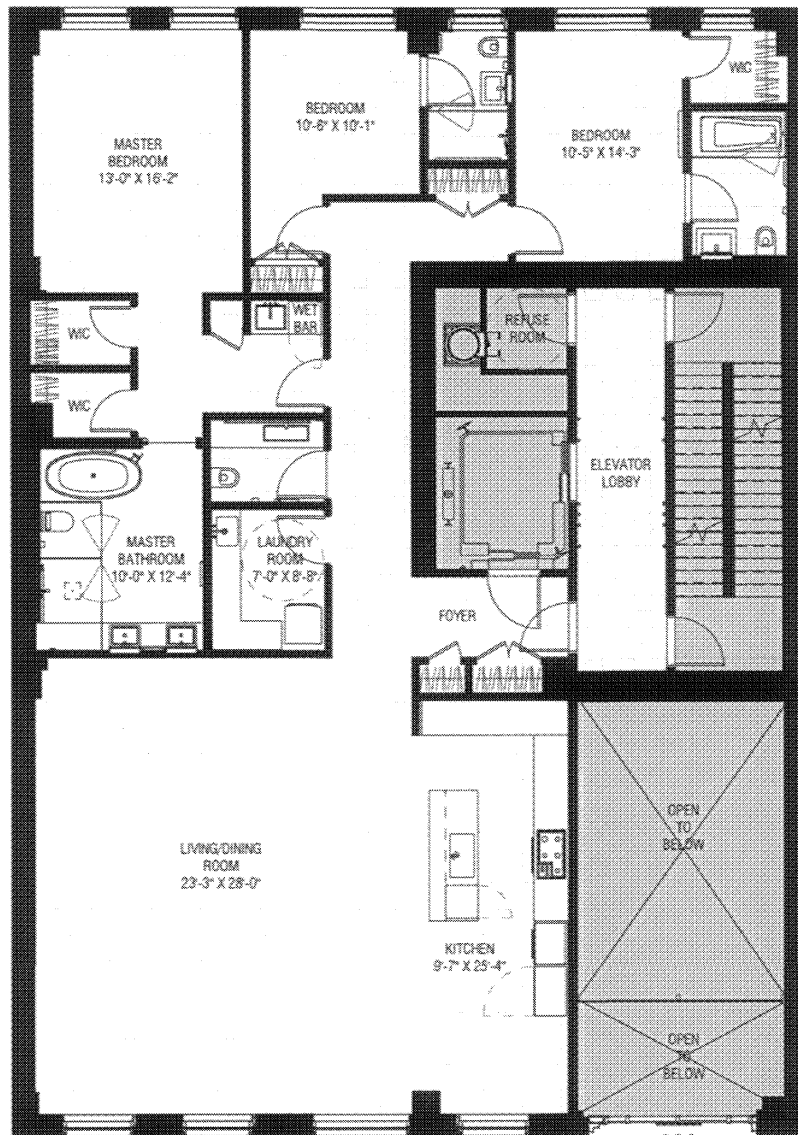
SCALE 3/32" = 1'-0"



**111 LEROY STREET
NEW YORK NY 10014**

REAR YARD

ALL DIMENSIONS AND SQUARE FOOTAGE ARE APPROXIMATE
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LEROY STREET

UNIT 2: 3 BED / 3.5 BATH
 FLOOR: 2ND FLOOR
 UNIT AREA: 2,975 SF

GENERAL COMMON ELEMENT

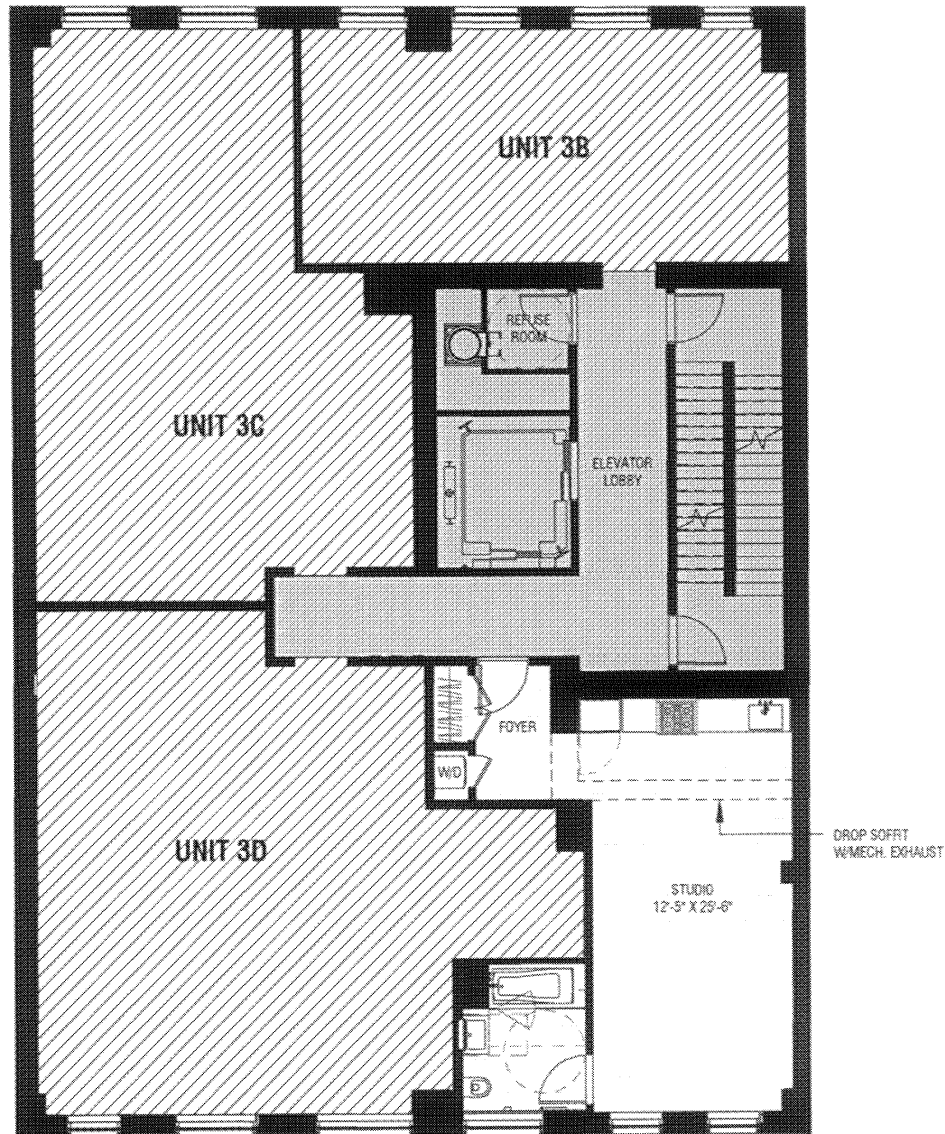


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UNIT **2**

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LEROY STREET

UNIT 3A: 0 BED / 1 BATH
FLOOR: 3RD FLOOR
UNIT AREA: 547 SF

GENERAL COMMON ELEMENT

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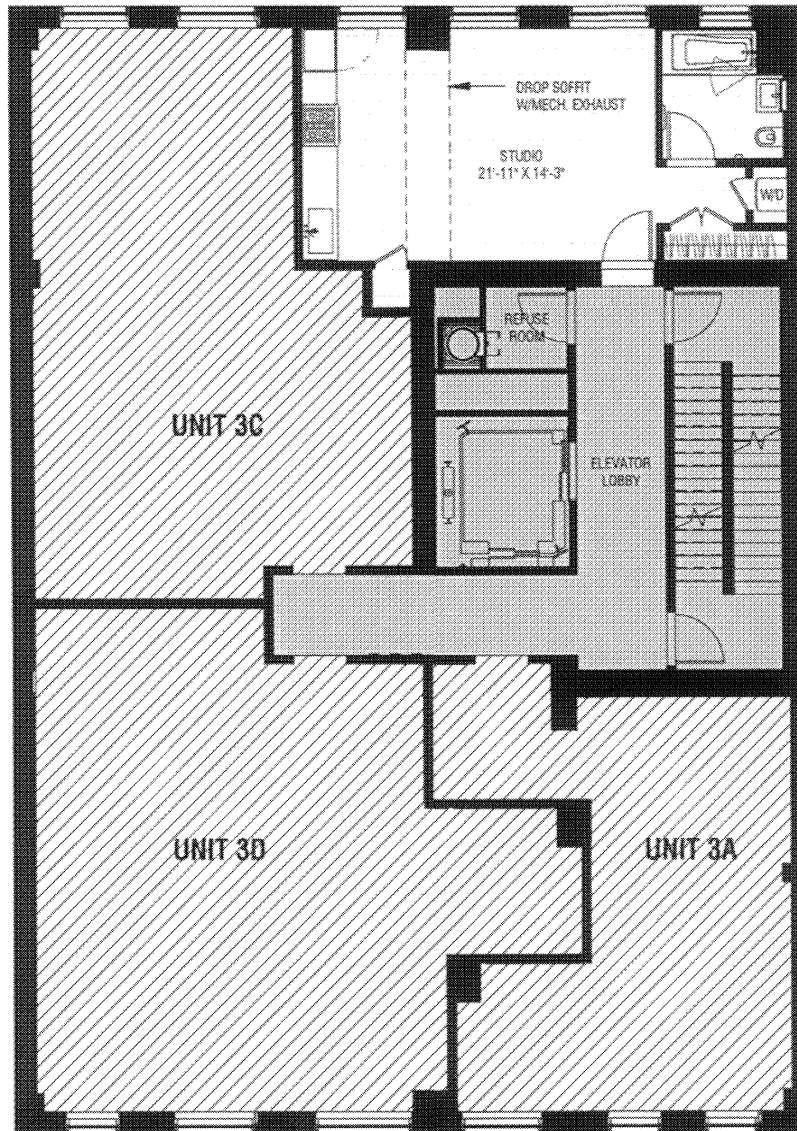
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UNIT **3A**

ALL DIMENSIONS AND SQUARE FOOTAGE ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE 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.

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LEROY STREET

UNIT 3B: 0 BED / 1 BATH
 FLOOR: 3RD FLOOR
 UNIT AREA: 513 SF

GENERAL COMMON ELEMENT



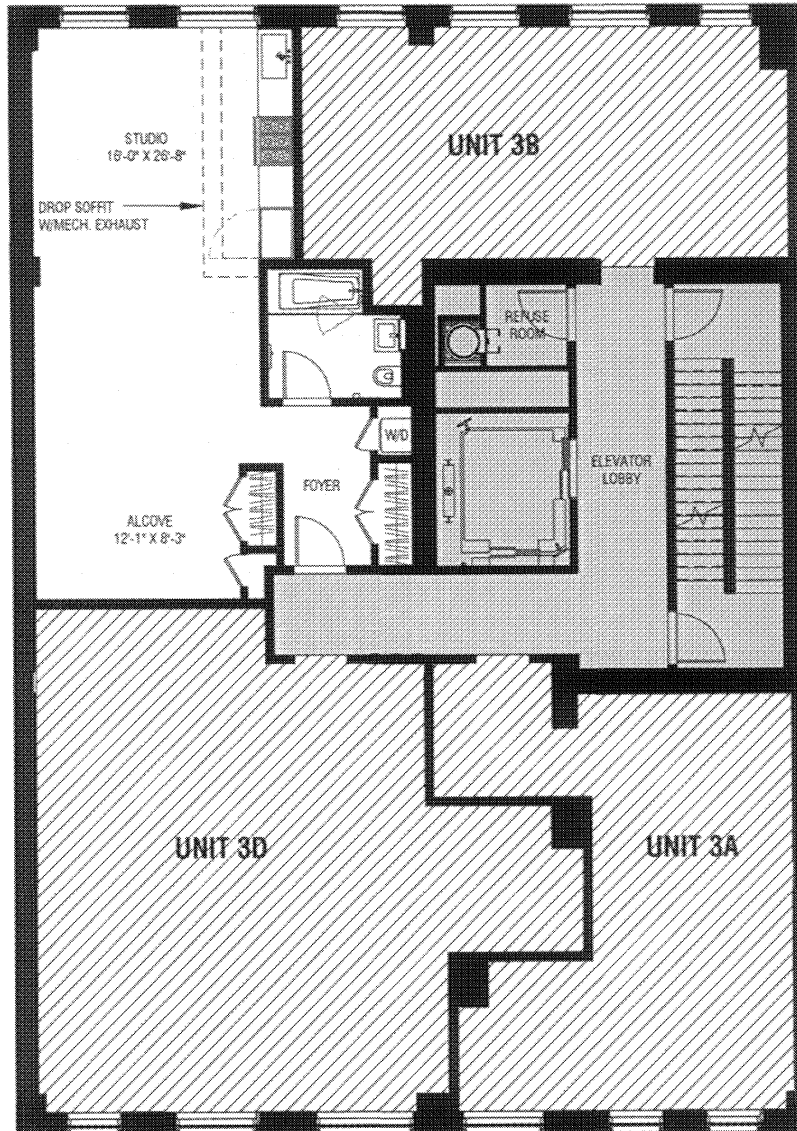
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UNIT **3B**

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LEROY STREET

UNIT 3C: 0 BED / 1 BATH
FLOOR: 3RD FLOOR
UNIT AREA: 774 SF

GENERAL COMMON ELEMENT

0' 1' 2' 4' 8' 16'

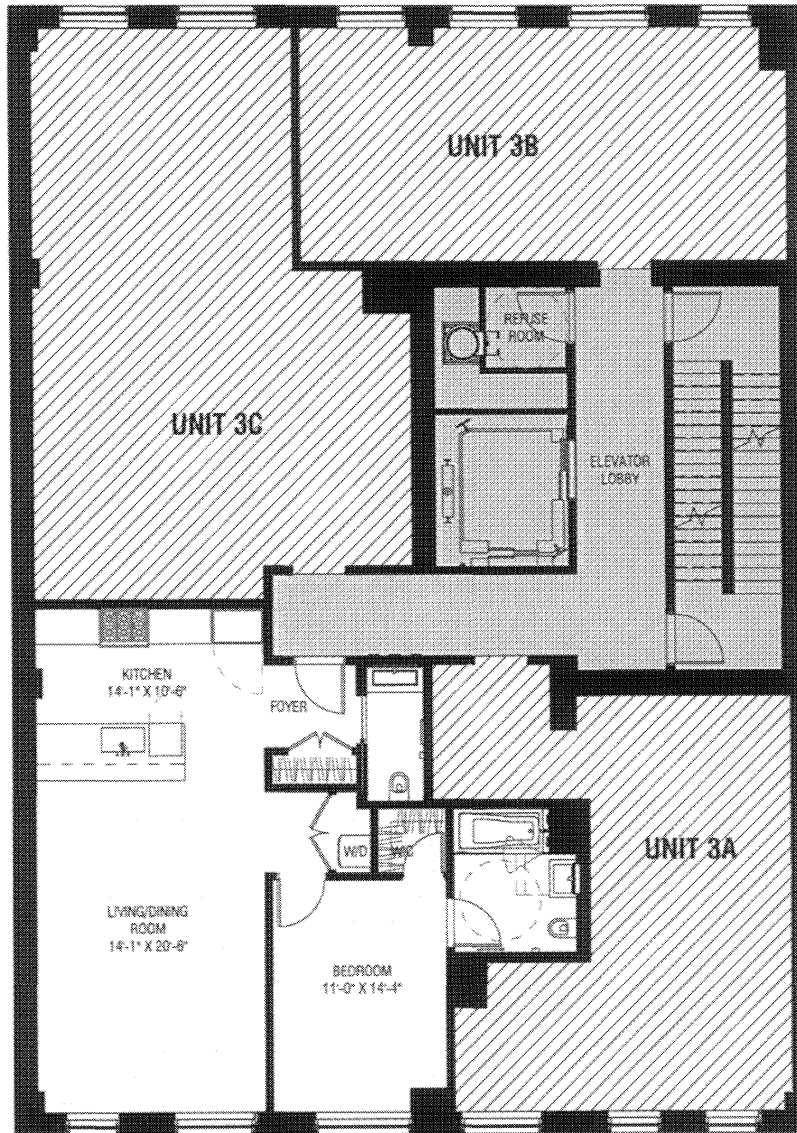
SCALE 3/32" = 1' - 0"

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UNIT **3C**

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LEROY STREET

UNIT 3D: 1 BED / 1.5 BATH
FLOOR: 3RD FLOOR
UNIT AREA: 900 SF

GENERAL COMMON ELEMENT

0' 1' 2' 4' 8' 16'

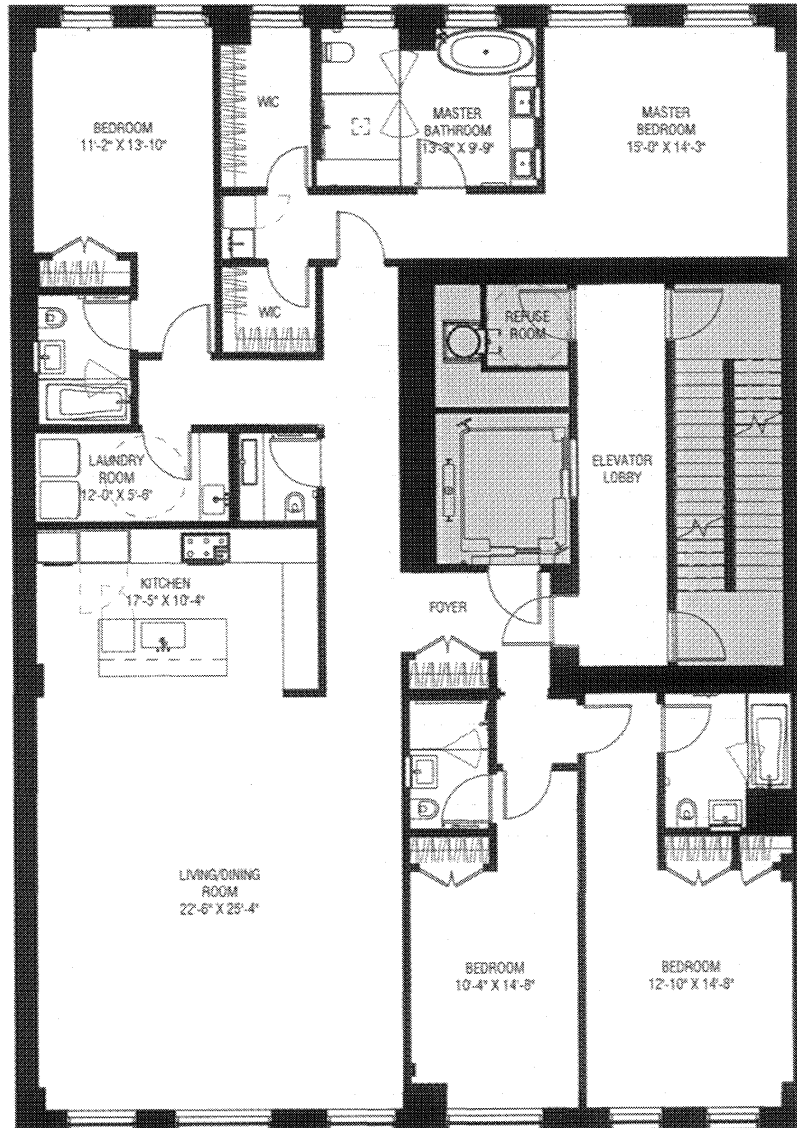
SCALE 3/32" = 1'-0"

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UNIT **3D**

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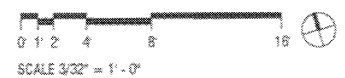
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LERoy STREET

UNIT 4: 4 BED / 4.5 BATH
 FLOOR: 4TH FLOOR
 UNIT AREA: 3,370 SF

 GENERAL COMMON ELEMENT

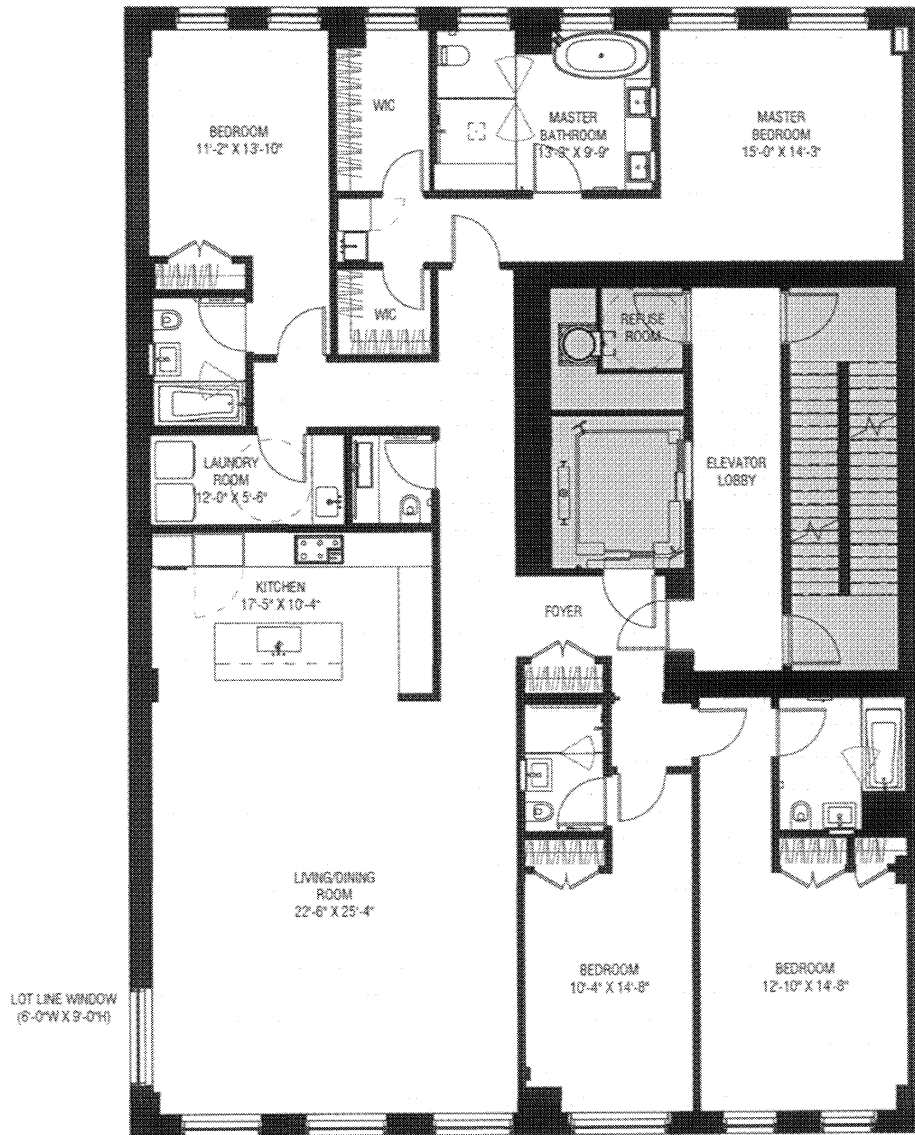


111 LEROY STREET
NEW YORK NY 10014

UNIT 4

ALL DIMENSIONS AND SQUARE FOOTAGE ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCLUDES THE 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.

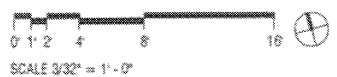
EACH UNIT IS MEASURED HORIZONTALLY FROM THE EXTERIOR SIDE OF THE EXTERIOR WALLS (COLUMNS, MECHANICAL PIPES (WHETHER ALONG THE PERIMETER OR WITHIN THE UNIT), STRUCTURAL WALLS, SHAFTS, SHAFTWAYS, CHASES, CHASEWAYS AND CONDUITS ARE NOT DEDUCTED FROM MEASUREMENT OF EACH UNIT) TO THE MIDPOINT OF THE INTERIOR WALL AND DESIGNING PARTITIONS SEPARATING ONE UNIT FROM ANOTHER UNIT, OR SEPARATING ONE UNIT FROM CORRIDORS, STAIRS, ELEVATOR AND OTHER MECHANICAL EQUIPMENT SPACES OR ANY COMMON ELEMENTS NOT WITHIN A UNIT OR TO THE EXTERIOR SIDE OF GLASS OR THE OPPOSITE EXTERIOR WALLS. EACH UNIT IS MEASURED VERTICALLY FROM THE TOP OF THE FLOOR IS LOCATED UNDER THE FINISHED FLOORING AND SUB-FLOORING MATERIALS TO THE TOP OF THE FLOOR JOIST, ELEVATIONS, ELEVATOR HOISTWAYS, ELEVATOR LOBBIES, REFUSE ROOM, MECHANICAL SHAFTS, AND ESCAPE STAIR, INCLUSIVE OF THE INTERIOR WALLS AND PARTITIONS SEPARATING A UNIT FROM THESE GENERAL COMMON ELEMENTS ARE NOT DEDUCTED FROM THE SQUARE FOOT AREA OF FULL FLOOR UNITS. AS IS CUSTOMARY IN NEW YORK, THE SQUARE FOOTAGE INCLUDES THE USABLE FLOOR AREA OF EACH UNIT.



LEROY STREET

UNIT 5: 4 BED / 4.5 BATH
FLOOR: 5TH FLOOR
UNIT AREA: 3,370 SF

GENERAL COMMON ELEMENT

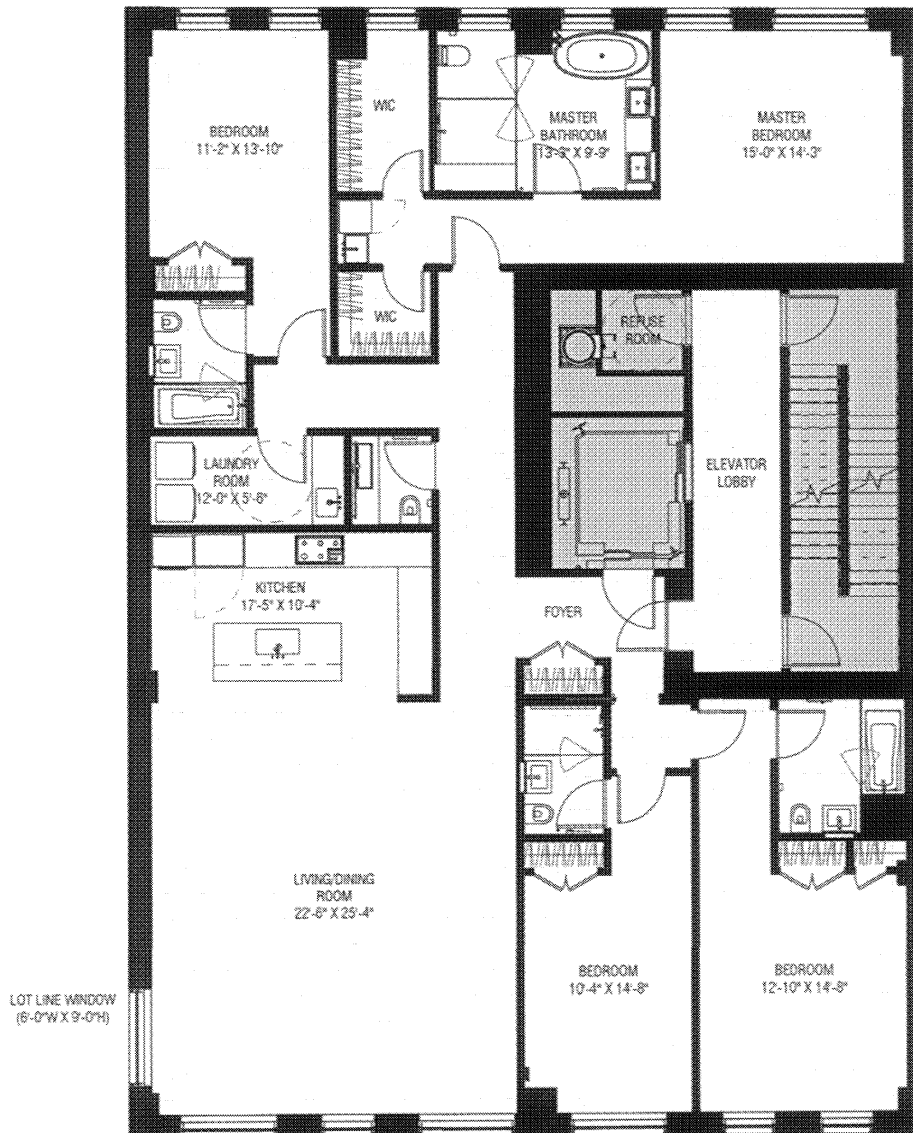


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NEW YORK NY 10014

UNIT 5

ALL DIMENSIONS AND SQUARE FOOTAGE ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE COMPLETE OFFERING TERMS ARE IN THE OFFERING PLAN AVAILABLE FROM THE SPONSOR.

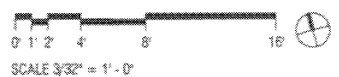
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LEROY STREET

UNIT 6: 4 BED / 4.5 BATH
 FLOOR: 6TH FLOOR
 UNIT AREA: 3,370 SF

GENERAL COMMON ELEMENT

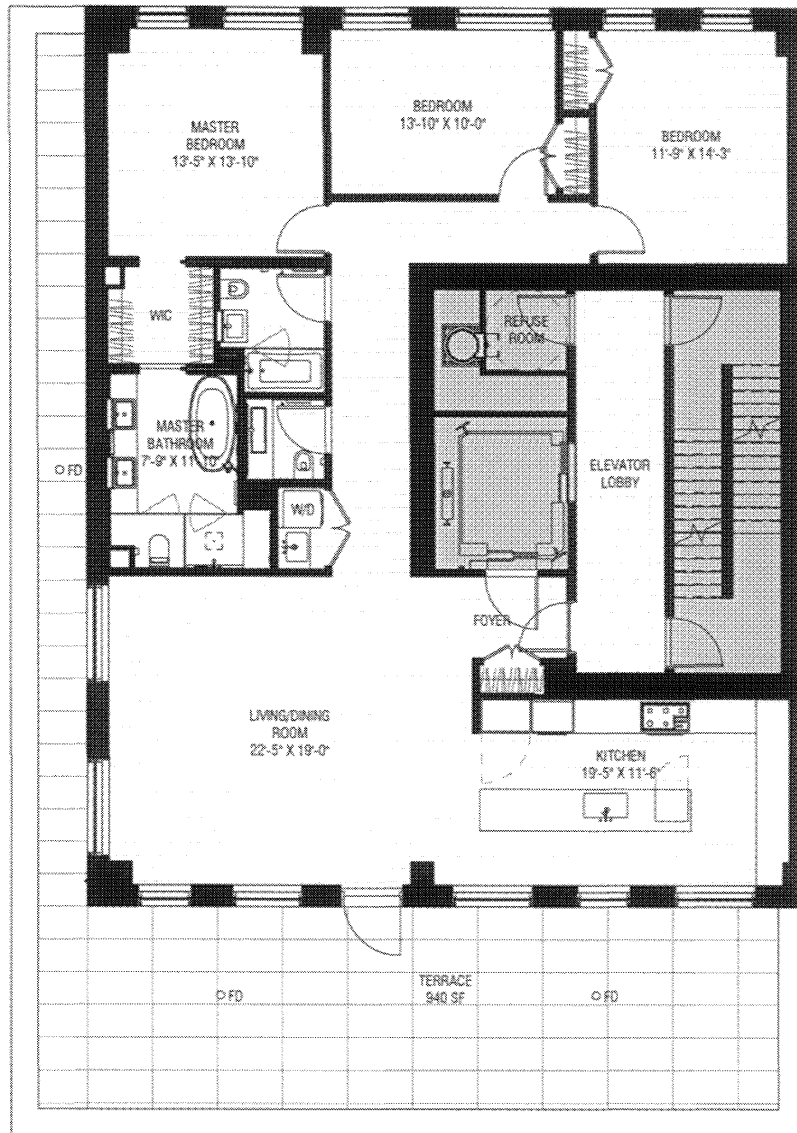


111 LEROY STREET
 NEW YORK NY 10014

UNIT **6**

ALL DIMENSIONS AND SQUARE FOOTAGE ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE 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.

EACH UNIT IS MEASURED HORIZONTALLY FROM THE EXTERIOR SIDE OF THE EXTERIOR WALLS (COLUMNS, MECHANICAL SHAFTS, CHASES, OR OTHER PERIMETER OR WITHIN THE UNIT, STRUCTURAL WALLS, SHAFTS, CHASES, CHASEWAYS AND CONDUITS ARE NOT DEDUCTED FROM MEASUREMENT OF EACH UNIT) TO THE INSIDE OF THE INTERIOR WALL AND DEMISING PARTITIONS SEPARATING ONE UNIT FROM ANOTHER UNIT, OR SEPARATING ONE UNIT FROM CORRIDORS, STAIRS, ELEVATOR AND OTHER MECHANICAL EQUIPMENT SPACES OR ANY COMMON ELEMENTS NOT WITHIN A UNIT OR TO THE EXTERIOR SIDE OF GLASS OR THE OPPOSITE EXTERIOR WALLS. EACH UNIT IS MEASURED VERTICALLY FROM THE TOP OF THE FLOOR (LOCATED UNDER THE FINISHED FLOORING AND SUB-FLOORING MATERIALS) TO THE TOP OF THE FLOOR ABOVE (ELEVATORS, ELEVATOR HOISTWAY, ELEVATOR LOBBY, REFUSE ROOM, MECHANICAL SHAFTS, AND EXPRESS STAIR, INCLUSIVE OF THE INTERIOR WALLS AND PARTITIONS SEPARATING A UNIT FROM THE GENERAL COMMON ELEMENTS ARE NOT DEDUCTED FROM THE SQUARE FOOT AREA OF FULL-FLOOR UNITS. AS IS CUSTOMARY IN NEW YORK, THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA OF EACH UNIT.



LEROY STREET

UNIT 7: 3 BED / 2.5 BATH

FLOOR: 7TH FLOOR

UNIT AREA: 2,430 SF

TERRACE AREA: 940 SF

GENERAL COMMON ELEMENT



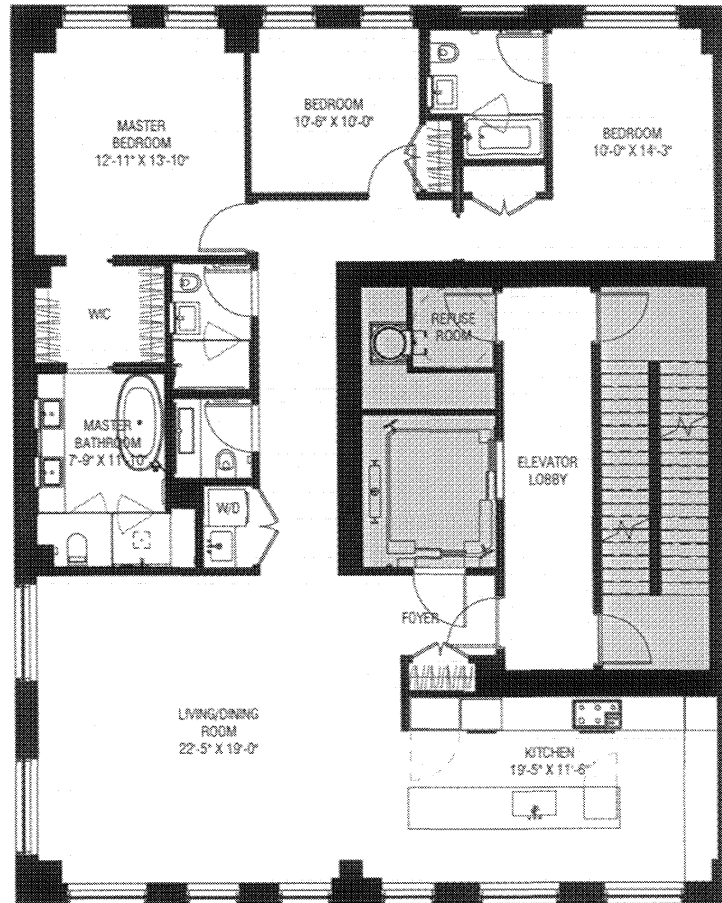
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NEW YORK NY 10014

UNIT 7

ALL DIMENSIONS AND SQUARE FOOTAGE ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE 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.

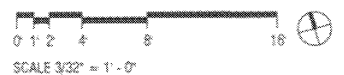
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LEROY STREET

UNIT 8: 3 BED / 3.5 BATH
FLOOR: 8TH FLOOR
UNIT AREA: 2,430 SF

GENERAL COMMON ELEMENT

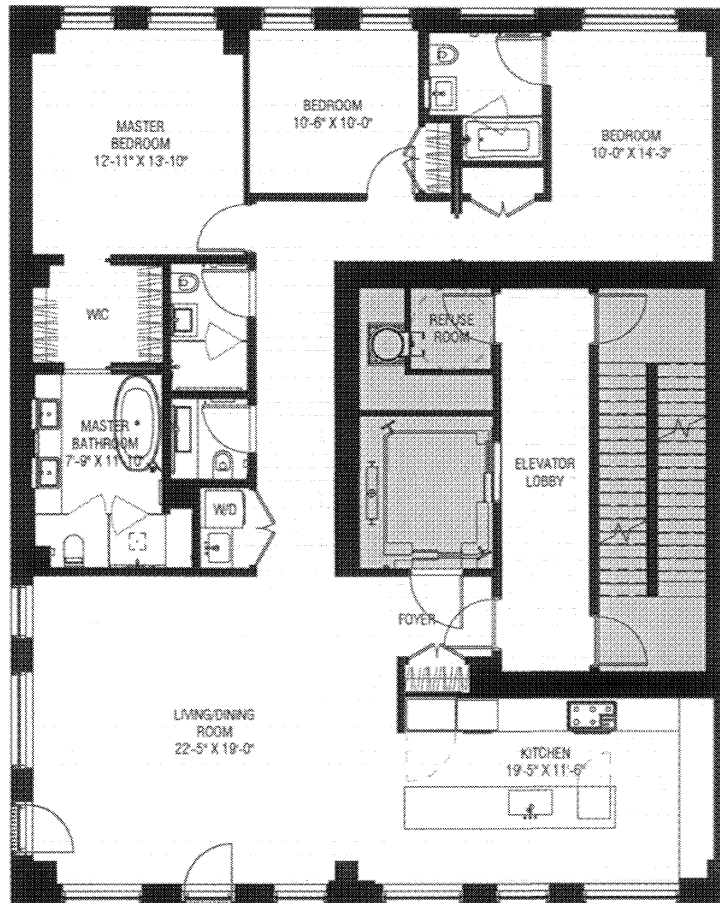


111 LEROY STREET
NEW YORK NY 10014

UNIT 8

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LEROY STREET

UNIT 9: 3 BED / 3.5 BATH
FLOOR: 9TH FLOOR
UNIT AREA: 2,430 SF

GENERAL COMMON ELEMENT

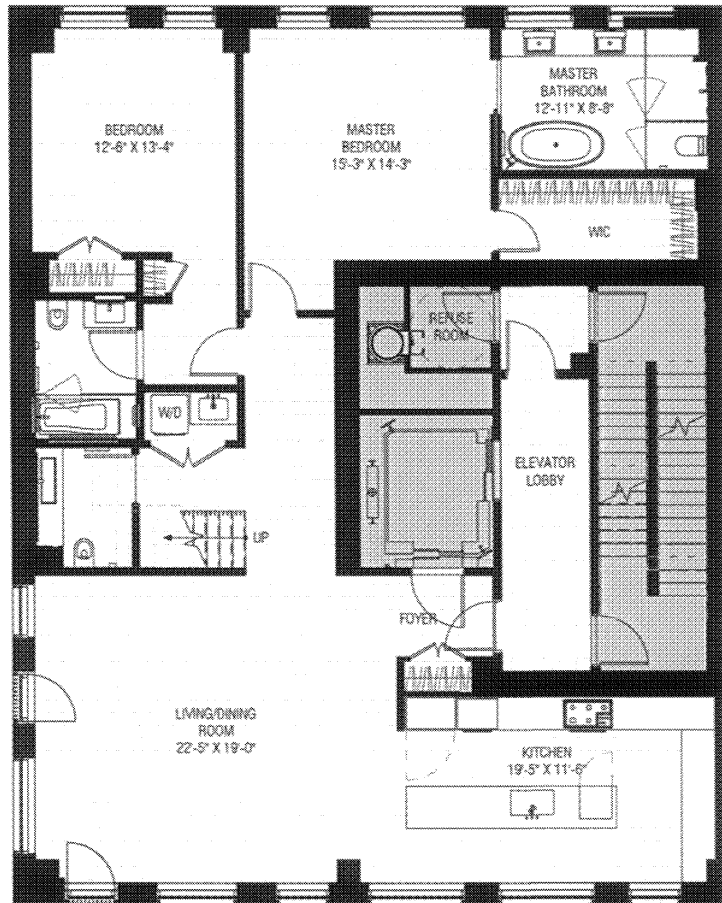


111 LEROY STREET
NEW YORK NY 10014

UNIT 9

ALL DIMENSIONS AND SQUARE FOOTAGE ARE APPROXIMATE AND SUBJECT TO NORMAN CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE 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.

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LEROY STREET

UNIT PH: 2 BED / 2.5 BATH
 FLOOR: 10TH FLOOR
 10TH FLOOR AREA: 2,430 SF
 UNIT AREA: 2,985 SF
 ROOF TERRACE AREA: 1,875 SF

GENERAL COMMON ELEMENT



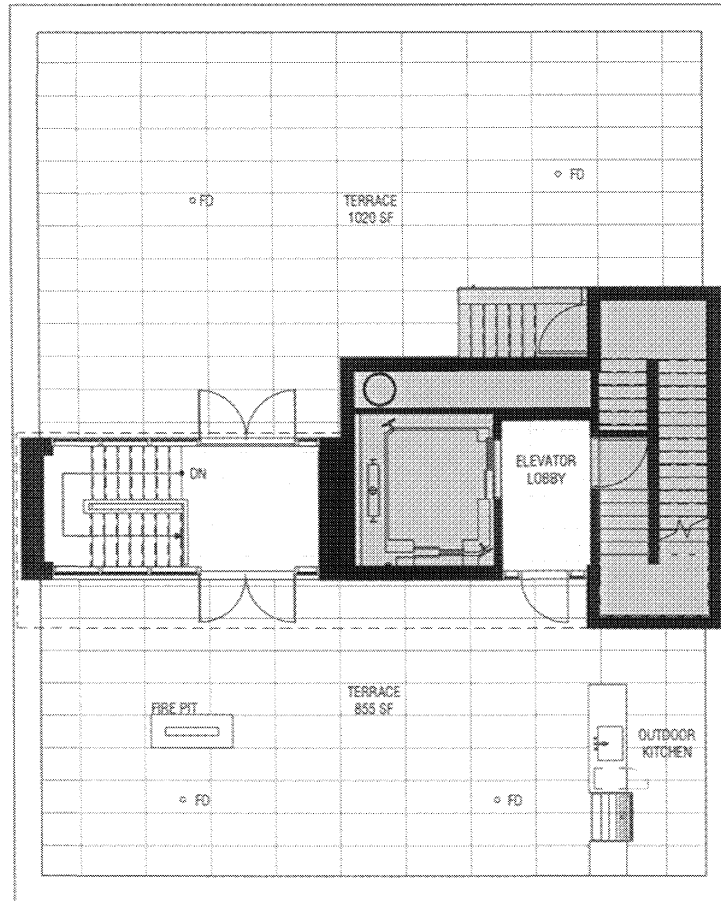
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111 LEROY STREET
NEW YORK NY 10014

UNIT **PH**

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NO MECHANICAL EQUIPMENT TO BE LOCATED ON
ROOF TERRACE

LEROY STREET

UNIT PH: 2 BED / 2.5 BATH
FLOOR: ROOF
ROOF LEVEL AREA: 555 SF
UNIT AREA: 2,985 SF
ROOF TERRACE AREA: 1,875 SF

GENERAL COMMON ELEMENT



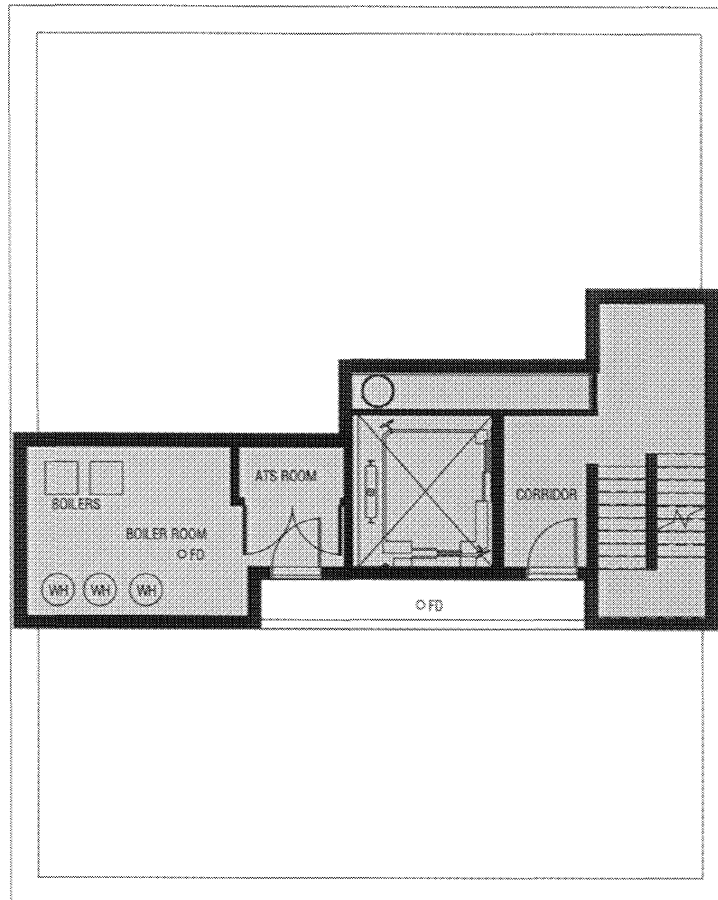
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111 LEROY STREET
NEW YORK NY 10014

UNIT **PH**

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 GENERAL COMMON ELEMENT

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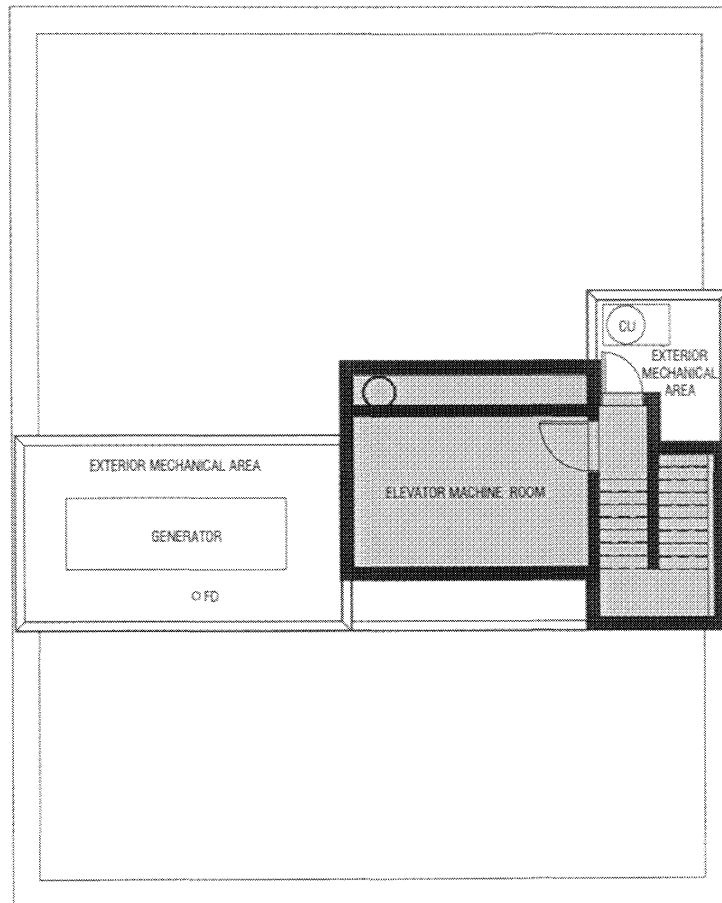
SCALE 3/32" = 1'-0"



**111 LEROY STREET
NEW YORK NY 10014**

BULKHEAD LVL-1

ALL DIMENSIONS AND SQUARE FOOTAGE ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE 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.



 GENERAL COMMON ELEMENT

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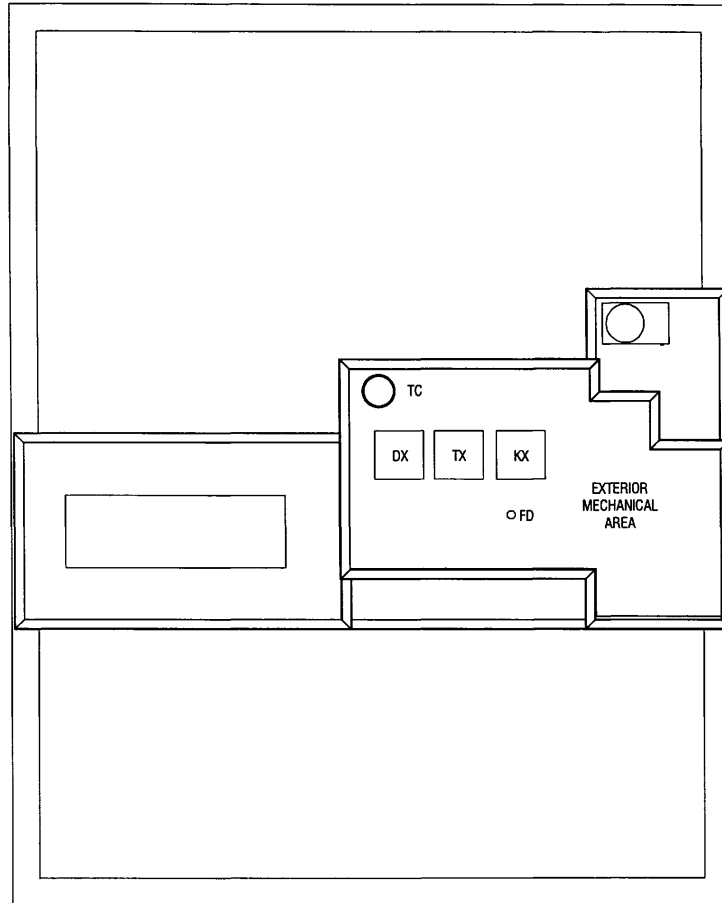
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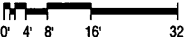
**111 LEROY STREET
NEW YORK NY 10014**

BULKHEAD LVL-2

ALL DIMENSIONS AND SQUARE FOOTAGE ARE APPROXIMATE
AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES
AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE
USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO
MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE
OFFERING PLAN. THE COMPLETE SLEEPING TERMS ARE IN
THE OFFERING PLAN AVAILABLE FROM THE SPONSOR.



 GENERAL COMMON ELEMENT


0' 4' 8' 16' 32'

SCALE 3/32" = 1'-0"



**111 LEROY STREET
NEW YORK NY 10014**

BULKHEAD ROOF

ALL DIMENSIONS AND SQUARE FOOTAGE ARE APPROXIMATE
AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES
AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE
USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO
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OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN
THE OFFERING PLAN AVAILABLE FROM THE SPONSOR.

PURCHASE AGREEMENT

PURCHASE AGREEMENT

PMG LEROY STREET DEVELOPMENT LLC

Sponsor

With

Purchaser

Unit Number _____

**111 LEROY CONDOMINIUM
111 LEROY STREET
NEW YORK, NEW YORK 10014**

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SCHEDULE A – PERMITTED ENCUMBRANCES

SCHEDULE B INSPECTION STATEMENT

SCHEDULE C – RIDER TO PURCHASE AGREEMENT RE: ESCROW PROVISIONS

PURCHASE AGREEMENT**UNIT NUMBER _____**

**111 LEROY CONDOMINIUM
111 LEROY STREET
NEW YORK, NEW YORK 10014**

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 111 Leroy 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 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 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 PMG Leroy Street Development LLC, having an address at 111 Fifth Avenue, 6th Floor, New York, NY 10003. Sponsor's taxpayer identification number is 46-3656811.

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: Andrea L. Roschelle, Esq. Telephone number: (212) 620-2681. Fax number: (212) 696-5013. E-mail address: aroschelle@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 Douglas Elliman Real Estate, having an address at 675 Third Avenue, New York, New York. Telephone number: 212-370-9200. Fax number: 212-692-8449.

2.6 "Co-Broker" means _____.

2.7 “Escrow Agent” means Attorneys for Sponsor.

2.8 “Title Company” means New York Land Services, Inc., having an address at 630 3rd Avenue, New York, NY 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 Unit (“Purchase Price”) is \$_____.

The Purchase Price is payable as follows:

(a) \$_____ (“Deposit”), due upon Purchaser’s signing and delivering this Agreement;
and

(b) \$_____ (“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 PMG Leroy Street Development 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 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 Special Work Funds or the Balance of the Purchase Price or , 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 Section 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 Section 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 inure to the benefit of Sponsor. Accordingly, at Closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. 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 Sections 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 Deposit, Special Work Funds, 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 any 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 or has been filed against Purchaser and Purchaser does not pay or bond the judgment or lien as and when demanded by Sponsor; 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 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 (a) all Deposits and any interest earned thereon and (b) Special Work Funds.

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 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 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 had an opportunity to review the Plan and this Agreement and 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 Section 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 Section 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 Section 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 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 (including, without limitation, legal fees and disbursements incurred in connection with Purchaser's bankruptcy) incurred by Sponsor in defending or enforcing 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 Section 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.

45.2 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 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 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 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 decision of the Appellate Division, First Department, 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:

PMG Leroy Street Development LLC

By: _____
Name: Kevin Maloney
Title: Authorized Signatory

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 Rules and Regulations, all as set forth in the Declaration, the By-Laws (and the 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 elevator, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations.
9. Leases and service, maintenance, employment, concessionaire and Storage Lockers 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: _____

PMG Leroy Street Development LLC
 111 Fifth Avenue, 6th Floor
 New York, NY 10003

Re: Unit No: _____ ("Unit")
 111 Leroy Condominium
 111 Leroy Street
New York, New York 10014 ("Condominium")

Ladies and Gentlemen:

1. On the date hereof, the undersigned ("Purchaser") 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 Limited Common Elements appurtenant thereto after Closing in order to complete the work set forth on the Inspection Statement, failing which Sponsor shall be relieved of its obligations to complete the items listed on Exhibit A.

PURCHASER(S):

 (signature)

 (signature)

OR

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: Unit No: _____ ("Unit")
 111 Leroy Condominium
 111 Leroy Street
New York, New York 10014 ("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 Sponsor, Selling Agent, Managing Agent, or any principal thereof, or has any beneficial interest in any of the foregoing.

Escrow Agent has established an escrow account entitled "Starr Associates LLP, Escrow Account" ("Escrow Account") at First Republic located at 1230 Avenue of Americas, 2nd Floor, New York, New York 10020 ("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 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 Balance of the Purchase Price, the Special Work Funds, 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 (excluding Special Work Funds). Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8 (Certificate of Foreign Status) in the forms set forth in Part II to the Plan, to Attorneys for Sponsor (or Escrow Agent) at the time Purchaser signs and delivers the Purchase Agreement and the 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 (except for deposits for Special Work Funds). If a Purchaser does not deliver the Form W-9 or Form W-8, the Deposit will remain in the non-interest bearing portion of the 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, except for any Special Work Funds, are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, until such time as Sponsor is entitled to such Deposits as per GBL § 352-h. Special Work Funds will initially be placed in the Escrow Account. However, Purchasers should note that such Special Work Funds may be released from the Escrow Account by Escrow Agent to Sponsor to pay, or reimburse Sponsor, for such special work. As a result, in the event Sponsor cancels the Purchase Agreement or Purchaser is entitled to rescind the Purchase Agreement in accordance with the Plan, Purchaser will not receive a refund of any Special Work Funds, except if Sponsor abandons or withdraws the Plan, in which case the Special Work Funds will be returned to Purchaser. Escrow Agent shall be under no duty to verify that Sponsor used or committed such funds for special work.

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 Deposit. If Purchaser does not receive notice that the Deposit has been placed in the Escrow Account within 15 business days after delivery of the Deposit, Purchaser may cancel the Purchase and rescind the Purchase Agreement so long as the right to rescind is exercised within 90 days after delivery or crediting of the Deposit by notice delivered to Sponsor and to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations. However, Escrow Agent will not be required to send the aforementioned letter to any Purchaser in connection with any Special Work Funds 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.

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 December 21, 2015, the interest rate for the Escrow Bank was 0.08 %. 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.

PURCHASERS WILL EARN NO INTEREST ON DEPOSITS WHICH ARE DEPOSITED IN SPONSOR'S CONSTRUCTION FUND ACCOUNT, EXCEPT DURING SUCH PERIODS AS THE DEPOSITS ARE PLACED IN THE INTEREST BEARING PORTION OF THE ESCROW ACCOUNT.

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:

PMG Leroy Street Development LLC

By: _____
Name: Kevin Maloney
Title: Authorized Signatory

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: STORAGE LOCKER**

This Rider is made as of _____, between Sponsor and Purchaser.

Re: Unit No: _____ ("Unit")
 111 Leroy Condominium
 111 Leroy Street
New York, New York 10014 ("Condominium")

1. STORAGE LOCKER LICENSE

1.1 Sponsor agrees to sell and Purchaser agrees to purchase Storage Locker #_____ for a Purchase Price of \$_____. At Closing, Purchaser shall enter into a Storage Locker License to use the specific Storage Locker designated by Sponsor, the form of which is set forth in Part II of the Plan.

1.2 The Purchase Price is payable as follows:

(a) \$_____, ("Deposit"), due upon Purchaser's signing and delivering this Agreement;

(b) \$_____, ("Balance of the Purchase Price"), due upon the delivery of the deed to the Unit

2. RE-DESIGNATION OF STORAGE LOCKER

Sponsor reserves the right at or prior to Closing to designate a different Storage Locker in lieu of the Storage Locker set forth above, provided the new Storage Locker is equal to or greater in size and has the same Purchase Price.

3. TEMPORARY CERTIFICATE OF OCCUPANCY

Purchaser will be required to consummate the purchase of the Unit and the Storage Locker simultaneously at Closing, even though a TCO has not been issued, and access may not be available for the Storage Locker Area of the Building. In such event, the proceeds from the sale of the Storage Locker will be held in the Storage Locker Escrow until such time as a TCO has been issued for the Storage Locker Area in which the Storage Locker is located. The Storage Locker Escrow will not be held in an interest bearing escrow account, and, therefore, Purchaser will earn no interest on the Storage Locker Escrow.

4. DAMAGE TO THE STORAGE LOCKER AREA

If there is a fire or other casualty to the Storage Locker Area and Sponsor does not elect to repair or restore such area following such fire or casualty, then the Purchase Agreement shall be deemed modified to provide for the Closing of Title with respect to the Unit only. In such event, the Balance of the Purchase Price of the Unit shall be reduced by the amount of the 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:

PMG Leroy Street Development LLC

By: _____
Name: Kevin Maloney
Title: Authorized Signatory

UNIT DEED

UNIT DEED

THIS INDENTURE, made the ____ day of _____, ____, between PMG Leroy Street Development LLC, having an office at 111 Fifth Avenue, 6th Floor, New York, NY 10003 ("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 Unit No. ____ in the building ("Building") known as the 111 Leroy Condominium ("Condominium") and by the street number 111 Leroy Street, Borough of Manhattan, County of New York, 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 New York ("Register's Office") on [DEC RECORDING DATE], as CRFN# [DEC CRFN #] ("Declaration"). The Unit is also designated as Tax Lot [PROPERTY LOT] in Block 602 of the Borough of Manhattan 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 Workshop 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 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 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:

PMG Leroy Street Development LLC

By: _____

Name: Kevin Maloney

Title: Authorized Signatory

GRANTEE:

(signature)

(signature)

(ACKNOWLEDGEMENTS)

STATE OF NEW YORK)
) ss.:
 COUNTY OF New York)

On the ____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of whom the individual(s) acted, executed the instrument.

 Notary

STATE OF NEW YORK)
) ss.:
 COUNTY OF New York)

On the ____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of whom the individual(s) acted, executed the instrument.

 Notary

STATE OF NEW YORK)
) ss.:
 COUNTY OF New York)

On the ____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of whom the individual(s) acted, executed the instrument.

 Notary

EXHIBIT A

TO UNIT DEED

DESCRIPTION OF THE LAND

**111 Leroy Condominium
111 Leroy Street
New York, New York 10014
Block: 602**

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

[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 111 LEROY CONDOMINIUM, located at 111 Leroy Street, New York, New York 10014 ("Premises") is made as of _____, 20__ between PMG Leroy Street Development 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 111 Fifth Avenue, 6th Floor, New York, NY 10003, 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:

PMG Leroy Street Development LLC

By: _____
Name: Kevin Maloney
Title: Authorized Signatory

CIVIL COURT OF THE CITY OF NEW YORK
COUNTY OF NEW YORK

PMG Leroy Street Development LLC

Petitioner-Owner,

- against -

Premises: 111 Leroy Condominium
111 Leroy Street
New York, New York 10014

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 111 Leroy Condominium, 111 Leroy Street, New York, New York 10014 (“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 42 Street
New York, New York 10017
(212) 620-2681

By: _____
RESPONDENT

By: _____
RESPONDENT

SO ORDERED:

JUSTICE OF THE CIVIL COURT

STORAGE LOCKER LICENSE

STORAGE LOCKER LICENSE

AGREEMENT made this _____ day of _____, ("Storage Locker License") by and between PMG Leroy Street Development LLC, having an office at 111 Fifth Avenue, 6th Floor, New York, NY 10003 ("Sponsor"), and the Condominium Board of the 111 Leroy Condominium on behalf of all Unit Owners, having an address at 111 Leroy Street, New York, New York 10014 ("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 111 Leroy 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 New York 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 111 Leroy Street, New York, New York 10014 ("Property"); and

WHEREAS, Storage Lockers have been installed in a portion of the Property ("Storage Locker Area"); and

WHEREAS, Licensee, owns or simultaneously herewith is acquiring Unit No. _____ in the Condominium; and

WHEREAS, the Condominium Board granted Sponsor the exclusive right to sell, without charge, Storage Lockers pursuant to a Storage Locker license and the Condominium will not be entitled to any of the proceeds from such sale; and

WHEREAS, Licensee desires the right to the exclusive use of a Storage Locker for so long as Licensee owns a Unit in the Condominium;

NOW THEREFORE, in consideration of the sum of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Licensor hereby grants to Licensee, its successors and assigns, a Storage Locker License for the exclusive use of Storage Locker #_____ ("Storage Locker License") and Licensee hereby accepts the Storage Locker 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. The Storage Locker may be used only for the storage of personal effects of a Unit Owner, and in no event shall any food or other perishable item be stored therein.

4. No Storage Locker may be used for any Prohibited Use. The use of a Storage Locker for a Prohibited Use can result in violations being posted against the Building. Any and all costs or expenses incurred by the Condominium or other Unit Owner as a result of any Prohibited Use of a Storage Locker shall be borne by such Unit Owner.

5. Except for Sponsor and the Condominium Board, a Storage Locker may not be licensed independently of a Unit. This Storage Locker License shall automatically terminate at such time as Licensee no longer owns a Unit in the Condominium unless this Storage Locker License is assigned to and assumed by another Unit Owner.

6. This Storage Locker License may be assigned by Licensee at any time provided that (i) the assignee is a 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 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.

7. Licensee represents that Licensee has made a thorough inspection of the Storage Locker and the Storage Locker Area and agrees to take same in its "as is" condition as of the date of this Storage Locker License.

8. Licensee represents that Licensee shall, throughout the term of this Storage Locker License, maintain the Storage Locker in proper care.

9. Neither Licenser nor Licenser's agents or employees shall be liable for any theft or damage to any property stored in the Storage Locker Area. In the event of a power outage, any resulting loss or damage will be at the sole cost of the Storage Locker Licensee. Licenser, Licenser'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 Storage Locker Area(s).

10. The terms of this Storage Locker License are subject to the terms of the Condominium Documents. Nothing contained herein shall be construed as limiting the rights and obligations of the parties under the Condominium Documents. Any conflict between the provisions of this Storage Locker License and the Condominium Documents shall be resolved in favor of the Condominium Documents.

11. If Licensee defaults in Licensee's obligations under this Storage Locker 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 Storage Locker 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 Storage Locker 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 Storage Locker License upon written notice to Licensee.

13. The Condominium Board or its agents shall have the right, but not the obligation, to open the Storage Locker in an emergency at any time, and, at other reasonable times upon prior notice to Licensee, to inspect and examine the Storage Locker Area and to make such repairs, replacements and improvements as the Condominium Board shall deem necessary.

14. This Storage Locker License shall constitute a license only and shall not be construed under any circumstances to be a sale of the Storage Locker or conveyance of title thereto. In no event shall a landlord/tenant relationship exist between Licensors and Licensee with respect to this Storage Locker License.

15. Licensee shall indemnify and hold Licensors and their respective officers, directors, shareholders, unit owners, members, agents and employees, harmless from and against any and all liabilities, claims, penalties and judgments, together with any related costs and expenses, including legal fees and expenses, asserted against or sustained by any of them in connection with any act, omission, or negligence of Licensee or Licensee's family members, servants, employees, agents, guests and invitees in connection with this Storage Locker License.

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 Storage Locker.

17. Licensee shall be obligated to reimburse Licensors for any legal fees and disbursements incurred by Licensors in defending the rights of Licensors under this Storage Locker License or, in the event Licensee defaults under this Storage Locker License beyond any applicable cure period, enforcing Licensee's obligations hereunder.

18. Neither this Storage Locker License nor any provision hereof may be waived, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, amendment, discharge or termination is sought and then only to the extent set forth in such instrument.

19. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Storage Locker License, which alone fully and completely express their agreement and that this Storage Locker License supersedes any and all such understandings and agreements with respect to the subject matter hereof.

20. If any provision of this Storage Locker License is invalid or unenforceable as against any party or under certain circumstances, the remainder of this Storage Locker License and the applicability of such provision to other parties or circumstances shall not be affected thereby. Each provision of this Storage Locker License, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

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 Storage Locker License or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

22. Any failure by Licensors to insist upon strict performance by Licensee of any of the provisions of this Storage Locker License shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Licensors, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Licensee of any and all of the provisions of this Storage Locker License to be performed by Licensee.

23. Licensee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

IN WITNESS WHEREOF, the undersigned have executed this Storage Locker License as of the day and year first above written.

AGREED TO AND ACKNOWLEDGED BY:

LICENSOR:

111 LEROY CONDOMINIUM

By: _____
 Name: _____
 Title: _____

LICENSEE(S):

 (signature)

 (signature)

SPONSOR:

PMG Leroy Street Development LLC

By: _____
 Name: Kevin Maloney
 Title: Authorized Signatory

ASSIGNMENT AND ASSUMPTION OF STORAGE LOCKER LICENSE

ASSIGNMENT AND ASSUMPTION OF STORAGE LOCKER LICENSE

THIS ASSIGNMENT AND ASSUMPTION OF STORAGE LOCKER 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 Storage Locker License dated _____, _____ ("Storage Locker License") to have the exclusive right to use [STORAGE LOCKER TYPE] # ____ ("Storage Locker") located in the Building known as the 111 Leroy Condominium, located at 111 Leroy Street, New York, New York 10014, 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 Storage Locker License; and

WHEREAS, Assignee desires to assume all of the obligations and responsibilities of Assignor in and to the Storage Locker License; and

WHEREAS, the parties hereto wish to set forth their agreements with respect to this Assignment and Assumption of this Storage Locker 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 Storage Locker 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 Storage Locker License as if Assignee had signed the Storage Locker 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 Storage Locker.

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 Storage Locker License on the day and year first above written.

ASSIGNOR:

(signature)

ASSIGNEE:

(signature)

APPROVED BY:

111 Leroy Condominium

By: _____
Name:
Title:

DECLARATION OF CONDOMINIUM

DECLARATION

**Establishing a Plan for Condominium Ownership
of the Premises Known as**

111 LEROY CONDOMINIUM

and having a street address of

**111 LEROY STREET
NEW YORK, NEW YORK 10014**

**Pursuant to Article 9-B of the Real Property
Law of the State of New York**

Name: 111 Leroy Condominium

**Sponsor: PMG Leroy Street Development LLC
111 Fifth Avenue, 6th Floor
New York, NY 10003**

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 602, Lot 85
on the Tax Map of the Borough of Manhattan,
County of New York, City and State of New York**

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- D – BY-LAWS OF THE CONDOMINIUM
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**DECLARATION
OF
111 LEROY CONDOMINIUM**

(Pursuant to Article 9-B of the Real Property Law of the State of New York)

PMG Leroy Street Development LLC, a limited liability company organized under the laws of the State of Delaware, having an office at 111 Fifth Avenue, 6th Floor, New York, NY 10003 ("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 111 Leroy 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 The Condominium will consist of Units and Storage Lockers, located within a structure comprising 10 above-grade stories, one (1) below-grade level(s), one (1) roof level and three (3) bulkheads.

Included in the Property are: 13 Units, 4 of which will not be offered for sale at this time and 7 Storage Lockers.

5.1.1 The Units will be located on floors 1 through 10.

5.1.2 The Units located on the 3rd Floor are not being offered at this time.

5.1.3 The Storage Lockers, gym and bicycle storage will be located on the cellar floor.

5.2 The Building is classified as being of fire proof construction. The Building structural system consists of structural steel framing and composite concrete on metal deck slabs. Lateral stability of the Building structure is provided by braced frames located at discrete locations around the Building perimeter and around the elevator and stair cores.

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 Each Unit is measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes (whether along the perimeter or within the Unit), structural walls, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit) to the midpoint of the interior wall and demising partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, elevator and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of glass or the opposite exterior walls. Each Unit is measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the top of the floor above. Elevators, elevator hoistway, elevator lobby, refuse room, mechanical shafts, and egress stair, inclusive of the interior walls and partitions separating a unit from these general common elements are not deducted from the square foot area of full-floor units. As is customary in New York, the square footage exceeds the usable floor area of each Unit.

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, radiant heating installed in 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

(including the heating, electrical, mechanical equipment and water pipes servicing the Terrace appurtenant to Units 7 and 10. 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 Unit from the electrical panel (including electrical branch wiring but excluding electrical service riders) and serving or benefiting only that Unit. The elevator lobby appurtenant to Units 2, 4, 5, 6, 7, 8 and 9 shall be considered part of such Units.

6.4 Any Common Elements located within a Unit shall not be considered a part of such Unit.

6.5 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 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.

6.6 As of the date of the filing of this Declaration with the Register's Office, fee simple absolute title shall automatically vest in Sponsor in all Units and Sponsor shall be deemed a licensee with respect to all Storage Lockers, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

ARTICLE 7

THE COMMON ELEMENTS

7.1 The Common Elements consist of the entire Property, including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements are comprised of the General Common Elements and the 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 (including glass curtain 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 from a Unit and/or General Common Element and/or a Limited Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such General Common Element, to the extent that the same are not expressly included as part of the Limited Common Elements pursuant to the terms of Paragraph 7.3 below or a Unit pursuant to the terms of Article 6 hereof.

(iii) the fire pump room, fire alarm room, electrical room, water room, gas meters, refuse room, Storage Locker Area, gym, bicycle storage room and staff bathroom, each of which are located in the cellar of the Building.

(iv) all stairways, passenger elevator and their respective bulkheads, shafts, pits and equipment rooms and the residential hallways.

(v) Refuse room located in the cellar, refuse rooms located on floors 1 through 9 and their respective shafts and equipment.

(vi) lobby, service entrance concierge stations, package room, mail room, service room and lounge, each of which are located on Floor 1.

(vii) Elevator lobby on Floor 1

(viii) Terrace, Lounge and all of the furnishings, structural and decorative elements contained therein, located on Floor 1.

(ix) the Storage Locker Area, together with all the Storage Lockers therein, located in the cellar.

(x) all masonry walls, partitions, floors and ceilings in, on or under the Building, separating a Unit from another Unit or a Limited Common Element and that portion of all such masonry walls, partitions, floors and ceilings separating a Limited Common Element from a General Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such General Common Element.

(xi) 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 serve the Units and/or the General Common Elements and/or the Limited Common Elements only.

(xii) 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, to the extent that the same are not expressly included as part of the Limited Common Elements pursuant to the terms of Paragraph 7.3 below or a Unit pursuant to the terms of Article 6 hereof.

(xiii) 3 bulkheads located on the roof.

7.3 The 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 Units to the exclusion of all other Units. Without intending to limit the generality of the foregoing in any respect, the Limited Common Elements include: the Terraces adjoining certain Units more particularly set forth on Exhibit "B" to this Declaration entitled "Description of Units."

7.4 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

The Common Interest of each Unit in the Common Elements has been determined pursuant to the method set forth in Real Property Law Section 339-i(1) (iv).

ARTICLE 9

USE OF UNITS AND STORAGE LOCKERS

9.1 As more particularly set forth in, and subject to the provisions of, the By-Laws, the Units shall be used for residential purposes only (excluding "dormitory," "bed and breakfast" or other transient hotel-type use). A 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 Units.

Upon the prior written consent of Sponsor (1) (with respect to Unsold Units) or the Condominium Board (with respect to sold Units), any 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.

Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Sponsor or Construction Lender, in the event Construction Lender takes title to the Unsold Units, may, without the permission of the Condominium Board, (1) use or grant permission for the use of any Unsold Unit as a professional office or for any other purpose, provided such use is permitted by Law, and does not violate the then existing certificate of occupancy for the Building or any other governmental regulations, (2) use any Unsold Units as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Units or for any other purpose, subject only to compliance with Law, and (3) lease any Unsold Unit to third parties for either long term or short term stays.

9.2 A Storage Locker may be used only for the storage of personal effects of a Unit Owner, and in no event shall any food or other perishable item be stored therein.

Storage Lockers may not be used for any Prohibited Use. The use of a Storage Locker for a Prohibited Use can result in violations being posted against the Building. Any and all costs or expenses incurred by the Condominium or other Unit Owner as a result of any Prohibited Use of a Storage Locker shall be borne by such Unit Owner.

Notwithstanding anything to the contrary, Sponsor may, without the consent of either the Condominium Board or the Unit Owners, use any Unsold Storage Locker for any purpose permitted by Law or to change the permitted use of an Unsold Storage Locker, subject to the provisions of the By-Laws.

In the event of a power outage, any resulting loss or damage will be at the sole cost of the Storage Locker 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 Storage Locker Area(s).

ARTICLE 10

EASEMENTS FOR THE ENJOYMENT OF THE COMMON ELEMENTS

10.1 Subject to the terms of this Declaration, the By-Laws and the 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 Rules and Regulations, if applicable, Sponsor, the Unit Owners, Selling Agent, the Managing Agent, the Condominium Board and all Permitted Users of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the General Common Elements, and the General Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no person shall use or enjoy the General Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other persons to do so.

10.3 Each Unit Owner whose Unit has one or more appurtenant Limited Common Elements shall have an exclusive easement for the use thereof. The Units having the same are indicated on Exhibit B.

10.4 Sponsor and its Permitted Users shall have an easement in, over, under, through and upon the General Common Elements (including but not limited to, 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 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.

10.5 In addition to all other easements and rights granted herein, Sponsor, the Managing Agent, and the Condominium Board and each of their respective Permitted Users, shall have an easement in, through and upon the Terraces appurtenant to Units 7 and 10 and the roof for the purpose of accessing, utilizing, maintaining and replacing the window washing equipment, the rig sockets and davits located thereon.

10.6 In addition to all other easements and rights granted herein, Sponsor, the Managing Agent, and the Condominium Board and each of their respective Permitted Users, shall have an easement in, through and upon Units 1, 7, 10 and the Terraces appurtenant thereto, for the purpose of accessing, utilizing, maintaining and replacing the exhaust fans located on the Terraces.

ARTICLE 11
OTHER EASEMENTS

11.1 Subject to the terms of the By-Laws and to the 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 (i) any Common Elements located therein and (ii) the service lobby, elevator lobby and Unit lobby appurtenant to Unit 1 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 Storage Lockers) 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 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 Unit 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 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 use of the Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. Any utility company and its employees and agents shall have the right of access to 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 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 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 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, the profits, if any, for which will be retained by Sponsor and (b) any pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust, or ventilation as required or, as permitted by Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements (excluding Terraces and Storage Lockers) and to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith. The exercise of the easement and these rights do not require the consent of the Condominium Board or the Unit Owners and shall be without charge to Sponsor. Any obligations of Sponsor under any lease, license or other right of use granted by Sponsor with respect to the roof and/or the façade of the Building shall be the obligation of Sponsor and not of the Condominium, and any rights of Sponsor, including, without limitation, the right to receive rent or other consideration for such lease, license or other right of use, shall be the right of Sponsor, and not of the Condominium or any other Unit Owner. In connection with such easement and related rights, Sponsor and its Permitted Users shall each have, to the extent necessary or advisable for such erection, use, lease, maintenance, repair, replacement and operation, an easement in common with all Unit Owners for ingress, egress and the use of any Common Elements. The Units shall each be subject to such easement.

11.6 Sponsor and the Development Rights Owner, if any, shall have an easement for ingress and egress through all of the Common Elements for any purpose in connection with the utilization, sale or transfer by Sponsor or the Development Rights Owner, if any, 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 The Condominium and Building shall be designated and known as the 111 Leroy 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.

11.8 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.

11.9 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 UNITS

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 Units and their appurtenant 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 Unit;
- (b) to amend the Certificate of Occupancy of the Building with respect to the use or number of the Unsold Units; and
- (c) without amendment to the Plan, to (i) subdivide and/or combine any Unsold Unit and/or (ii) change any Unsold Units in size by relocating a boundary wall between Unsold Units and/or or (iii) otherwise change the size and/or number of Unsold Units, including incorporating Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Unit) which exclusively benefit an Unsold Unit into such Unsold 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 Unit, Sponsor shall additionally have the right to reapportion among the affected Unsold Units their respective Common Interest.

provided, however, that, with respect to any such alteration, addition, improvement, or change in, to, of, or upon any Unsold Unit:

- (a) no physical modifications shall be made to any other Unit and the Common Interest or interior dimensions of any other Units (other than Unsold Units) shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;
- (ii) Sponsor shall comply with Law and the terms of this Declaration and the By-Laws;
- (iii) Sponsor 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.

Notwithstanding the foregoing, however, the aggregate amounts of the Common Interest of all the Units shall always remain at 100%, and no reapportionment of the 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, 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 Unit Owner may be given with respect to such Unit the same rights and be subject to the same limitations and conditions as are set forth in this Article with respect to Unsold Units. Notwithstanding the other provisions of this Article, no reapportionment of the Common Interest appurtenant to any 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 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 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.

ARTICLE 13

ACQUISITION OF UNIT BY THE CONDOMINIUM BOARD

If (a) any Unit Owner surrenders the 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 Interest. 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 Interest.

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 the utilization, sale or transfer by Sponsor or the Development Rights Owner, if any, of all or any portion of the Excess Development Rights, as set forth in this Declaration.

14.2 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, 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 Unit Owners for the reduction of the assessed valuation of their Units, such 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 Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, sublease or surrender the same or acquire any 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 Unit Owners;

(c) acquire, mortgage, lease, sublease, license, convey or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Unit so acquired or to sublease any 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 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 80% in number and in Common Interest of all 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 Interest 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 Interest; 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 any Development Rights Owner, solely with respect to the utilization, sale or transfer of Excess Development Rights, as the case may be, then Sponsor or the Development Rights Owner, solely with respect to the utilization, sale or transfer of Excess Development Rights, as the case may be, is hereby authorized, as attorney-in-fact for the Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, in the name of the Unit Owner, Condominium Board or other Person, and such instrument shall be binding on the Unit Owner, Condominium Board or other Person. The Condominium Board shall not unreasonably withhold or delay its consent or approval with respect to any matter contained in this Declaration which requires the consent or approval of the Condominium Board.

ARTICLE 17

COVENANTS RUNNING WITH THE LAND

17.1 All provisions of this Declaration, the By-Laws and the 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 Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease or use and occupancy agreement thereof.

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 any Development Rights Owner, solely with respect to the utilization, sale or transfer of Excess Development Rights, any provision of this Declaration affecting the 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, 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 any Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, 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 any Development Rights Owner, solely with respect to the utilization, sale or transfer of Excess Development Rights, 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 or any Development Rights Owner, solely with respect to the utilization, sale or transfer of Excess Development Rights, shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record (at sole option of Sponsor or the Development Rights Owner), 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 Rules and Regulations and the Tax Lot Drawings of the Condominium as Sponsor or the Development

Rights Owner, solely with respect to the utilization, sale or transfer of Excess Development Rights, deems appropriate to effectuate the same:

- (i) to reflect any changes in Unsold Units and/or the reapportionment of the Common Interest of the affected Unsold 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 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 Unit; or
- (iii) to correct any inconsistencies or scrivener's errors in the Declaration, the By-Laws and/or Tax Lot Drawings; or
- (iv) with respect to Excess Development Rights, to effectuate the utilization, sale or transfer by Sponsor or any Development Rights Owner of any Excess Development Rights in any manner permitted by Law, provided that no such amendment shall enable Sponsor or the Development Rights Owner to utilize Excess Development Rights to increase the size, height, bulk, configuration and/or density of the Property; or
- (v) to relinquish any rights granted to Sponsor hereunder.

Provided, however, that any amendment made pursuant to the terms of subparagraph (i) or (ii) of this Section shall not (1) change the Common Interest of any Unit other than a Unit owned by Sponsor, or (2) require a material, physical modification of any Unit other than a Unit owned by Sponsor, or (3) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event described in (1) or (2) of this Section) or the holder of such mortgage (in the event described in (3) of this Section) shall consent thereto by joining in the execution of such amendment.

19.3 Any amendment to this Declaration may be executed: (i) if on behalf of Sponsor or any Development Rights Owner, solely with respect to the utilization, sale or transfer of Excess Development Rights, pursuant to the terms of Section 19.2 hereof, by Sponsor or the Development Rights Owner, or (ii) 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.

19.4 Notwithstanding anything contained in the Condominium Documents to the contrary, if any Unit Owner, with the prior approval of the Condominium Board changes the size and/or number of Units owned by such Unit Owner by either (w) subdividing a Unit(s) into two or more separate Units, (x) combining a Unit into one or more Units, (y) altering the boundary walls between any adjacent Units owned by such Unit Owner, or (z) otherwise, including incorporating Common Elements (such as a portion of a hallway used exclusively by the owner of such Unit) which exclusively benefit a Unit into such Unit, then the Condominium Board on behalf of such Unit Owner and at the 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 Unit Owner, all without the approval of the other Unit Owners, provided, however, that any such amendment shall not (1) change the 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.

19.5 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 any Development Rights Owner, solely with respect to the utilization, sale or transfer of Excess Development Rights, if the same would (i) unreasonably interfere with the sale, lease, or other disposition of any Unit owned by Sponsor or the Development Rights Owner, solely with respect to the utilization, sale or transfer of Excess Development Rights, 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 Development Rights Owner, solely with respect to the utilization, sale or transfer of Excess Development Rights, as the case may be, unless such amendment is consented to in writing by Sponsor or the Development Rights Owner, solely with respect to the utilization, sale or transfer of Excess Development Rights, as the case may be, or (iii) impose any charge or fee against Sponsor or the Development Rights Owner, solely with respect to the utilization, sale or transfer of Excess Development Rights, unless Sponsor or the Development Rights Owner] shall consent to such amendment in writing.

19.6 The provisions of this Article may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor if the same relate to Sponsor.

19.7 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 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. Sponsor 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

27.1 A reference in this Declaration to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural and vice versa, unless the context otherwise requires.

27.2 The terms "herein," "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used, unless the context otherwise requires.

27.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 28

GENERAL

Except as required by Law, neither Sponsor nor any of its principals shall be subject to any of the restrictions and/or prohibitions with regard to the COMMON ELEMENTS, the Units and/or Ancillary Amenities 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:

PMG Leroy Street Development LLC

By: _____

Name: Kevin Maloney

Title: Authorized Signatory

(ACKNOWLEDGEMENT)

STATE OF NEW YORK)
) ss.:
 COUNTY OF New York)

On the ____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of whom the individual(s) acted, executed the instrument.

Notary

EXHIBIT A
TO THE DECLARATION
DESCRIPTION OF THE LAND

111 Leroy Condominium
111 Leroy Street
New York, New York 10014
Block: 602; Lot 85

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

[See the Schedule A – Description of the Land in the Specimen Title Report set forth in Part II of the Plan.]

**111 Leroy Condominium
111 Leroy Street
New York, New York 10014**

[illegible]

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:

“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 111 Leroy Street, New York, New York 10014.

“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 Units or 20% of the total number of 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 is scheduled to occur.

“Common Charges” shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata, in accordance with the 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 and the 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 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 111 Leroy 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 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 PMG Leroy Street Development 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.

“Deposit” shall mean, collectively, all deposits, advances and payments delivered by a Purchaser prior to the Closing of a Unit, including, without limitation, the Deposit, but excluding Special Work Funds.

“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 Unit Owner who reside in such Unit Owner’s 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 Unit Owners.

“First Closing” shall mean the Closing of Title with respect to the first 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 - Budget for First Year of Condominium Operation.” 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 Storage Lockers 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 Storage Lockers, which are only available for use by the licensee of the particular Storage Locker.

“Institutional Lender” shall mean (i) Construction Lender, 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) 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 Manhattan on the Tax Map of the Division of Land Records of The City of New York as Block 602, Lot 85 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.

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

"Majority of Unit Owners" shall mean (i) Unit Owners representing more than fifty percent (50%) in aggregate Common Interest appurtenant to all Units or (ii) Unit Owners representing more than fifty percent (50%) in aggregate Common Interest 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 Construction Lender or 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.

"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, or Construction Lender, in the event Construction Lender takes title to the Unsold Units, 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.

“Prohibited Use” shall mean one or more of any of the following uses: (a) for storing any flammable or explosive item or any item which would impose a health or safety threat or cause noxious odors, dirt, or other sanitary problems or create a nuisance, or (b) for sleeping or other occupancy uses.

“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 New York.

“Rules and Regulations” shall mean the 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 - Budget for First Year of Condominium Operation.” 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.

“Special Work Funds” shall mean all amounts paid to, expended by, or reimbursable to, Sponsor for special work requested by Purchaser and agreed to in writing by Sponsor.

“Sponsor” shall mean PMG Leroy Street Development 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; or (iii) the date on which Sponsor otherwise exercises its right to relinquish voting control of the Condominium Board.

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

“Storage Locker Area” shall mean an area located in the cellar of the Building containing the Storage Lockers. The Storage Locker Area is a General Common Element.

“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 Unit as a 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, Inc., having an office at 630 3rd Avenue, New York, NY 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 Storage Locker.

“Unsold Storage Locker” shall mean a Storage Locker 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 Storage Lockers are, collectively, referred to as the “Unsold Storage Lockers.”

“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 Construction Lender, in the event Construction Lender takes title to the Unsold Units, or a principal of Sponsor at the time in question. All such Unsold Units are, collectively, referred to as the “Unsold Units.”

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

BY-LAWS OF THE CONDOMINIUM

EXHIBIT D
TO THE DECLARATION

BY-LAWS
OF
111 LEROY CONDOMINIUM

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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 aforescribed 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 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 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 Common Expenses and in no event shall Common Charges or Special Assessments or other funds received by the Condominium Board in connection with the Common Elements be utilized to defray any 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 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) 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 (d) 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 bears to the aggregate Common Interest of all Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file against such Unit Owner's Unit.

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor which shall at no time be less than two and that each check drawn on such account shall need at least two signatures.

(viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements.

(ix) to obtain insurance for the Property pursuant to the terms of Section 5.4 hereof.

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners (except as otherwise provided herein); (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property.

(xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws.

(xii) to obtain and keep in force fidelity bonds, in amounts deemed appropriate by the Condominium Board, but in no event less than \$100,000, for: (a) all Members of the Condominium Board; (b) all officers and employees of the Condominium; and (c) the Managing Agent, and the premiums on all such fidelity bonds shall constitute a part of the Common Expenses.

(xiii) to accept the surrender of any 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 Unit Owners.

(xiv) to purchase, lease, or otherwise acquire 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 Unit Owners but only with the consent of a Majority of Unit Owners.

(xv) to purchase Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, corporate or otherwise and on behalf of all Unit Owners but only with the consent of a Majority of Unit Owners.

(xvi) to sell, lease, license, mortgage and otherwise deal with Units and Storage Lockers acquired by, and to sublease 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 Unit.

(xvii) to adopt and amend the Rules and Regulations and to levy and authorize collection of fines against Unit Owners for violations of the Rules and Regulations and these By-Laws (any such fines and fees shall be deemed to constitute Common Charges payable by Unit Owners of the Unit against which they are levied).

(xviii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners.

(xix) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and 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.

(xx) 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.

(xxi) to execute, acknowledge and deliver: (a) any and all declarations (including a declaration of single zoning lot) or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building, and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate, and (c) any and all declarations, consents, waivers or other instruments requested by Sponsor or a Development Rights Owner, with respect to the utilization, sale or transfer by Sponsor or a Development Rights Owner of Excess Development Rights.

(xxii) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modification, additions and deletions theretofore made to the same.

(xxiii) to prepare, execute, acknowledge and institute on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, protests of real property tax assessments and tax certiorari proceedings with respect to all Units and to assess any costs incurred thereby as a Common Expense.

(xxiv) to commence summary eviction proceedings in the name of or on behalf of the Condominium Board and/or a Unit Owner or Unit Owners, as the case may be, against an authorized guest and/or a tenant of a Unit Owner if such authorized guest and/or tenant does not conform to the Rules and Regulations of the Condominium, annexed hereto as Schedule A, as said

Rules and Regulations may at any time and from time to time, be modified, amended or added to in accordance with the terms of these By-Laws. All costs in connection with the removal of the authorized guest and/or tenant, including attorneys' fees, costs and disbursements, shall be borne by the Unit Owner.

(xxv) to establish policies and procedures and impose fees in connection with the sale, lease or alteration of a Unit.

(xxvi) to establish policies and procedures with respect to the services and facilities of the Condominium, including, without limitation, the right to impose usage fees and restrictions on hours of access and use.

(xxvii) to prepare, execute and administer Storage Locker Licenses and assignments thereof and to impose license fees and/or Special Assessments in connection therewith, which shall constitute Additional Common Charges.

(xxviii) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

(xxix) to acquire in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners, Storage Locker Licenses terminated or surrendered to the Condominium.

(xxx) 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 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.

B. 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.

C. 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.

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 Unit, the Condominium Board shall consist of 3 individuals who shall be elected and/or designated in accordance with the terms of these By-Laws by the Unit Owners (including Sponsor) (collectively, the "Members"). Except for Members designated by Sponsor 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 Unit Owners or adult Family Members of an individual 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 Unit Owners or Permitted Mortgagees. After the Sponsor Control Period, a majority of the 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 (i) such individual has been convicted of a felony, or (ii) the Condominium Board has perfected a lien against the Unit owned or occupied by such individual 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 3 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 3 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 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 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 whose proposed removal is to be acted upon at a meeting of the 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 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 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.

(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 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 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, attendance of a majority of all of the Members of the Condominium Board will be required for any business relating to the Common Elements, the Common Expenses, or all or a portion of the 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, 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 to the Common Elements, the Common Expenses, and all or any portion of the 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 Interest, 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 Units representing at least 50% in number of all Units offered for sale. At such meeting, a 3 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 Interest of all Unit Owners. 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 Interest appertain shall constitute a quorum at all meetings of the Unit Owners and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all 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 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 Interest 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 Interest 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 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 Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (ii) the designation number(s) of the 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 Interest attributable to the Unsold 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 three (2) of the three (3) Members to the Condominium Board, and Sponsor, and all other Unit Owners shall have the right to vote for the remaining Member 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 Unit, Sponsor shall have the right to designate 1 Member to the Condominium Board, and shall have the right to vote its Common Interest attributable to the Unsold Units for the remaining Members of the Condominium Board. There is no restriction on the right of Sponsor to vote for 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 Members of the Condominium Board who were designated by Sponsor shall resign and their replacements shall be filled by a vote of the Unit Owners (including Sponsor for so long as Sponsor shall own any Unsold Unit) at a special meeting called for such purpose.

Section 4.10 *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 Interest 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 4.10 shall be retained in the records of the Condominium together with a true copy of the resolutions to which they relate.

Section 4.11 *Title to Units.* Title to any 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 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 Unit for a period of 2 years, to be held in escrow by the Condominium Board, as security for the faithful observance by such Unit Owner of the terms, provisions and conditions contained in these By-Laws.

Section 4.12 *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 Interest of all Unit Owners in the case of a contract relating to the Common Elements, and (ii) 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 Unit Owner at its sole cost and expense;

(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 Common Expense;

(iii) in or to the Limited Common Elements shall be performed (a) by the Condominium Board as a 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 Unit Owner having direct and exclusive access thereto), or (b) by the Unit Owner having direct and exclusive access thereto at such 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 Common Expense attributable to all Unit Owners if relating to the Common Elements except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace the Unit or any portion thereof as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any roof, Terrace, or other part of the Property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, including, without limitation, painting, repairs and replacements that is necessary in connection therewith. The Condominium Board shall be responsible for the maintenance and repair of all sidewalks surrounding the Building (including, cleaning and snow and ice removal) as if the sidewalks were General Common Elements.

The interior and exterior glass surfaces of all windows located in Units shall not be colored or painted. The glass surfaces of all windows located in any Unit are to be washed and cleaned by the Unit Owner at such Unit Owner's sole cost and expense, with the exception that the cleaning of the exterior portion of the glass surfaces shall be performed by a professional window washing company engaged by the Condominium Board, the cost and expense of which shall be borne by all Unit Owners as a Common Expense. The replacement of any glass window appurtenant to a Unit because of breakage or otherwise shall be made by the Unit Owner thereof at the sole cost and expense of such Unit Owner, including, without limitation, the expense of an exterior hoist if the replacement window does not fit into the 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 Unit Owner must obtain the prior approval of the Condominium Board with respect to the type of replacement windows to be installed. Notwithstanding the foregoing, replacements of any curtain wall windows shall be performed solely by a professional glass company engaged by the Condominium Board, in its sole discretion.

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 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 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 Unit Owner may make any structural alteration, addition, improvement or repair, in or to the Unit or its appurtenant 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 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 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. 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 Unit Owner's alterations, additions, improvements or repairs to such Unit. The Condominium may impose charges upon the Unit Owner to reimburse the Condominium for architectural, engineering, legal and other fees incurred in reviewing the 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 Units and their appurtenant 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 Unit, and (ii) without amendment to the Plan, subdivide and/or combine any Unsold Unit and/or change any Unsold Units in size by relocating a boundary wall between Unsold Units and/or otherwise change the size and/or number of Unsold Units. Notwithstanding the foregoing, all Unit Owners, including Sponsor, prior to the making of any alteration, addition, improvement or repair in or to their respective Unit and its appurtenant 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 Unit or its appurtenant

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 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 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 Unit Owner shall make any alterations in or to the Unit or its appurtenant Common Elements without obtaining Sponsor's prior written permission 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 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 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 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 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 Unit Owner to be halted, including, without limitation, to cause the Managing Agent to deny access to the Building to the Unit Owner's workers and suppliers, until the Unit Owner complies with the same. During the period until the Unit Owner is permitted hereunder to resume its work, Sponsor shall have the right to perform any and all work in and to the 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 Unit Owner. The cost and expense of any such work performed by Sponsor shall be borne by such 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 Common Expense attributable to all Unit Owners. 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, 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 (including Sponsor if Sponsor then owns any Unsold Unit) owning 66 2/3% of the aggregate Common Interest at a duly constituted meeting of the 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 Units. However, anything to the contrary in these By-Laws notwithstanding, and notwithstanding the relinquishment of control by Sponsor of the Condominium Board, 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.

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 Common Expense.

(E) For so long as Sponsor owns at least 1 Unsold 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 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 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 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, in the event that any Unit, any portion thereof, or any Limited Common Element appurtenant thereto are taken in a Taking (regardless of whether or not all or a part of the Common Elements are contemporaneously taken), no such Unit Owner 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 Interest, for Work to the General Common Elements and against all Unit Owners, and all proceeds of such Special Assessment shall become part of the Trust Funds. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to all Unit Owners in proportion to their respective Common Interest, with respect to Work to the Common Elements, except that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of such excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Condominium Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remaining unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interest, with respect to Work to the Common Elements, free of any claim of any lienor (including without limitation, any Permitted Mortgagee).

(D) If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be

performed unless 75% or more of all Unit Owners (including Sponsor if Sponsor shall then own any Units), in aggregate Common Interest, 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 Unit Owners in proportion to their respective Common Interest to the extent allocated to destroyed or damaged portions of the 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 Interest 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 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 Limited Common Elements, if any, after such Taking bears to the total floor area of such Unit and its appurtenant 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, 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 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 Interest 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. 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 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 Unit at any one time. A 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 Unit by such Family Members). Notwithstanding the foregoing, Sponsor (with respect to the Unsold Units) or the Condominium (with respect to sold Units) may, in their sole discretion, permit Persons other than those set forth above to occupy a Unit. In no event, however, shall a portion of a Unit (as opposed to the entire Unit) be sold, conveyed, leased, or subleased.

(C) The Condominium Board may, in its sole discretion, consent to the use of a Unit as a professional or business office or for any purpose other than that set forth in paragraph (B) hereof, provided that the nature and manner of such use is permitted by, and complies with and does not violate the TCO or PCO covering the Building. Any such consent shall be in writing and shall be personal to such Unit Owner.

Any lessee of, or successor in title to, such Unit Owner shall be required to obtain the prior approval of the Condominium Board before using such 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 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 Units as model Units and offices for the sales promotion, rental, management and operation of the Unsold 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 elevator, or any other part of the Common Elements (except for those areas designated as a Storage Locker Area) without the prior approval of the Condominium Board. The lobbies, vestibules, public halls, stairways and elevator 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 Units, which Units are the only Units serviced or benefited by any General Common Element adjacent or appurtenant to such Units (for example, that portion at the end of any residential hallway that is directly adjacent to any such 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 General Common Elements exclusively, as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interest 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 General Common Element for so long as such owner or owners exercise such exclusive right of use and (ii) restore such General 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 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 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 to 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 were 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 Storage Lockers.*

(A) A Storage Locker may be used only for the storage of personal effects of a Unit Owner, and in no event shall any food or other perishable item be stored therein.

(B) Storage Lockers may not be used for any Prohibited Use. The use of a Storage Locker for a Prohibited Use can result in violations being posted against the Building. Any and all costs or expenses incurred by the Condominium or other Unit Owner as a result of any Prohibited Use of a Storage Locker shall be borne by such Unit Owner.

(C) Notwithstanding anything to the contrary, Sponsor may, without the consent of either the Condominium Board or the Unit Owners, use any Unsold Storage Locker for any purpose permitted by Law or to change the permitted use of an Unsold Storage Locker, subject to the provisions of the By-Laws.

(D) The Condominium Board has the authority to promulgate additional rules regarding the use of, insurance coverage for, and access to the Storage Lockers and Storage Locker Area and the procedures for assigning Storage Lockers, including restrictions on the hours of access and use. A Unit Owner may transfer or surrender a Storage Locker License to the Condominium Board which shall be authorized to reissue such Storage Locker License to another Unit Owner for such consideration as the Condominium Board shall deem appropriate.

(E) In the event of a power outage, any resulting loss or damage will be at the sole cost of the Storage Locker 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 Storage Locker 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) or to any other Person authorized by any of the foregoing a right of access (including the right of forced entry if required in the discretion of the party seeking such entry) to the Unit and its appurtenant Limited Common Elements, if any, and any Storage Locker and Storage Locker Area for the purposes of:

- (i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;
- (ii) curing defaults hereunder or under the Declaration or violations of the Rules and Regulations committed by such Unit Owner or correcting any conditions originating in the Unit and threatening another Unit or all or a portion of the Common Elements;

- (iii) performing maintenance, installations, alterations, repairs, or replacements to the structural elements, mechanical or electrical services, or other portions of the Common Elements located within the Unit, Storage Locker or elsewhere in the Building;
- (iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to the Unit, or to any other Unit; or
- (v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of emergency (that is, a condition requiring repairs or replacement immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than 1 day's advance notice and only in such a manner as will not unreasonably interfere with the use of the Units and their appurtenant 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 Limited Common Elements, if any, and the Condominium Board shall grant rights of access to the General 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 Limited Common Elements, if any, in such a manner as will unreasonably interfere with the use of such Unit and its appurtenant 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 Storage Lockers) 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 Rules and Regulations.* The Condominium Board shall have the right to amend, modify, add to, or delete any of the 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 Unit Owners, in number and Common Interest. Copies of the text of any amendments, modifications, additions, or deletions to the 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 Rules and Regulations if the same would adversely affect Sponsor without the prior written consent of Sponsor.

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 the Unit Owners as a Common Expense for such portion attributable to the Units and/or the General Common Elements and/or the 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 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 the Unit Owners as a Common Expense for such portion attributable to the Units and/or the General Common Elements and/or the Limited Common Elements. In addition, the cost of submetering shall be a Common Expense.

Section 5.15 *Electricity.*

(A) Electricity for each 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 Limited Common Elements to which such Unit has exclusive access.

(C) If the Units are submetered, each Unit Owner shall be required to pay bills for electricity consumed in such Unit Owner's Unit either to the Condominium Board or to the utility company or to the servicing company engaged by the Condominium Board to perform such services all at the direction of the Condominium Board. The Common Expenses shall include fees for administering and servicing the submeters. In the event that a Unit Owner fails to pay for its submetered electricity, the Condominium Board shall be responsible to pay such expense on the Unit Owner's behalf and such electricity charges shall be deemed Common Charges allocable to the defaulting Unit Owner and the Condominium Board shall have a lien for non-payment of the expense as provided in Article 6.5 of these By-Laws.

(D) Electricity for the 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 Unit Owners as Common Charges.

(E) In addition, the cost of submetering shall be a Common Expense.

(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 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 Common Elements shall be levied against all Unit Owners in proportion to their respective

Common Interest. Special Assessments relating to the Storage Lockers shall be levied solely against all Unit Owners owning such Storage Lockers. 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 Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners and shall be collected on behalf of the Unit Owners by the Condominium Board and applied against the Common Expenses attributable to the Common Elements for the fiscal year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Condominium Board against the Common Expenses attributable to the Common Elements for the next succeeding year(s) of operation. No Unit Owner shall be entitled to a distribution of any portion of such excess unless the Condominium Board shall determine to distribute all or part of such excess to all Unit Owners pro-rata in proportion to their respective Common Interest. Any such distributions must be made by adjusting the Common Charges collected from Unit Owners.

Section 6.2 *Payment of Common Charges*

(A) All Unit Owners (including Sponsor with respect to Unsold 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 Unit, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure sale or from the defaulting Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time 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 Unit have been paid; (ii) such 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 Unit. However, in no event shall Sponsor be permitted to convey any Unsold Unit to the Condominium Board and thereby exempt itself from Common Charges and any Special Assessments attributable to such Unit thereafter accruing unless the aggregate Common Interest then appertaining to the Unsold Units constitute 15% or less of the total Common Interest then appertaining to all 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 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 STORAGE LOCKER LICENSES

Section 7.1 *General.* Subject to the terms of Section 7.5 hereof, each Unit Owner may (i) sell the Unit and (ii) lease the Unit for periods of not less nor more than 1 year, provided however, no Unit Owner may sell or lease the 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 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 Unit Owner. Such 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 Unit together with its Appurtenant Interests and any lease of a 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 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 Unit, together with its Appurtenant Interests, or to lease the Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all 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 Unit together with its Appurtenant Interests or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise) on behalf of all Unit Owners 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 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 Unit together with its Appurtenant Interests, to lease such 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 Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee on behalf of all 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 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 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 Unit to be purchased together with its Appurtenant Interests. In addition, if the Outside Offeror was to assume or to take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale Agreement, the Condominium Board may purchase the 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 Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all 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 Unit shall be held, so long as the same is owned by the Condominium Board or its designee, on behalf of all 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 Unit and the entire Property, as herein provided.

(C) In the event that such Unit is to be leased by the Condominium Board or its designee on behalf of all Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such 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 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 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 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 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 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 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 Unit, together with its Appurtenant Interests, by:

(i) the 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 Unit Owner is an infant or a person judicially declared incompetent of managing such person's affairs, then such Unit shall be held by the personal representative of such infant or incompetent, or in the case of a 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 Unit Owner or to any entity with respect to which such Unit Owner (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof:

(ii) Sponsor or Construction Lender, in the event Construction Lender takes title to the Unsold Units;

(iii) the Condominium Board;

(iv) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure; or

(v) 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 delivered in a bona fide transaction;

(C) provided, however, that each succeeding Unit Owner shall be bound by, and the Unit shall be subject to, all of the terms and conditions of this Article 7.

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 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 Units shall not apply to the sale lease, sublease, license or conveyance of a Unit by the reasons set forth in subsections 7.5(B) (ii), (iii), (iv) and (v) 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 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 *Assignment of Storage Locker Licenses.*

(A) Except for Sponsor, no Unit Owner shall be permitted to assign, convey or lease any Storage Locker to anyone other than a Unit Owner or its Permitted User. A Storage Locker License may be assigned by a Unit Owner at any time (and not subject to any right of first refusal by the Condominium Board) provided (i) the assignee is another Unit Owner of the Condominium; (ii) the assignee assumes the obligations under the Storage Locker License; (iii) notification of the assignment is promptly delivered to the Condominium Board in compliance with its requirements; and (iv) all unpaid Common Charges and Special Assessments and other obligations due to the Condominium have been paid in full.

(B) If the Condominium Board terminates an Storage Locker License or a Unit Owner surrenders an Storage Locker License without assigning the Storage Locker License to another Unit Owner, the Condominium Board shall have the right to issue a new Storage Locker License for the Storage Locker to another 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.

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 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 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 shall give to Sponsor 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 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, 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, enjoinder, 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 in connection with any abatement, injunction, 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, 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 9.4 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 Common Expenses, to be borne by all Unit Owners.

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 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 affecting Sponsor and/or any Permitted Mortgagee ("Special Amendments"), any provision of these By-Laws affecting the 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, 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 Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of 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 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 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 Interest 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, 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, 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 certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor 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 anything to the contrary, no amendment, modification, addition, or deletion of or to these By-Laws shall be effective in any respect against Sponsor unless and until Sponsor shall consent to the same in writing.

(C) Notwithstanding anything 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.

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 any Development Rights Owner, solely with respect to the utilization, sale or transfer of Excess Development Rights, as the case may be, then Sponsor or the Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, 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 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 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.

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.* The Condominium Board intends to act in a manner consistent with enabling the Condominium to be eligible to elect to be treated 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

RULES AND REGULATIONS

1. The sidewalks, entrance passages, public halls, elevator, 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 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 the elevator 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 service and delivery persons will be required to use the service entrances or such other entrances of the Building designated by the Condominium Board or the Managing Agent. In addition, 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.
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 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 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 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, elevator, 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 Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof. No Unit Owner shall permit anything to be done or kept in the Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in the Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of the Unit.

11. There shall be no barbecuing in the Units or in the Common Elements, including any Limited Common Elements.

12. No Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from the Unit or its appurtenant Limited Common Elements, if any, or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No 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 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 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 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 dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in a Unit without the consent of the Condominium Board. Each 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 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. In no event shall any pet be permitted in the elevator of the Building or in any of the public portions of the Building, unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

14. No group tour, open house or exhibition of any Unit or its contents shall be conducted, nor shall any auction sale be held in any Unit, without the consent of the Condominium Board or the Managing Agent in each instance. In the event that any 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 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 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 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 Unit shall be performed at the direction of the Managing Agent and all costs associated therewith shall be borne by the Unit Owner. It is the responsibility of each 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 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 Unit and/or any additional equipment as required by Law, and (iii) to otherwise ensure that all operable windows located in the Unit comply with Law.

18. No ventilator or air conditioning device shall be installed in any Unit or its appurtenant 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 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 Unit.

22. Each Unit Owner shall keep the Unit and its appurtenant 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 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 Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

25. The Condominium Board or the Managing Agent may retain a pass-key to each 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 Unit Owner is not personally present to open and permit an entry to the Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the 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 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 Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Condominium Board nor the

Managing Agent 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. 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 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 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 Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such 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 Unit Owner shall enclose, erect a greenhouse and/or alter the Terrace appurtenant to a Unit in any way, without the prior approval of the Condominium Board.

32. No Unit Owner may install or place speakers on a Terrace appurtenant to a 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 Unit for extended periods of time, Unit Owners and their respective Family Members, guests, domestic employees, agents, visitors, or licensees shall keep the Unit at a maximum of 80 degrees Fahrenheit from May 15 to October 15 and shall keep the Unit at a minimum of 60 degrees Fahrenheit from October 15 to May 15. Any damage resulting from a 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 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 Unit Owners or occupants or interferes with the peaceful possession or proper use of the Property by 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 Unit Owners or the Condominium, whoever shall have the obligation to maintain or repair such part of the Property.

36. 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 111 Leroy Condominium ("Condominium") and by the street number 111 Leroy Street, New York, New York 10014 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 New York ("Register's Office") on [DEC RECORDING DATE], as CRFN# [DEC CRFN #] ("Declaration"), or (b) in the By-Laws of 111 Leroy 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 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 602 of the Borough of Manhattan 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 Unit Owners for the reduction of the assessed valuation of their Units, such 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 Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, sublease or surrender the same or acquire any 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 Unit Owners;

(c) acquire, mortgage, lease, sublease, license, convey or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Unit so acquired or to sublease any 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 Units.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

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 602 of the Borough of Manhattan 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 PMG Leroy Street

Development 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 Units and/or the reapportionment of the Common Interest of the affected Unsold 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 Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit; or (3) shall be required to correct any inconsistencies or scrivener's 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. Specimen

SCHEDULE A

Amount of Insurance: \$[PURCHASE PRICE] **Policy No.:** Specimen
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 PMG Lower Street Development 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 Borough of Manhattan, City, County and State of New York, and is identified as follows:**

SEE SCHEDULE A DESCRIPTION ATTACHED HEREIN

Countersigned: _____

Commonwealth Land Title Insurance Company
630 Third Avenue, 14th Floor
New York, NY 10017
Telephone: (212) 490-2277
Fax: (212) 490-8012

THIS IS A SPECIMEN POLICY. IT IS NOT A POLICY OF TITLE INSURANCE AND DOES NOT REFLECT THE PRESENT STATE OF TITLE. NO LIABILITY IS ASSUMED HEREBY. THIS SPECIMEN POLICY IS FOR INFORMATION ONLY AND IS NOT A COMMITMENT TO (I) INSURE THE TITLE OR (II) ISSUE ANY OF THE ATTACHED ENDORSEMENTS.

Title No. [Title Number]
Policy No. Specimen

SCHEDULE A DESCRIPTION

The condominium unit (the "Unit") in the building (the "Building") known as 111 Leroy Condominium located at 111 Leroy Street, Borough of Manhattan, City, County and State of New York, designated and described as Unit No. _____ in that certain declaration dated _____, made by PMG Leroy Street Development 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 602 in the Borough of Manhattan on the _____ 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 situated is described as follows:

Parcel A

ALL that certain plot, piece or parcel of land, situated lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Greenwich Street, distant 56 feet northerly from the northeasterly corner of Greenwich and Leroy Streets;

RUNNING thence easterly parallel with Leroy Street, 45 feet 5 inches;

THENCE northerly at right angles to Leroy Street, 18 feet 6 inches;

THENCE westerly parallel with the first mentioned line, 43 feet 9 inches to the easterly side of Greenwich Street; and

THENCE southerly along the easterly side of Greenwich Street, 18 feet 5 inches to the point of place of BEGINNING.

**THIS IS A SPECIMEN POLICY. IT IS NOT A POLICY OF TITLE INSURANCE AND DOES NOT
REFLECT THE PRESENT STATE OF TITLE. NO LIABILITY IS ASSUMED HEREBY. THIS
SPECIMEN POLICY IS FOR INFORMATION ONLY AND IS NOT A COMMITMENT TO (I) INSURE
THE TITLE OR (II) ISSUE ANY OF THE ATTACHED ENDORSEMENTS.**

Title No. [Title Number]
Policy No. Specimen

**SCHEDULE A
DESCRIPTION
(Continued)**

Parcel B

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at a point on the northerly side of Leroy Street, distant 134 feet 9 inches easterly from the corner formed by the intersection of the northerly side of Leroy Street, and the easterly side of Greenwich Street, said point being 160 feet 0 inches west of the corner formed by the intersection of Hudson Street and Leroy Street;

RUNNING THENCE northwardly along a line at right angles to the northerly side of Leroy Street, a distance of 100 feet 1-5/8 inches to a point in the center line of the block;

THENCE eastwardly along the center line of the block, 39 feet 7-1/2 inches to a point;

THENCE southwardly along a line making an angle of 90° 12' 00", its westerly side with the preceding course, 100 feet 1-5/8 inches to a point in the northerly side of Leroy Street;

THENCE westwardly along the northerly side of Leroy Street, 40 feet 0 inches to the point or place of BEGINNING.

Parcel C

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly side of Leroy Street, and the easterly side of Greenwich Street;

RUNNING THENCE eastwardly along the northerly side of Leroy Street, 134 feet 9 inches to a point, said point being 160 feet 0 inches west of the corner formed by the intersection of the westerly side of Hudson Street and the northerly side of Leroy Street;

THENCE northwardly along a line perpendicular to the northerly side of Leroy Street, 100 feet 1-5/8 inches to a point in the center line of the block;

THIS IS A SPECIMEN POLICY. IT IS NOT A POLICY OF TITLE INSURANCE AND DOES NOT REFLECT THE PRESENT STATE OF TITLE. NO LIABILITY IS ASSUMED HEREBY. THIS SPECIMEN POLICY IS FOR INFORMATION ONLY AND IS NOT A COMMITMENT TO (I) INSURE THE TITLE OR (II) ISSUE ANY OF THE ATTACHED ENDORSEMENTS.

Title No. [Title Number]
Policy No. Specimen

**SCHEDULE A
DESCRIPTION
(Continued)**

THENCE eastwardly along the center line of the block 9 feet 3-1/2 inches to a point;

THENCE northwardly along a line making an angle of 89° 56' 25" on its westerly side with the preceding course and part of the distance along the westerly face of the independent wall, 100 feet 1-5/8 inches to a point in the southerly side of Morton Street;

THENCE westwardly along the southerly side of Morton Street, 25 feet 1-1/2 inches to a point, said point being 102 feet 4-1/4 inches easterly from the corner formed by the intersection of the southerly side of Morton Street, and the easterly side of Greenwich Street;

THENCE southwardly along a line making an angle of 90° 12' 00" on its westerly side with the southerly side of Morton Street, 100 feet 0 inches to a point;

THENCE westwardly along a line parallel with the southerly side of Morton Street, 46 feet 11-1/4 inches to a point;

THENCE southwardly along a line at right angles to Morton Street, 18 feet 5 inches to a point;

THENCE westwardly along a line parallel with the northerly side of Leroy Street, 21 feet 9-3/4 inches to a point;

THENCE southwardly along a line at right angles to the northerly side of Leroy Street, 7 feet 10 inches to a point;

THENCE westwardly along a line parallel with the northerly side of Leroy Street, 0 feet 3-1/8 inches to a point;

THENCE southwardly along a line at 90° 00' 00" to the northerly side of Leroy Street, 18 feet 4-1/4 inches to a point;

THENCE westwardly along a line parallel with northerly side of Leroy Street, 45 feet 5 inches to a point in the easterly side of Greenwich Street;

THENCE southwardly along the easterly side of Greenwich Street, 55 feet 10-1/8 inches to the point or place of BEGINNING.

END OF SCHEDULE A DESCRIPTION

THIS IS A SPECIMEN POLICY. IT IS NOT A POLICY OF TITLE INSURANCE AND DOES NOT REFLECT THE PRESENT STATE OF TITLE. NO LIABILITY IS ASSUMED HEREBY. THIS SPECIMEN POLICY IS FOR INFORMATION ONLY AND IS NOT A COMMITMENT TO (I) INSURE THE TITLE OR (II) ISSUE ANY OF THE ATTACHED ENDORSEMENTS.

Title No. [Title Number]

Policy No. Specimen

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. 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.
2. Any state of facts that an accurate survey of the Building and the Unit in the Building, 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.
3. Declaration made by The Rector, Church Wardens and Vestrymen of Trinity Church in the City of New York recorded in Liber 4477, cp. 296.
4. Agreement dated February 16, 1860, between James P. Cock and Charles Schultz and recorded in Liber 807, cp. 287.
5. Easement Agreement dated as of April 7, 1980, by and between Enterprise Associates and Rambles Real Estate Company and recorded on April 10, 1980, in Reel 520, page 101; as amended by Amendment to Easement Agreement dated July 21, 2016, by and between PMG Leroy Street Development LLC and Rambles Real Estate, LLC and recorded on July 28, 2016 under CRFN 201600025958.
6. Declaration of Zoning Lot Restrictions dated July 5, 2007, made by 627 Greenwich, LLC and KMG Greenwich LLC and recorded on July 12, 2007, under CRFN 2007000357977.
7. Declaration of Zoning Lot Restrictions dated July 5, 2007, made by KMG Greenwich LLC and recorded on July 12, 2007, under CRFN 2007000357980.
8. Declaration dated October 23, 2007, made by KMG Greenwich LLC and recorded on November 1, 2007, under CRFN 2007000550089.
9. Declaration dated October 23, 2007, made by 627 Greenwich LLC and KMG Greenwich LLC and recorded on November 1, 2007, under CRFN 2007000549989.
10. Declaration dated January 2, 2008, made by KMG Greenwich LLC and recorded on January 4, 2008, under CRFN 2008000004398.
11. Declaration of Zoning Lot Restrictions dated December 20, 2006, made by KMG-PMA Leroy, LLC and Ti Takk, LLC and recorded on January 2, 2007, under CRFN 2007000001751.

THIS IS A SPECIMEN POLICY. IT IS NOT A POLICY OF TITLE INSURANCE AND DOES NOT REFLECT THE PRESENT STATE OF TITLE. NO LIABILITY IS ASSUMED HEREBY. THIS SPECIMEN POLICY IS FOR INFORMATION ONLY AND IS NOT A COMMITMENT TO (I) INSURE THE TITLE OR (II) ISSUE ANY OF THE ATTACHED ENDORSEMENTS.

Title No. [Title Number]
Policy No. Specimen

SCHEDULE B
(Continued)

12. Zoning Lot and Development Agreement dated December 20, 2006, made by and between Ti Takk, LLC and KMG PMA Leroy, LLC and recorded on January 2, 2007, under CRFN 2007000001810.
13. Declaration of Zoning Lot Restrictions dated as of November 2, 2015, between 90 Morton Owner LLC, f/k/a 627 Greenwich Owner LLC, and PMG Leroy Street Development LLC and recorded on November 18, 2015, under CRFN 2015000409670.
14. Zoning Lot Development Agreement dated as of November 2, 2015, between 90 Morton Owner LLC, f/k/a 627 Greenwich Owner LLC, and PMG Leroy Street Development LLC and recorded on November 18, 2015, under CRFN 2015000409671.
15. Light and Air Easement dated as of November 2, 2015, made between PMG Leroy Street Development LLC and 90 Morton Owner LLC and recorded on November 10, 2015, under CRFN 2015000437337.
16. Declaration of Restrictions dated as of November 2, 2015, made by PMG Leroy Street Development LLC and recorded on November 18, 2015, under CRFN 2015000409676.
17. Terms, covenants, restrictions, reservations of easements and conditions set forth in the Declaration of Condominium and By-Laws of 111 Leroy Condominium dated as of _____ and recorded on _____ under CRFN _____, that 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.
18. 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.

END OF SCHEDULE B

THIS IS A SPECIMEN POLICY. IT IS NOT A POLICY OF TITLE INSURANCE AND DOES NOT REFLECT THE PRESENT STATE OF TITLE. NO LIABILITY IS ASSUMED HEREBY. THIS SPECIMEN POLICY IS FOR INFORMATION ONLY AND IS NOT A COMMITMENT TO (I) INSURE THE TITLE OR (II) ISSUE ANY OF THE ATTACHED ENDORSEMENTS.

Title No. [Title Number]
Policy No. Specimen

COMMONWEALTH LAND TITLE INSURANCE COMPANY

STANDARD NEW YORK ENDORSEMENT

(OWNER'S POLICY)

Attached to and made a part of Policy Number: Specimen

1. The following is added as a Covered Risk:

"11. Any statutory lien arising under Article 2 of the New York Real Property 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 assessed 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]

Courtesy signed: _____
Commonwealth Land Title Insurance Company

STANDARD NEW YORK ENDORSEMENT (7-1-12)
FOR USE WITH A STANDARD OWNER'S POLICY (6-17-06)

THIS IS A SPECIMEN POLICY. IT IS NOT A POLICY OF TITLE INSURANCE AND DOES NOT REFLECT THE PRESENT STATE OF TITLE. NO LIABILITY IS ASSUMED HEREBY. THIS SPECIMEN POLICY IS FOR INFORMATION ONLY AND IS NOT A COMMITMENT TO (I) INSURE THE TITLE OR (II) ISSUE ANY OF THE ATTACHED ENDORSEMENTS.

Title No. [Title Number]
Policy No. Specimen

COMMONWEALTH LAND TITLE INSURANCE COMPANY

Condominium Endorsement

-New York-

Attached to and made a part of Policy Number: Specimen

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 one 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 amendments 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)

THIS IS A SPECIMEN POLICY. IT IS NOT A POLICY OF TITLE INSURANCE AND DOES NOT REFLECT THE PRESENT STATE OF TITLE. NO LIABILITY IS ASSUMED HEREBY. THIS SPECIMEN POLICY IS FOR INFORMATION ONLY AND IS NOT A COMMITMENT TO (I) INSURE THE TITLE OR (II) ISSUE ANY OF THE ATTACHED ENDORSEMENTS.

ATTORNEY'S INCOME TAX OPINION

O L S H A N

EMAIL: WGLEICHER@OLSHANLAW.COM
DIRECT DIAL: 212.451.2231

March 9, 2017

PMG Leroy Street Development LLC
111 Fifth Avenue, 6th Floor
New York, NY 10003

Re: 111 Leroy Condominium

Gentlemen:

In connection with the offering of condominium units under a plan entitled Condominium Offering Plan for 111 Leroy 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 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 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 Unit paid or accrued by the owner of such Unit who is liable for the interest payment on such mortgage and who uses the 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 Unit Owner to purchase the Unit, that the Unit is the owner's principal residence and that the 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 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

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\$1,000,000 limit mentioned above (or \$50,000 of indebtedness in excess of the \$500,000 limit in the case of a married individual filing a separate return) 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 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 Unit Owner subject to the alternative minimum tax may be less than the amount deductible by a 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 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 111 Leroy 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 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.

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(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 more than 85% of the total square footage of the Premises will be used by individuals for residential purposes and that no person may rent his Unit for a period of less than thirty (30) days. Accordingly, the "substantially all" test should initially be met.

Our review of the documents referred to above indicates that the Association meets all the organizational tests described above for qualification for exemption. Assuming the Plan is consummated in accordance with its provisions and that the Association, in its actual operation, meets the other tests set forth above, it is our opinion that the Association will be eligible to elect tax-exempt status under Code Section 528. If such exempt status is properly elected, it is our opinion that the Association will not be subject to federal income tax for the taxable years in which such election is in effect, except as noted in the following paragraph.

An effective election will exempt from federal income taxation all amounts received by the Association as exempt function income. This consists of amounts received as membership dues, fees, or assessments from owners of Units. However, the Association will 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, 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.

If the Association fails to qualify as a "homeowners association", or if it does but chooses not to make the necessary election, 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

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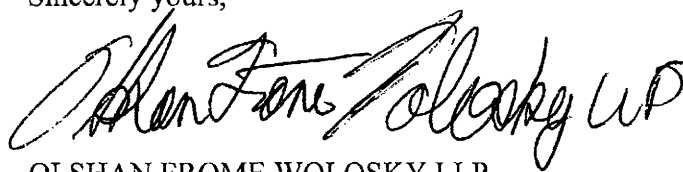
York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. Alternatively, it is possible that some or all of such income might be reportable directly by the Unit Owners. The tax treatment of the Condominium may be affected by certain United States Treasury Department regulations relating to entity classification.¹

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,

A handwritten signature in black ink, appearing to read "Olschan Frome Wolosky LLP", is written over a horizontal line.

OLSHAN FROME WOLOSKY LLP

¹ 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.

REAL ESTATE TAX PROJECTION OPINION

LAW OFFICES

PODELL, SCHWARTZ, SCHECHTER & BANFIELD, LLP605 THIRD AVENUE
NEW YORK, N.Y. 10158(212) 883-6500
FAX: (212) 883-6518
WWW.PSSB-LAW.COMSENIOR COUNSEL
ALLAN C. SCHWARTZSPECIAL COUNSEL
VICTOR HADE

March 17, 2017

PMG Leroy Street Development LLC
c/o Property Markets Group
111 Fifth Avenue, 6th Floor
New York, New York 10003Re: THE 111 LEROY CONDOMINIUM
111 Leroy Street,
Borough: Manhattan, Block: 602, Tentative Lot 85

Gentlemen:

You have requested that we provide you with an estimate of the above property's real estate tax assessments and real estate taxes following its construction as a residential condominium.

You have advised us that you are the fee owner of certain real property located at 111 Leroy Street, New York, New York, and currently designated as Block 602, Lots 55, 83, and 85 on the Official Tax Map of the City of New York. According to New York City Department of Finance records: Lot 55 consists of a land area of 855 square feet that was formerly improved with single-story, commercial tax "class 4," garage structure; Lot 83 consists of a land area of 4,000 square feet that was formerly improved with a two-story, 8,025 square-foot, commercial tax "class 4," garage structure; and Lot 85 consists of a land area of 13,100 square feet that was formerly improved with a single-story, 7,370 square-foot, commercial tax "class 4," structure.

You have advised us that you demolished the former improvements and are in the process of apportioning the three existing tax lots into seven (7) new tax lots tentatively designated as tax lots 55, 77, 79, 81, 83, 85 and 86. You have further advised us that you intend to improve tentative tax lot 85, which will consist of a land area of approximately 5,000 square feet, with a new, ten (10) story, 29,537 square-foot (gross, above grade), residential condominium consisting of 13 residential units. Tentative lot 85 is the subject of this opinion letter.

The other six (6) lots to be created (i.e., tentative lots 55, 77, 79, 81, 83 and 86), five (5) of which you have informed us will be developed as townhouses (tentative lots 55, 77, 79, 81 and 83) and one (1) to be an as yet to be determined use (tentative lot 86), are not included in this opinion letter.

You have advised us that you started construction during November, 2016, obtaining a Temporary Certificate of Occupancy by November 2017, and obtaining a Final Certificate of

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PMG Leroy Street Development LLC

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occupancy before January, 2018. You have further advised us that you anticipate the first year of condominium operation will be from November 1, 2017 through October 31, 2018.

Although the setting of an assessment on any particular property is subject to an individual assessor's subjective determination based upon general assessment guidelines, it is possible to estimate an approximate assessed value based upon a number of factors. These factors include actual construction costs (if applicable), the property's location, a hypothetical economic analysis of the condominium as if it were a rental property (as required pursuant to section 581 of the New York Real Property Tax Law), assessed valuations of comparable buildings, and New York City Department of Finance Assessment Guidelines. We have examined these factors in arriving at our estimates.

New York City is an annual assessing jurisdiction and is required to assess property for each upcoming fiscal tax year (July 1 – June 30) based upon its use and condition on January 5th (taxable status date). Annual increases or decreases in assessed value resulting from construction, demolition or other physical changes to the property (i.e., "physical" or "alteration" increases) are taxable the year they are levied. For "class 2" residential properties having more than 10 units and "class 4" properties, annual assessment increases or decreases not resulting from physical changes (i.e., "equalization" changes) are phased in for tax purposes over a five (5) year period at 20% per year. Hence, two assessed values: 1) the "actual assessment," which is reflective of the City's claimed market value; and 2) the "transitional assessment," which is based on physical increases and the 5-year phase in of equalization changes. Real property taxes in any given year are based on the lesser of the actual or transitional assessment.

The subject property's assessment history is as follows:

	<u>Tax Year</u>	<u>Tax Class</u>		<u>Land</u>	<u>Total</u>
<u>Current Lot 55:</u>					
Tentative	2017/18	4	Actual	\$ 57,780	\$ 57,780
			Transitional	\$ 50,076	\$ 50,076
Final	2016/17	4	Actual	\$ 48,150	\$ 112,050
			Transitional	\$ 48,150	\$ 93,388
Final	2015/16	4	Actual	\$ 48,150	\$ 98,550
			Transitional	\$ 48,150	\$ 85,198
<u>Current Lot 83:</u>					
Tentative	2017/18	4	Actual	\$ 225,450	\$ 225,450
			Transitional	\$ 200,970	\$ 200,970
Final	2016/17	4	Actual	\$ 194,850	\$ 756,450
			Transitional	\$ 194,850	\$ 737,783
Final	2015/16	4	Actual	\$ 194,850	\$ 756,000
			Transitional	\$ 194,850	\$ 716,544

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	<u>Tax Year</u>	<u>Tax Class</u>		<u>Land</u>	<u>Total</u>
<u>Current Lot 85:</u>					
Tentative	2017/18	4	Actual	\$ 1,254,150	\$ 1,254,150
			Transitional	\$ 1,192,230	\$ 1,192,230
Final	2016/17	4	Actual	\$ 1,176,750	\$ 1,493,100
			Transitional	\$ 1,176,750	\$ 1,331,733
Final	2015/16	4	Actual	\$ 1,176,750	\$ 1,424,250
			Transitional	\$ 1,176,750	\$ 1,269,364

As of January 5, 2017, which is the first taxable status date following the November, 2016 start of construction and the basis for the property's 2017/18 assessed value, you have advised us that construction will be approximately thirty percent (30%) complete. Pursuant to Section 11-209(a) of the New York City Administrative Code, an incomplete residential building will not be assessed for real property taxation as of the first taxable status date following the start of construction unless ready for occupancy by the following April 15th.

As set forth above, for 2017/18 the New York City Department of Finance has tentatively assessed only the land value of the three tax lots, which have not yet been apportioned, in accordance with Section 11-209(a) of the Administrative Code. As further set forth above, Finance's 2017/18 tentative taxable assessed land values for the three (3) tax lots (i.e., the lesser of the property's actual or transitional assessed values) is in the total amount of \$1,443,278, or \$80.38 per square-foot.

The City's tentative assessment roll, which was published on or about January 17, 2017, continues to classify the property for tax purposes in commercial "class 4." While "class 4" tentative assessed values are subject to change by the Department of Finance until May 1st, we have adopted the tentative 2017/18 taxable assessed values for purposes of projecting the property's 2017/18 real estate taxes.

Apportioning Finance's tentative 2017/18 taxable assessed land values on a square footage basis, we estimate that the assessed value attributable to the 5,000 square feet of land area comprising tentative lot 85 will be in the approximate amount of \$402,000.

At such time Finance completes the apportionment of the three (3) existing tax lots, it is their policy and procedure to create a retroactive assessment history for each of the seven (7) tax lots to be created, including tentative lot 85. This is accomplished by apportioning the historical assessed values of the parent lots among the lots to be created. While we have estimated the 2017/18 taxable assessed land value for tentative tax lot 85 based on a square footage basis given its relative land area, no warranty or guarantee is made herein that assessed values may not be apportioned by Finance based on a different method.

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The most recent tax rates available as of the date of this letter are those passed by the City Council for the 2016/17 tax year. The 2016/17 “class 4” tax rate was 10.574%. For purposes of this projection, we have utilized 10.574% as the 2017/18 commercial “class 4” tax rate. Based on the projected 2017/18 taxable assessed land value in the amount of \$402,000, we estimate that the gross real estate taxes attributable to tentative tax lot 85 for the fiscal year July 1, 2017 through June 30, 2018 will be in the approximate amount of \$43,000.

The first taxable status date following the anticipated completion of construction work and the property’s apportionment into separate condominium tax lots will be January 5, 2018, which will be the basis for the property’s 2018/19 assessed values. We estimate that the property’s total post-construction taxable assessed values will be in the total amount of \$4,600,000.

We have been advised that it is the policy and practice of the New York City Department of Finance to assign separate tax lots and apportion the assessed valuation of a condominium among the various units based upon the percentage of common interest contained in the Condominium Declaration.

We assume the residential units will be classified for tax purposes in residential tax “class 2.” For purposes of this projection, we have estimated the 2018/19 residential “class 2” tax rate will be in the approximate amount of 12.892% (i.e., the most recent “class 2” tax rate passed by the City Council for the 2016/17 tax year). Given the foregoing projected 2018/19 total taxable assessed value in the amount of \$4,600,000, we estimate that the gross real estate taxes due for the entire Condominium for the fiscal year July 1, 2018 through June 30, 2019 will be in the total amount of \$594,000.

You have advised us that the first year of Condominium operation will be from November 1, 2017 through October 31, 2018. Based on the foregoing projections for the 2017/18 and 2018/19 tax years, we estimate gross real estate taxes for the Condominium’s first year of operation will be in the total amount of \$227,000.

It should be noted that the estimated real property taxes for the first year of condominium operation (i.e., November 1, 2017 through October 31, 2018) do not reflect the fully constructed building.

A schedule of estimated real property taxes by residential unit for the first year of condominium operation as well as estimated assessed values and taxes for the first post-construction tax year (i.e., 2018/19) based on relative percentages of common interest set forth in schedule “A” in the Offering Plan is attached.

It should be noted that, although it is currently Finance’s stated policy to apportion the assessed values of condominium properties among the various units on this basis, Finance has used

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PMG Leroy Street Development LLC

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different methodologies in the past. No warranty or guarantee is made herein that assessed values will not be apportioned based on a different method.

Following the property's completion and apportionment into condominium units, individual residential unit owners may qualify for Condominium Abatement Program benefits pursuant to section 467-a of the New York Real Property Tax Law. The Program, which is set to expire June 30, 2019, provides partial tax relief for residential "class 2" condominium unit owners whose unit is their primary residence. Currently, abatement benefits for condominiums with an average taxable assessed value per unit greater than \$60,001 are calculated and determined at 17.5% of the taxes otherwise payable.

We have not included this potential benefit in our estimates set forth above and, while the program has regularly been extended since its initial passage in 1999 (most recently in June 2015), **we make no warranty or guarantee that the Condominium Abatement Program will be extended or available to unit owners upon completion of construction or that the Program will not be revised in a manner impacting potential availability.**

Assuming the Program is extended beyond June 30, 2019, the Condominium Board of Managers or its agent must file an application for the Condominium Abatement on behalf of all eligible unit owners (unit owners do not apply individually). Applications have historically been due by February 15th for the following fiscal tax year starting July 1st.

This letter was prepared at the sponsor's request. The figures set forth herein are approximations derived from material submitted by the sponsor and publicly available tax records and are subject to amendment. No government agency has passed upon these figures or the estimates of assessed valuation and taxes herein. We have not passed on the accuracy of any figures or estimates contained in the Offering Plan, and offer no warranties on real estate assessments, tax classifications, taxes, or tax rates for any period. All prospective purchasers are advised that, although the estimates of assessed valuations upon conversion are good faith estimates, such assessed valuations when actually made may be less or greater than as estimated herein.

The above estimates do not take into account any future increases in the level of assessed valuation applied to residential property or any increase in the real estate tax rates. The above opinion is based upon our interpretation of The New York State Real Property Tax Law and The Administrative Code of the City of New York and is not intended to be a guarantee or assurance that the actual or transitional tax assessments, tax rates, or actual taxes will be as estimated.

No representation is made that the provisions of law or New York City Department of Finance policies and practices will apply at the time the property's conversion is complete. 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

PODELL, SCHWARTZ, SCHECHTER & BANFIELD, LLP

PMG Leroy Street Development LLC

Page vi

March 17, 2017

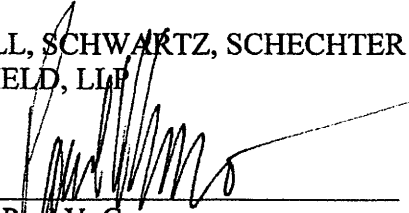
there may be an adverse interpretation of the law or regulations by one of more agencies of the City of New York, or Courts of competent jurisdiction.

While we believe our opinions are well-founded, they are not intended, and should not be construed as representations or warranties that assessments, tax rates, and taxes will not be determined in a different amount. The foregoing analysis is based upon our knowledge of the making and review of assessments by the Real Property Assessment Department and the Tax Commission of the City of New York with respect to residential properties held in the condominium form of ownership. Application of a particular approach to valuation by an individual assessor may yield a different result.

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

Very truly yours,

PODELL, SCHWARTZ, SCHECHTER &
BANFIELD, LLP

BY: 

Paul V. Greco

PVG:

PODELL, SCHWARTZ, SCHECHTER & BANFIELD, LLPSchedule of Estimated Real Property Taxes By Unit (as of March 17, 2017):

THE 111 LEROY CONDOMINIUM

111 Leroy Street

Unit	First Post-Construction Tax Year			Estimated Taxes 11/1/17 Through 10/31/18
	Percentage of Residential Common Interest	Estimated 2018/19 Taxable Assessed Value	Estimated 2018/19 Taxes	
1	7.0719%	\$ 325,307	\$ 42,007	\$ 16,053
2	9.1895%	\$ 422,717	\$ 54,586	\$ 20,860
3A	1.6996%	\$ 78,182	\$ 10,096	\$ 3,858
3B	1.6737%	\$ 76,990	\$ 9,942	\$ 3,799
3C	2.5817%	\$ 118,758	\$ 15,335	\$ 5,860
3D	2.7335%	\$ 125,741	\$ 16,237	\$ 6,205
4	10.8541%	\$ 499,289	\$ 64,473	\$ 24,639
5	11.1360%	\$ 512,256	\$ 66,148	\$ 25,279
6	11.4179%	\$ 525,223	\$ 67,822	\$ 25,919
7	10.1927%	\$ 468,864	\$ 60,545	\$ 23,137
8	8.8948%	\$ 409,161	\$ 52,835	\$ 20,191
9	9.1041%	\$ 418,789	\$ 54,078	\$ 20,666
10	13.4505%	\$ 618,723	\$ 79,896	\$ 30,533
Total	<u>100.0000%</u>	<u>\$ 4,600,000</u>	<u>\$ 594,000</u>	<u>\$ 227,000</u>

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:

- 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

Instead, use Form:**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)

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 25047Z

Form **W-8BEN** (Rev. 2-2014)

FORM W-9
(REQUEST FOR TAXPAYER IDENTIFICATION NUMBER)

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 ☐ 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) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	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:

- 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
- 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
- I am a U.S. citizen or other U.S. person (defined below); and
- 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:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- 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
- 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 PMG Leroy Street Development 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 111 Leroy Street Condominium and located at 111 Leroy Street, New York, New York 10014 ("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 42 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.

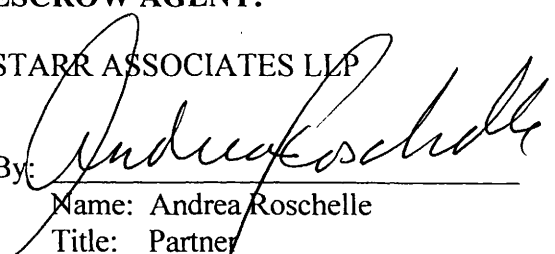
14. ENTIRE AGREEMENT.

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.

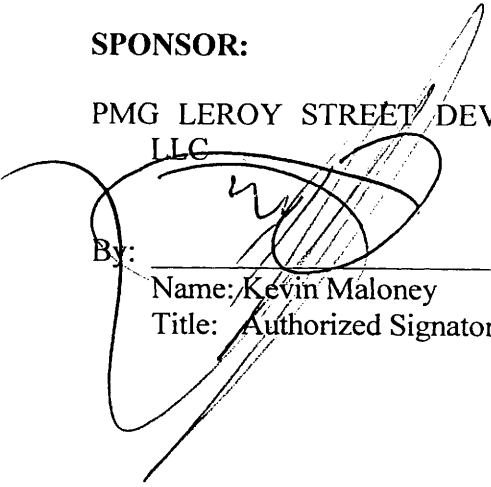
ESCROW AGENT:

STARR ASSOCIATES LLP

By: 

Name: Andrea Roschelle

Title: Partner

SPONSOR:PMG LEROY STREET DEVELOPMENT
LLCBy: 

Name: Kevin Maloney

Title: Authorized Signatory

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
111 Leroy Condominium
111 Leroy Street
New York, New York 10014

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.

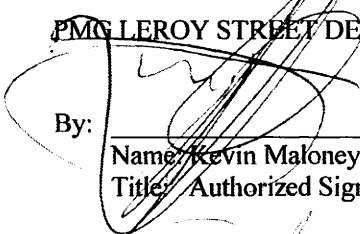
We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by 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:

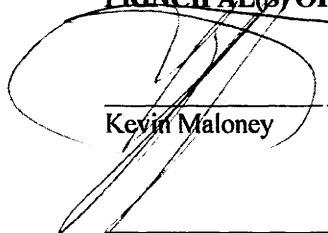
~~PMC LEROY STREET DEVELOPMENT LLC~~

By: 

Name: Kevin Maloney

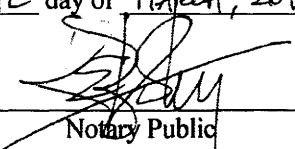
Title: Authorized Signatory

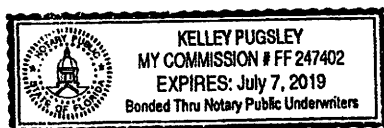
PRINCIPAL(S) OF SPONSOR:


Kevin Maloney


Richard Lam

Severally sworn to before me
this 9th day of MARCH, 2017


Notary Public



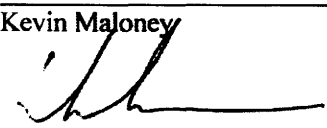
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

SPONSOR:

PMG LEROY STREET DEVELOPMENT LLC

By: _____
 Name: Kevin Maloney
 Title: Authorized Signatory

PRINCIPAL(S) OF SPONSOR:

Kevin Maloney

 Richard Lam

Severally sworn to before me
 this 7 day of March 2017

Notary Public

Franklin R. Katman
 Notary Public, State of New York
 No. 02KA4663586
 Qualified in Westchester County
 Commission Expires February 28, 2018

CERTIFICATION OF ARCHITECT

(Original Report – New Construction)

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

Re: Condominium Offering Plan
 111 Leroy Street Condominium
 111 Leroy Street
New York, New York 10014

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 Workshop/APD Architecture DPC dated 03/08/2017 and prepared the Report dated 03/08/2017, 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;

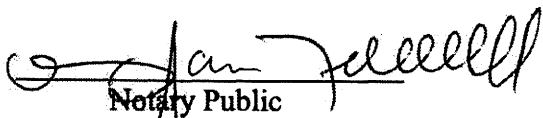
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and
- (vii) does not contain any representation or statement which is false, where We:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

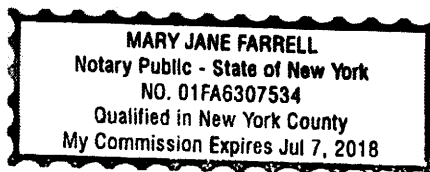
We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.


 Thomas Julliard, AIA NCARB
 Principal
 WORKSHOP/APD ARCHITECTURE DPC

Sworn to before me this

March 8, 2017
 Date


 Notary Public



CERTIFICATION OF BUDGET EXPERT

RESIDENTIAL MANAGEMENT GROUP, LLC
D/B/A DOUGLAS ELLIMAN PROPERTY MANAGEMENT
675 THIRD AVENUE
NEW YORK, NEW YORK 10017

Part 20: CERTIFICATION BY EXPERT AS TO ADEQUACY OF CONDOMINIUM
BUDGET

March 7, 2017

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

Re: Condominium Offering Plan
111 Leroy Street
New York, New York 10014

The Sponsor of the condominium offering plan for the captioned property retained our firm to review Schedule B ("Schedules") containing projections of income and expenses for the first year of condominium operation. Residential Management Group, LLC d/b/a Douglas Elliman Property Management, is a licensed real estate brokerage and management firm in the State of New York and has managed over 350 condominiums, cooperatives and residential rental properties over the past 50 years.

We understand we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Schedules.

We have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings in Manhattan.

We certify that the projections in the Schedules appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses of the Condominium for the projected first year of condominium operation.

We certify that the Schedules:

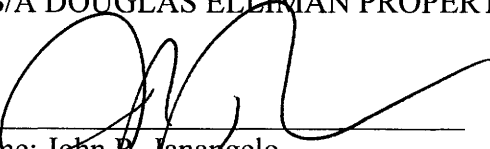
- (i) set forth in detail the projection of income and expenses for the projected first year of condominium operation;
- (ii) afford potential investors, purchasers, and participants an adequate basis upon which to found their judgment concerning the projected first year of condominium operation;

- (iii) do not omit any material fact;
- (iv) do not contain any untrue statement of a material fact;
- (v) do not contain any fraud, deception, concealment, or suppression;
- (vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) do not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the projected first year of 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.

RESIDENTIAL MANAGEMENT GROUP, LLC
D/B/A DOUGLAS ELLMAN PROPERTY MANAGEMENT

By: 

Name: John R. Janangelo

Title: Executive Vice President

Sworn to before me this
8 day of March 2017


Notary Public

MELISSA ANN BASS
Notary Public, State of New York
No. 01BA6231808
Qualified in Kings County
Commission Expires 11-29-2014



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.

LIGHT AND AIR EASEMENT

621 & 627 Greenwich St.

423

Block 602

Lots 85 & 58

LIGHT AND AIR EASEMENT

EASEMENT AGREEMENT made this 2ND day of November, 2015, between PMG Leroy Street Development LLC, a Delaware limited liability company with offices at 111 Fifth Avenue, New York, New York 10003, hereinafter referred to as the "Grantor," and 90 Morton Owner LLC (f/k/a 627 Greenwich Owner LLC), a Delaware limited liability company with offices at 885 Third Avenue, New York, New York 10022, hereinafter referred to as the "Grantee".

WHEREAS, the Grantor is the fee owner of certain land located in the City and State of New York, Borough of Manhattan, designated as Block 602 Lot 85 on the Tax Map of the City of New York, hereinafter referred to as Parcel A and more particularly described by a metes and bounds description set forth in Schedule A annexed hereto and by this reference made a part hereof;

WHEREAS, the Grantee is the fee owner of certain land located in the City and State of New York, Borough of Manhattan, designated as Block 602 Lot 58 on the Tax Map of the City of New York, hereinafter referred to as Parcel B and more particularly described by a metes and bounds description set forth in Schedule B annexed hereto and by this reference made a part hereof;

WHEREAS, there is an existing a 12-story commercial building erected on Parcel B (the "Parcel B Building");

WHEREAS, Grantee has requested the New York City Department of Buildings (the "Department of Buildings") to act upon Application No. _____ to convert the Parcel B Building from commercial to residential use on Parcel B; and

WHEREAS, the Department of Buildings may approve the Application upon the condition, *inter alia*, that Grantor create an easement for light and air over the South Easement Area and the East Easement Area, both as shown on Schedule C (collectively, the "Easement Areas"), for the benefit of the present and future owners of Parcel B in order to comply with the applicable provisions of Sections 27-732 and 27-746 of the 1968 Building Code or Sections BC1203.4 and BC 1205.2 of the 2008 Building Code, as applicable.

NOW, THEREFORE, good and valuable consideration having been paid, the Grantor for her/himself, her/his heirs, legal representatives, successors and assigns hereby makes the following grant to Grantee, her/his heirs, legal representatives, successors, and assigns and to any future owner of Parcel B:

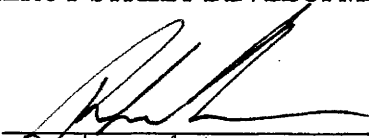
1. The right to unrestricted light and air over the Easement Areas commencing at a height of 16 feet above Datum Level established in Section 28-164.7.6 (NAVD) of the Administrative Code of the City of New York as of the date hereof, such that any

building or other structure on Easement Areas shall never infringe upon the light and air provided to Parcel B.

2. This easement agreement may not be modified, amended or terminated without the prior written consent of the Department of Buildings.
3. The covenants set forth herein shall run with the land and be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.
4. Failure to comply with the terms of this easement agreement may result in the revocation of a building permit or certificate of occupancy.
5. This easement agreement shall be recorded at the city register's (county clerk's) office against all affected parcels of land and the cross-reference number and title of the easement agreement shall be cited on each temporary and permanent certificate of occupancy hereafter issued to buildings located on the affected parcels and in any deed for the conveyance thereof.
6. This easement agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have made and executed the foregoing easement agreement as of the date hereinabove written.

PMG LEROY STREET DEVELOPMENT LLC

By: 

Name: Richard Lam

Title: Authorized Signatory

90 MORTON OWNER LLC

By: _____

Name: _____

Title: _____

building or other structure on Easement Areas shall never infringe upon the light and air provided to Parcel B.

2. This easement agreement may not be modified, amended or terminated without the prior written consent of the Department of Buildings.
3. The covenants set forth herein shall run with the land and be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.
4. Failure to comply with the terms of this easement agreement may result in the revocation of a building permit or certificate of occupancy.
5. This easement agreement shall be recorded at the city register's (county clerk's) office against all affected parcels of land and the cross-reference number and title of the easement agreement shall be cited on each temporary and permanent certificate of occupancy hereafter issued to buildings located on the affected parcels and in any deed for the conveyance thereof.
6. This easement agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have made and executed the foregoing easement agreement as of the date hereinabove written.

PMG LEROY STREET DEVELOPMENT LLC

By: _____
 Name: _____
 Title: _____

90 MORTON OWNER LLC

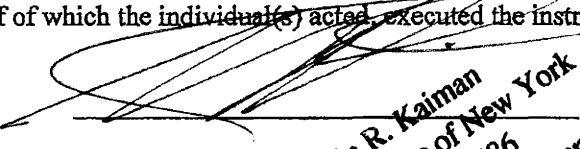
By: _____
 Name: *Adam Prigum*
 Title: *Attorney in Fact*

STATE OF NEW YORK)

) ss.:

COUNTY OF NEW YORK)

On the 29th day of October, 2015 before me, the undersigned, a Notary Public in and for said State, personally appeared RECHARD LAM, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.


 Notary Public

Franklin R. Kaiman
 Notary Public, State of New York
 No. 02KA4663586
 Qualified in Westchester County
 Commission Expires February 28, 2018

STATE OF NEW YORK)

) ss.:

COUNTY OF NEW YORK)

On the _____ day of _____, _____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

 Notary Public

STATE OF NEW YORK)

) ss.:

COUNTY OF NEW YORK)

On the _____ day of _____, _____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

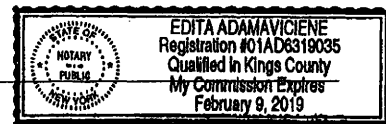
STATE OF NEW YORK)

) ss.:

COUNTY OF NEW YORK)

On the 30 day of October, 2018 before me, the undersigned, a Notary Public in and for said State, personally appeared Alham Ibrahim, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

Edita Adamaviciene



Notary Public

SCHEDULE ATax Lot 85

ALL that certain plot, piece of parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly side of Leroy Street, and the easterly side of Greenwich Street;

RUNNING THENCE eastwardly along the northerly side of Leroy Street, 134 feet 9 inches to a point, said point being 160 feet 0 inches west of the corner formed by the intersection of the westerly side of Hudson Street and the northerly side of Leroy Street;

THENCE northwardly along a line perpendicular to the northerly side of Leroy Street, 100 feet 1-5/8 inches to a point in the center line of the block;

THENCE eastwardly along the center line of the block 9 feet 3-1/2 inches to a point;

THENCE northwardly along a line making an angle of 89° 56' 25" on its westerly side with the preceding course and part of the distance along the westerly face of the independent wall, 100 feet 1-5/8 inches to a point in the southerly side of Morton Street;

THENCE westwardly along the southerly side of Morton Street, 25 feet 4-1/4 inches to a point, said point being 102 feet 4-1/4 inches easterly from the corner formed by the intersection of the southerly side of Morton Street, and the easterly side of Greenwich Street;

THENCE southwardly along a line making an angle of 90° 12' 00" on its westerly side with the southerly side of Morton Street, 100 feet 0 inches to a point;

THENCE westwardly along a line parallel with the southerly side Morton Street, 46 feet 11-1/4 inches to a point;

THENCE southwardly along a line at right angles to Morton Street, 18 feet 5 inches to a point;

THENCE westwardly along a line parallel with the northerly side of Leroy Street, 21 feet 9-3/4 inches to a point;

THENCE southwardly along a line at right angles to the northerly side of Leroy Street, 7 feet 10 inches to a point;

THENCE westwardly along a line parallel with the northerly side of Leroy Street, 0 feet 3-1/8 inches to a point;

THENCE southwardly along a line at $90^{\circ} 00' 00''$ to the northerly side of Leroy Street, 18 feet 4- $\frac{1}{4}$ inches to a point;

THENCE westwardly along a line parallel with northerly side of Leroy Street, 45 feet 5 inches to a point in the easterly side of Greenwich Street;

THENCE southwardly along the easterly side of Greenwich Street, 55 feet 10- $\frac{1}{8}$ inches to the point or place of BEGINNING.

SCHEDULE BTax Lot 58

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, and more particularly described as follows:

BEGINNING at the corner formed by the intersection of the easterly side of Greenwich Street, with the southerly side of Morton Street;

RUNNING THENCE easterly along the southerly side of Morton Street, 102 feet 4-1/4 inches;

THENCE southerly on a line forming an interior angle of 90 degrees 12 minutes 00 seconds with the last course, 100 feet;

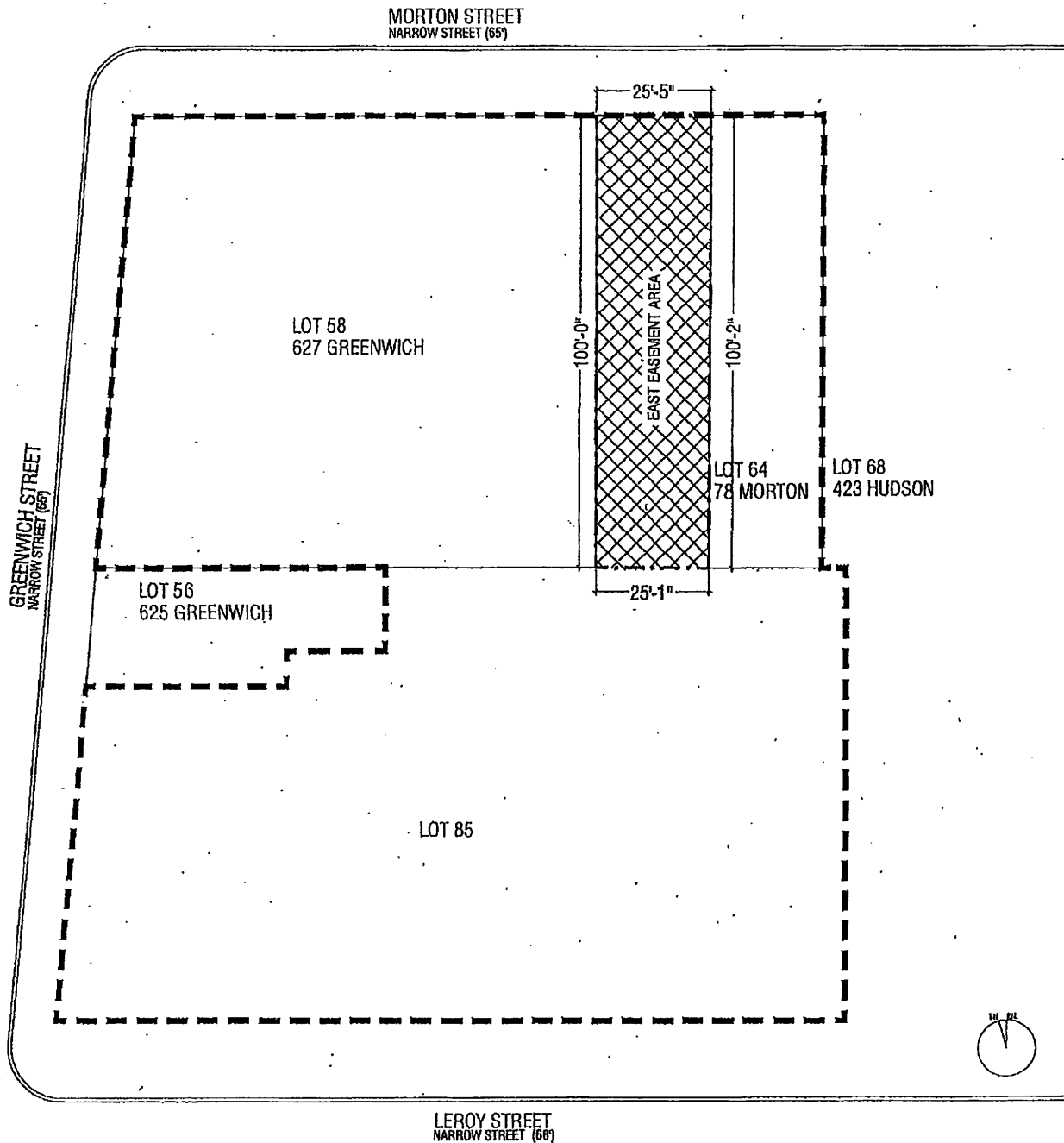
THENCE westerly on a line forming an interior angle of 89 degrees 48 minutes 00 seconds with the last course, 110 feet 10-1/2 inches to the easterly side of Greenwich Street;

THENCE northerly along the easterly side of Greenwich Street, 100 feet 4 inches to the corner at the point or place of BEGINNING.

SCHEDULE C

[FOLLOWS]

EXHIBIT A - EAST EASEMENT AREA

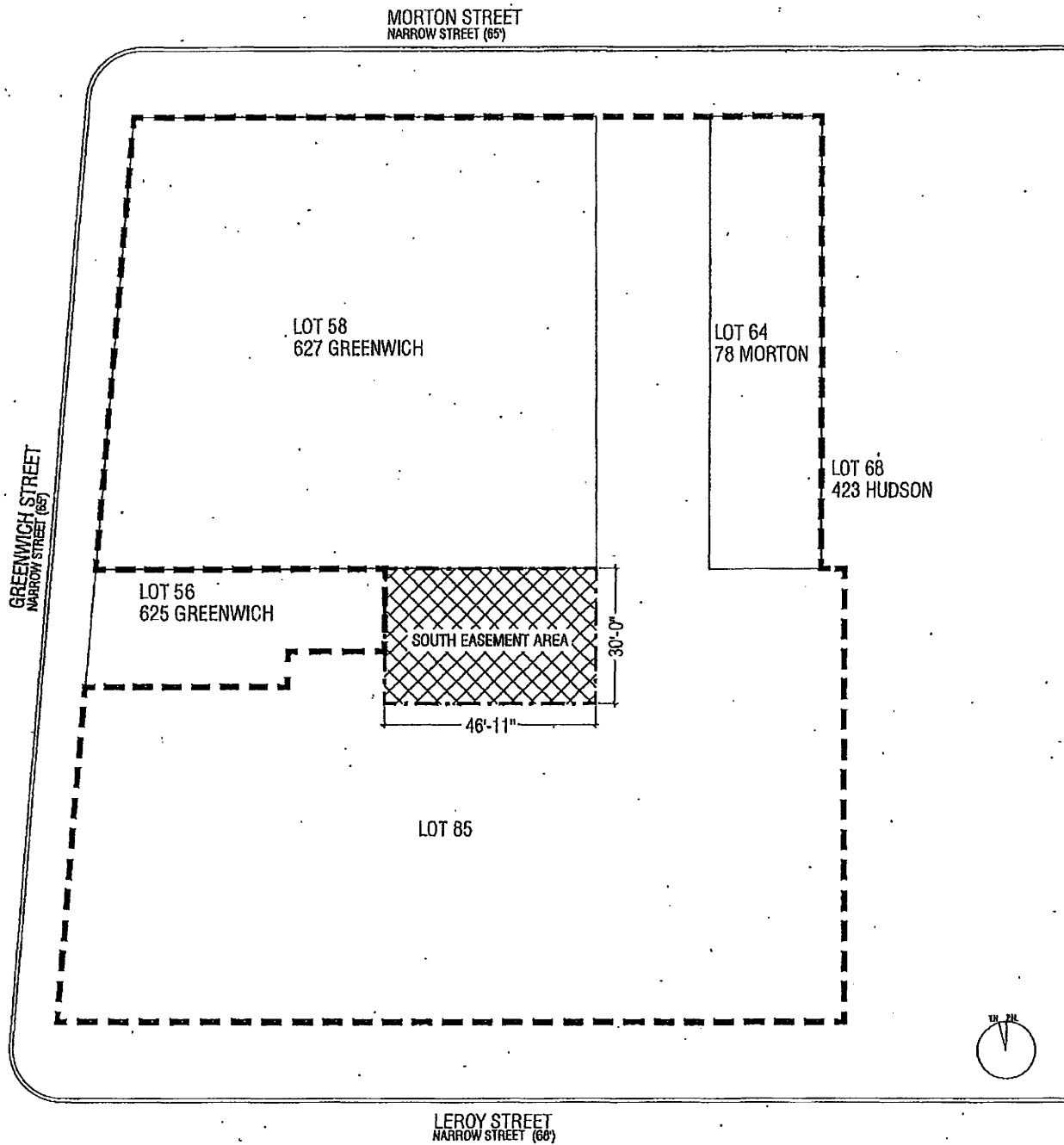


 EASEMENT AREA

 ZONING LOT

SCALE: 1/32" = 1'

EXHIBIT B - SOUTH EASEMENT AREA

 EASEMENT AREA ZONING LOT

SCALE: 1/32" = 1'

DECLARATION OF ZONING LOT RESTRICTIONS

DECLARATION OF ZONING LOT RESTRICTIONS

Dated: as of _____, 2015

BLOCK: 602
LOTS: 55, 58, 64, 83, 85

RECORD AND RETURN TO:
BRYAN CAVE LLP
1290 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10104
ATTENTION: JUDITH GALLENT, ESQ.

DECLARATION OF ZONING LOT RESTRICTIONS

Declaration ("Declaration"), made as of this ____ day of _____, 2015, between PMG Leroy Street Development LLC, a Delaware limited liability company having an address at 111 Fifth Avenue, New York, New York 10003 ("PMG Owner"), in its capacity as owner of the Lot 55 Land, the Lot 83 Land and the Lot 85 Land, as hereinafter defined, and 90 Morton Owner LLC (f/k/a 627 Greenwich Owner LLC), a Delaware limited liability company having an address at 885 Third Avenue, New York, New York 10022 ("627 Owner"), in its capacity as owner of the Lot 58 Land, as hereinafter defined (PMG Owner and 627 Owner being herein collectively called "Declarants").

WITNESSETH:

WHEREAS, PMG owner is the owner of certain land, with the buildings and improvements thereon, in the City of New York, Borough of Manhattan, generally known by street address as 623 Greenwich Street, designated as Lot 55 in Block 602 on the Tax Map of the City, County and State of New York ("Tax Map") and more particularly described on Exhibit A annexed hereto and made a part hereof (such land being herein called the "Lot 55 Land");

WHEREAS, PMG Owner is also the owner of certain land, with the buildings and improvements thereon, in the City of New York, Borough of Manhattan, generally known by street addresses as 111-113 Leroy Street, designated as Lot 83 in Block 602 on the Tax Map and more particularly described on Exhibit B annexed hereto and made a part hereof (such land being herein called the "Lot 83 Land");

WHEREAS, PMG Owner is also the owner of certain land, with the buildings and improvements thereon, in the City of New York, Borough of Manhattan, generally known by street address as 617 Greenwich Street, designated as Lot 85 in Block 602 on the Tax Map and more particularly described on Exhibit C annexed hereto and made a part hereof (such land being herein called the "Lot 85 Land");

WHEREAS, 627 Owner is the owner of certain land, with the buildings and improvements thereon, in the City of New York, Borough of Manhattan, generally known by street address as 627 Greenwich Street, designated as Lot 58 in Block 602 on the Tax Map, as more particularly described on Exhibit D annexed hereto and made a part hereof (such land being herein called the "Lot 58 Land");

WHEREAS, as evidenced by the Zoning Lot Description and Ownership Statement by Enterprises Associates, dated as of October 1, 1985, and recorded in the Office of the New York City Register on December 9, 1986 (Reel 1154, Page 1539), and as confirmed by the Declaration of Zoning Lot Restrictions, dated March 9, 1987, and recorded in the Office of the New York City Register on March 10, 1987 (Reel 1200, Page 2156; Reel 1200, Page 2162; Reel 1200, Page 2165), the Lot 58 Land and the Lot 85 Land (together, formerly known as Lot 58) constitute a single zoning lot;

WHEREAS, pursuant to a certain Declaration of Zoning Lot Restrictions by and between KMG-PMA Leroy, LLC, the predecessor in interest to PMG Owner with respect to the Lot 83 Land, and Ti Takk, LLC, owner of certain land, with the buildings and improvements thereon, in

the City of New York, Borough of Manhattan, generally known by street address as 78 Morton Street, designated as Lot 64 in Block 602 on the Tax Map, as more particularly described on Exhibit E annexed hereto and made a part hereof (such land being herein called the "Lot 64 Land"), dated December 20, 2006, and recorded on January 2, 2007 at CRFN 2007000001751 in the Office of the New York City Register (the "Lots 64 and 83 Declaration"), the Lot 64 Land was previously merged with the Lot 83 Land to create a single zoning lot;

WHEREAS, pursuant to the procedure set forth in Section 12-10 of the Zoning Resolution of the City of New York, effective December 15, 1961 (the "Zoning Resolution") Declarants desire to create a single zoning lot (as defined in the Zoning Resolution) consisting of the Lot 55 Land, the Lot 58 Land, the Lot 64 Land, the Lot 83 Land, and the Lot 85 Land (said land collectively referred to herein as the "Combined Zoning Lot"); and

WHEREAS, all other parties in interest (as defined in the Zoning Resolution) to the Combined Zoning Lot as shown on the Zoning Lot Certification of Commonwealth Land Title Insurance Company, annexed hereto as Exhibit F, have joined in this Declaration or the Lots 64 and 83 Declaration and/or have waived their right to do so.

NOW, THEREFORE, in consideration of the premises, and other valuable consideration, the Declarants, with intent to bind all persons in whom the Combined Zoning Lot, which for the avoidance of doubt includes the Lot 55 Land, the Lot 58 Land, the Lot 64 Land, the Lot 83 Land, and the Lot 85 Land, is or shall hereafter be vested, does hereby declare the following:

1. The Combined Zoning Lot consists of interests in several lots of record, each of which is contiguous for more than ten linear feet with the other lots on their respective common boundaries. Said lots are located within a single block and are hereby declared to be a tract of land to be treated as one zoning lot for the purposes of the Zoning Resolution.
2. No breach by any party to this Declaration, or any agreement ancillary hereto, shall have any effect on the treatment of the Combined Zoning Lot as one zoning lot for purposes of the Zoning Resolution and the Combined Zoning Lot shall be treated as one zoning lot unless such zoning lot is subdivided in accordance with the provisions of the Zoning Resolution.
3. This Declaration constitutes a covenant running with the land and shall bind and inure to the benefit of the parties, their successors and assigns and ever party now or hereafter acquiring any right, title or interest therein or in any part thereof.
4. This Declaration shall be recorded against the Combined Zoning Lot in the Conveyances Section of the Office of the City Register in the County of New York in accordance with the provisions of Section 12-10 of the Zoning Resolution.
5. This Declaration supersedes all prior Declarations of Zoning Lot Restrictions related to the Combined Zoning Lot or portions thereof.
6. This Declaration may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Declaration to be signed as of the day and year first above written.

PMG OWNER:

PMG Leroy Street Development LLC

By: 
Name:
Title: Richard Lam
Authorized Signatory

627 OWNER:

90 Morton Owner LLC

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Declaration to be signed as of the day and year first above written.

PMG OWNER:

PMG Leroy Street Development LLC

By: _____
Name:
Title:

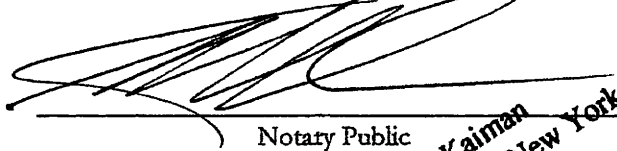
627 OWNER:

90 Morton Owner LLC

By: _____
Name: *Aaron Friedman*
Title: *Authorized Person*

STATE OF NEW YORK)
)ss.:
 COUNT OF NEW YORK)

On the 29th day of October 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared RECITANO CAN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

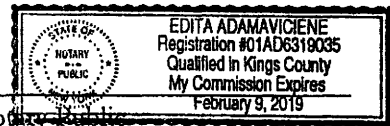


Notary Public

Franklin R. Kaiman
 Notary Public, State of New York
 No. 02KA4663586
 Qualified in Westchester County
 Commission Expires February 28, 2018

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:
)

On the 30 day of October, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared Alison Prieger, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

Eholermer

~~Nothing to Report~~

LIST OF EXHIBITS

TO DECLARATION OF ZONING LOT RESTRICTIONS

EXHIBIT A	Metes and Bounds Description of the Lot 55 Land
EXHIBIT B	Metes and Bounds Description of the Lot 83 Land
EXHIBIT C	Metes and Bounds Description of the Lot 85 Land
EXHIBIT D	Metes and Bounds Description of the Lot 58 Land
EXHIBIT E	Metes and Bounds Description of the Lot 64 Land
EXHIBIT F	Title Company Certification

EXHIBIT ATax Lot 55

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Greenwich Street, distant 56 feet northerly from the northeasterly corner of Greenwich and Leroy Streets;

RUNNING thence easterly parallel with Leroy Street, 45 feet 5 inches;

THENCE northerly at right angles to Leroy Street, 18 feet 6 inches;

THENCE westerly parallel with the first mentioned line, 43 feet 9 inches to the easterly side of Greenwich Street; and

THENCE southerly along the easterly side of Greenwich Street, 18 feet 5 inches to the point of place of BEGINNING.

EXHIBIT B**Tax Lot 83**

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at a point on the northerly side of Leroy Street, distant 134 feet 9 inches easterly from the corner formed by the intersection of the northerly side of Leroy Street, and the easterly side of Greenwich Street, said point being 160 feet 0 inches west of the corner formed by the intersection of Hudson Street and Leroy Street;

RUNNING THENCE northwardly along a line at right angles to the northerly side of Leroy Street, a distance of 100 feet 1-5/8 inches to a point in the center line of the block;

THENCE eastwardly along the center line of the block, 39 feet 7-3/4 inches to a point;

THENCE southwardly along a line making an angle of 90° 12' 00", its westerly side with the preceding course, 100 feet 1-5/8 inches to a point in the northerly side of Leroy Street;

THENCE westwardly along the northerly side of Leroy Street, 40 feet 0 inches to the point or place of BEGINNING.

EXHIBIT CTax Lot 85

ALL that certain plot, piece of parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly side of Leroy Street, and the easterly side of Greenwich Street;

RUNNING THENCE eastwardly along the northerly side of Leroy Street, 134 feet 9 inches to a point, said point being 160 feet 0 inches west of the corner formed by the intersection of the westerly side of Hudson Street and the northerly side of Leroy Street;

THENCE northwardly along a line perpendicular to the northerly side of Leroy Street, 100 feet 1-5/8 inches to a point in the center line of the block;

THENCE eastwardly along the center line of the block 9 feet 3-1/2 inches to a point;

THENCE northwardly along a line making an angle of 89° 56' 25" on its westerly side with the preceding course and part of the distance along the westerly face of the independent wall, 100 feet 1-5/8 inches to a point in the southerly side of Morton Street;

THENCE westwardly along the southerly side of Morton Street, 25 feet 4-1/4 inches to a point, said point being 102 feet 4-1/4 inches easterly from the corner formed by the intersection of the southerly side of Morton Street, and the easterly side of Greenwich Street;

THENCE southwardly along a line making an angle of 90° 12' 00" on its westerly side with the southerly side of Morton Street, 100 feet 0 inches to a point;

THENCE westwardly along a line parallel with the southerly side Morton Street, 46 feet 11-1/4 inches to a point;

THENCE southwardly along a line at right angles to Morton Street, 18 feet 5 inches to a point;

THENCE westwardly along a line parallel with the northerly side of Leroy Street, 21 feet 9-3/4 inches to a point;

THENCE southwardly along a line at right angles to the northerly side of Leroy Street, 7 feet 10 inches to a point;

THENCE westwardly along a line parallel with the northerly side of Leroy Street, 0 feet 3-1/8 inches to a point;

THENCE southwardly along a line at $90^{\circ} 00' 00''$ to the northerly side of Leroy Street, 18 feet 4-1/4 inches to a point;

THENCE westwardly along a line parallel with northerly side of Leroy Street, 45 feet 5 inches to a point in the easterly side of Greenwich Street;

THENCE southwardly along the easterly side of Greenwich Street, 55 feet 10-1/8 inches to the point or place of BEGINNING.

EXHIBIT DTax Lot 58

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, and more particularly described as follows:

BEGINNING at the corner formed by the intersection of the easterly side of Greenwich Street, with the southerly side of Morton Street;

RUNNING THENCE easterly along the southerly side of Morton Street, 102 feet 4-1/4 inches;

THENCE southerly on a line forming an interior angle of 90 degrees 12 minutes 00 seconds with the last course, 100 feet;

THENCE westerly on a line forming an interior angle of 89 degrees 48 minutes 00 seconds with the last course, 110 feet 10-1/2 inches to the easterly side of Greenwich Street;

THENCE northerly along the easterly side of Greenwich Street, 100 feet 4 inches to the corner at the point or place of BEGINNING.

EXHIBIT ETax Lot 64

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the County, City and State of New York, bounded and described and containing as follows:

BEGINNING at a point on the southerly side of Morton Street distant 125 feet westerly from the southwesterly corner of Morton and Hudson Streets;

RUNNING THENCE Westerly along said southerly side of Morton Street, 25 feet;

THENCE Southerly and at right angles to Morton Street, 100 feet;

THENCE Easterly and parallel with Morton Street, 25 feet;

THENCE Northerly and at right angles to Morton Street, 100 feet to the point or place of BEGINNING

EXHIBIT F

Title Company Certification

(appears on following page)

N.B. # _____
 or
 ALT. # _____

EXHIBIT "II"

**CERTIFICATION PURSUANT TO ZONING LOT SUBDIVISION D
 OF SECTION 12-10 OF THE ZONING RESOLUTION OF
 DECEMBER 15, 1961 OF THE CITY OF NEW YORK
AS AMENDED, EFFECTIVE AUGUST 18, 1977**

Commonwealth Land Title Insurance Company, a title insurance company licensed to do business in the State of New York, and having an office at 630 Third Avenue, New York, New York, 10017, hereby certifies that as to the land hereafter described being a tract of land, either unsubdivided or consisting of two or more lots of record, contiguous for a minimum of ten linear feet, located within a single block, that all the parties in interest constituting a "party in interest" as defined in Section 12-10, subdivision (d) of the Zoning Resolution of The City of New York, effective December 15, 1961, as amended are the following:

<u>NAME & ADDRESS</u>	<u>NATURE OF INTEREST</u>	<u>DECLARATION/WAIVER</u>
1. PMG Leroy Street Development LLC c/o Property Markets Group 5 East 17 th Street, Floor 2 New York, NY 10003	<i>Fee Owner-</i> Block 602, Lots 55, 83 and 85	Declaration intended to be recorded simultaneously herewith
2. 111 Leroy Gap Lender, LLC 333 S. Grand Avenue, 28th Floor Los Angeles, California 90071	<i>Mortgagee-</i> Block 602, Lots 55, 83 and 85	Waiver intended to be recorded simultaneously herewith
3. 90 Morton Owner LLC (f/k/a 627 Greenwich Owner LLC) c/o Brack Capital Real Estate Ltd. 885 Third Avenue New York, NY 10022	<i>Fee Owner-</i> Block 602, Lot 58	Declaration intended to be recorded simultaneously herewith
4. ACREFI J-I, LLC c/o Apollo Commercial Real Estate Finance Inc. 9 West 57 th Street New York, NY 10019	<i>Mortgagee-</i> Block 602, Lot 58	Waiver intended to be recorded simultaneously herewith

5. **Israel Discount Bank
of New York**
511 Fifth Avenue
New York, NY 10017

Mortgagee- Block 602, Lot 58

Waiver intended to be
recorded simultaneously
herewith

The subject tract of land with respect to which the foregoing parties are the parties in interest as aforesaid, is known as Tax Lots 55, 83, 85, 64 and 58 in Block 602 on the Tax Map of the City of New York, County of New York, and more particularly described as follows:

Tax Lot 55:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Greenwich Street, distant 56 feet northerly from the northeasterly corner of Greenwich and Leroy Streets;

RUNNING thence easterly parallel with Leroy Street, 45 feet 5 inches;

THENCE northerly at right angles to Leroy Street, 18 feet 6 inches;

THENCE westerly parallel with the first mentioned line, 43 feet 9 inches to the easterly side of Greenwich Street; and

THENCE southerly along the easterly side of Greenwich Street, 18 feet 5 inches to the point of place of BEGINNING.

Tax Lot 83:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at a point on the northerly side of Leroy Street, distant 134 feet 9 inches easterly from the corner formed by the intersection of the northerly side of Leroy Street, and the easterly side of Greenwich Street, said point being 160 feet 0 inches west of the corner formed by the intersection of Hudson Street and Leroy Street;

RUNNING THENCE northwardly along a line at right angles to the northerly side of Leroy Street, a distance of 100 feet 1-5/8 inches to a point in the center line of the block;

THENCE eastwardly along the center line of the block, 39 feet 7-3/4 inches to a point;

THENCE southwardly along a line making an angle of 90° 12' 00", its westerly side with the preceding course, 100 feet 1-5/8 inches to a point in the northerly side of Leroy Street;

THENCE westwardly along the northerly side of Leroy Street, 40 feet 0 inches to the point or place of BEGINNING.

Tax Lot 85:

ALL that certain plot, piece of parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly side of Leroy Street, and the easterly side of Greenwich Street;

RUNNING THENCE eastwardly along the northerly side of Leroy Street, 134 feet 9 inches to a point, said point being 160 feet 0 inches west of the corner formed by the intersection of the westerly side of Hudson Street and the northerly side of Leroy Street;

THENCE northwardly along a line perpendicular to the northerly side of Leroy Street, 100 feet 1-5/8 inches to a point in the center line of the block;

THENCE eastwardly along the center line of the block 9 feet 3-1/2 inches to a point;

THENCE northwardly along a line making an angle of 89° 56' 25" on its westerly side with the preceding course and part of the distance along the westerly face of the independent wall, 100 feet 1-5/8 inches to a point in the southerly side of Morton Street;

THENCE westwardly along the southerly side of Morton Street, 25 feet 4-1/4 inches to a point, said point being 102 feet 4-1/4 inches easterly from the corner formed by the intersection of the southerly side of Morton Street, and the easterly side of Greenwich Street;

THENCE southwardly along a line making an angle of 90° 12' 00" on its westerly side with the southerly side of Morton Street, 100 feet 0 inches to a point;

THENCE westwardly along a line parallel with the southerly side Morton Street, 46 feet 11-1/4 inches to a point;

THENCE southwardly along a line at right angles to Morton Street, 18 feet 5 inches to a point;

THENCE westwardly along a line parallel with the northerly side of Leroy Street, 21 feet 9-3/4 inches to a point;

THENCE southwardly along a line at right angles to the northerly side of Leroy Street, 7 feet 10 inches to a point;

THENCE westwardly along a line parallel with the northerly side of Leroy Street, 0 feet 3-1/8 inches to a point;

THENCE southwardly along a line at $90^{\circ} 00' 00''$ to the northerly side of Leroy Street, 18 feet 4-1/4 inches to a point;

THENCE westwardly along a line parallel with northerly side of Leroy Street, 45 feet 5 inches to a point in the easterly side of Greenwich Street;

THENCE southwardly along the easterly side of Greenwich Street, 55 feet 10-1/8 inches to the point or place of BEGINNING.

Tax Lot 64:

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the County, City and State of New York, bounded and described and containing as follows:

BEGINNING at a point on the southerly side of Morton Street distant 125 feet westerly from the southwesterly corner of Morton and Hudson Streets;

RUNNING THENCE Westerly along said southerly side of Morton Street, 25 feet;

THENCE Southerly and at right angles to Morton Street, 100 feet;

THENCE Easterly and parallel with Morton Street, 25 feet;

THENCE Northerly and at right angles to Morton Street, 100 feet to the point or place of BEGINNING.

Tax Lot 58:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, and more particularly described as follows:

BEGINNING at the corner formed by the intersection of the easterly side of Greenwich Street, with the southerly side of Morton Street;

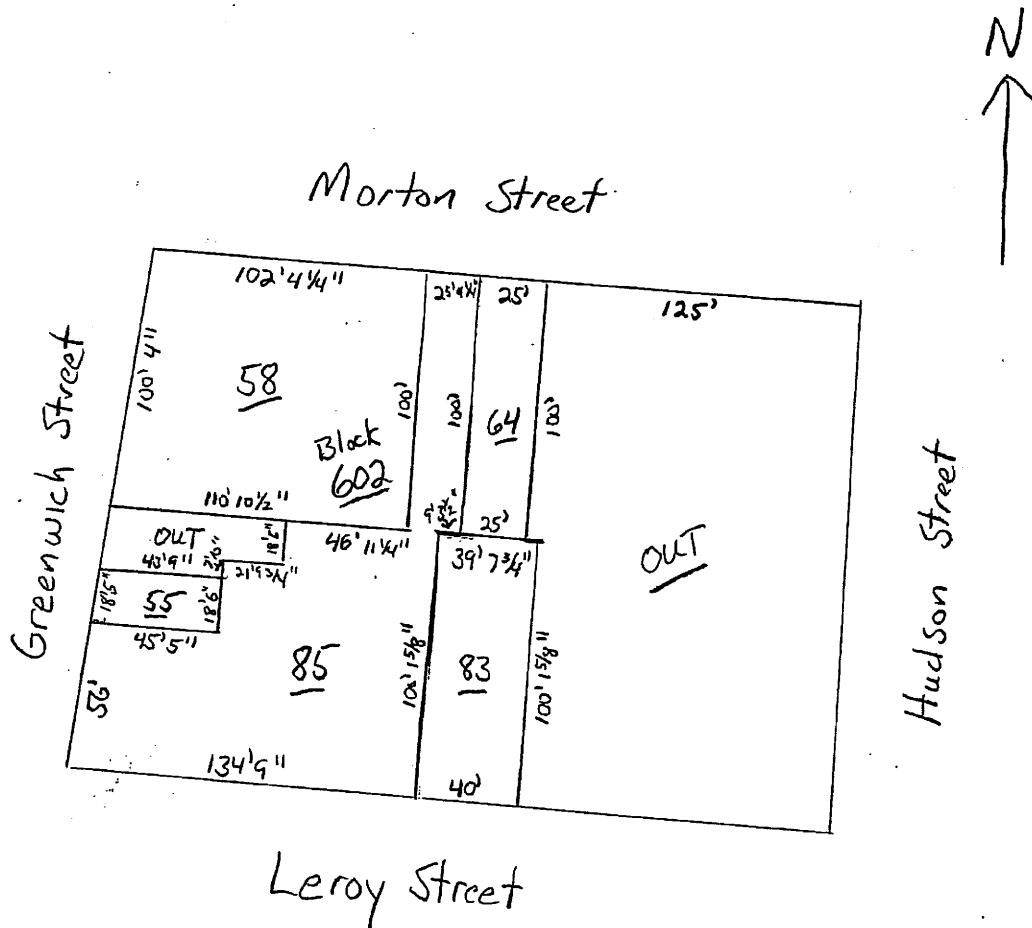
RUNNING THENCE easterly along the southerly side of Morton Street, 102 feet 4-1/4 inches;

THENCE southerly on a line forming an interior angle of 90 degrees 12 minutes 00 seconds with the last course, 100 feet;

THENCE westerly on a line forming an interior angle of 89 degrees 48 minutes 00 seconds with the last course, 110 feet 10-1/2 inches to the easterly side of Greenwich Street;

THENCE northerly along the easterly side of Greenwich Street, 100 feet 4 inches to the corner at the point or place of BEGINNING.

That the said premises are known as and by the street addresses 623 Greenwich Street, 111 Leroy Street, 621 Greenwich Street, 78 Morton Street, and 627 Greenwich Street, New York, New York (Block No. 602, Tax Lots 55, 83, 85, 64 and 58), as shown on the following DIAGRAM:



Certified as of the 2nd day of November, 2015, to PMG Leroy Street Development LLC, the applicant for this certification.

NOTE: A Zoning Lot may or may not coincide with a lot as shown on the Official Tax Map of the City of New York, or on any recorded subdivision plot or deed. A Zoning Lot may be subdivided into two or more zoning lots provided all the resulting zoning lots all the buildings thereon shall comply with the applicable provisions of the zoning lot resolution.

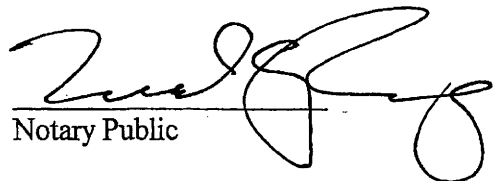
THIS CERTIFICATION IS MADE FOR AND ACCEPTED BY THE APPLICANT UPON THE EXPRESS UNDERSTANDING THAT LIABILITY HEREUNDER IS LIMITED TO ONE THOUSAND DOLLARS (\$1,000.00).

**COMMONWEALTH LAND TITLE
INSURANCE COMPANY**

By: 
Name: David Wilcomes
Title: Counsel

State of New York)
) ss.:
County of New York)

On the 2nd day of November, 2015, before me, the undersigned, personally appeared David Wilcomes, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.


Notary Public

NEAL GREENBERG
Notary Public, State of New York
No. 02GR5074601
Qualified in Westchester County
Commission Expires March 17, 2019

DECLARATION OF RESTRICTIONS

DECLARATION OF RESTRICTIONS

**RECORD AND RETURN TO:
BRYAN CAVE LLP
1290 AVENUE OF THE AMERICAS
NEW YORK, NY 10104
ATTENTION: JUDITH GALLENT**

DECLARATION OF RESTRICTIONS

DECLARATION (the “**Declaration**”), made as of this ____ day of _____, 2015, by PMG Leroy Street Development LLC (“**PMG Declarant**”), a Delaware limited liability company having an address at 111 Fifth Avenue, New York, New York 10003.

RECITALS:

A. 90 Morton Owner LLC (f/k/a 627 Greenwich Owner LLC) (“**627**”) is the owner in fee title of certain land, with the buildings and improvements thereon, known as 627 Greenwich Street, New York, New York, and identified on the Tax Map of the City of New York, County of New York (the “**Tax Map**”) as Block 602, Lot 58 (said land being herein called “**627's Land**,” said buildings and improvements, together with any future additions, alterations and replacements thereof being herein called “**627's Building**,” and 627's Land and 627's Building sometimes being referred to hereafter collectively as “**627's Property**”);

B. PMG Declarant is the owner in fee title of certain land, with the buildings and improvements thereon, located at 621 Greenwich Street a/k/a 115 Leroy Street and 623 Greenwich Street, and identified on the Tax Map as Block 602, Lots 85 and 55, respectively (Lot 85, hereafter, individually, “**Lot 85**”), which are more particularly described in Schedule “A” annexed hereto (said land being herein called “**Greenwich's Land**”);

C. PMG Declarant is the owner in fee title of certain land, with the buildings and improvements thereon, located at 111 Leroy Street and identified on the Tax Map as Block 602, Lot 83, which is more particularly described in Schedule “B” annexed hereto (said land being herein called “**Leroy's Land**”)(Greenwich's Land and Leroy's Land, collectively, the “**Leroy Lots**”)(627's Land and the Leroy Lots, collectively, the “**Approval Lots**” and any one of them, individually, an “**Approved Lot**”);

D. PMG Declarant's predecessor-in-title to Leroy's Land has heretofore entered into that certain Zoning Lot and Development Agreement dated as of December 20, 2006, and recorded in the Office of the City Register for New York County (the “**Register's Office**”) at CRFN #200700000180 on January 2, 2007 (the “**78 Morton ZLDA**”), as well as that certain Declaration of Zoning Lot Restrictions dated December 20, 2006 and recorded in the Register's Office at CRFN 2007000001751 on January 2, 2007, both with Ti Takk, LLC, as owner of the property located at 78 Morton Street, New York, New York, Block 602, Lot 64 (“**Lot 64**”) on the tax map, which provide for the merger of the properties at 111 Leroy Street, New York, New York and Lot 64 into a single zoning lot of record;

E. PMG Declarant has heretofore agreed to merge the Leroy Lots and Lot 64 into a single zoning lot and construct a new residential building (any such new residential building, with any future replacements thereof or alterations or additions thereto, being herein called “**Leroy's Building**”) utilizing all of the floor area available to the Leroy Lots under the New York City Zoning Resolution (hereafter defined), as well as the floor area made available under the 78 Morton ZLDA;

F. In connection with an approval by the City Planning Commission of ULURP #070575ZMM the City Planning Commission has requested that 627 and PMG Declarant agree to submit the Approval Lots to certain development restrictions.

G. Commonwealth Land Insurance Company has certified in the certification (the "**Certification**") attached hereto as "**Schedule C**" and made a part hereof, that as of _____, 2015, PMG Declarant and 111 Leroy GAP Lender, LLC are the sole parties-in-interest ("**Parties-in-Interest**") in the Leroy Lots, as such term is defined in the definition of "zoning lot" in Section 12-10 of the Zoning Resolution.

NOW, THEREFORE, PMG Declarant hereby declares and agrees that the Leroy Lots shall be held, sold, transferred, conveyed, developed and occupied subject to the following restrictions, covenants, obligations and agreements, which shall inure to the benefit of the City of New York and shall run with the Leroy Lots, and shall bind PMG Declarant so long as it has any right, title or interest in an Approval Lot or any part thereof.

1. By its execution of this Declaration, PMG Declarant: (a) relinquishes any and all rights it may heretofore have had, now has and hereafter may ever have under that certain preconsideration dated January 19, 2006, signed by Kenneth Fladan, then Chief Examiner for the Manhattan Office of the Department of Buildings, and perforated as "Approved" on September 6, 2007, pursuant to which the predecessor-in-interest to 627 and PMG Declarant was authorized to recalculate the zoning floor area in 627's Building pursuant to Zoning Resolution §43-121 and subdivide the zoning lot that formerly included tax lots 58 and 85 (the "**Preconsideration**"), (b) agrees that it will not seek at any time in the future any approval at the Department of Buildings that would augment the zoning floor area available for use on the Leroy Lots on the basis set forth in the Preconsideration, and (c) agrees that any development on the Leroy Lots shall be limited to approximately 43,872 square feet of zoning floor area, with the use of floor area made available under the 78 Morton ZLDA and to approximately 36,619 square feet of zoning floor without the use of floor area made available under the 78 Morton ZLDA, unless a greater amount is hereafter authorized by an amendment to the Zoning Resolution that increases the amount of floor area authorized to be constructed in the zoning district in which the Approval Lots are located or by special permit granted by the City Planning Commission or variance granted by the New York City Board of Standards and Appeals or any other floor area authorized to be constructed by act of any other City, State, or federal administrative body or legislature, provided same does not arise out of the Preconsideration or the theories noted therein.

2. By execution of this Declaration, PMG Declarant agrees that it shall neither apply for nor accept from the Department of Buildings a building permit for the construction of Leroy's Building unless and until each and every party in interest with respect to the Leroy Lots, as shown on the Certification, has either executed this Declaration or executed a written Waiver of its right to execute this Declaration, this Declaration and the Waivers have been recorded in the Office of the Register of the City of New York for New York County against the Leroy Lots and proof of such recording reasonably satisfactory to the General Counsel for the Department of City Planning (the "**GC**") has been received by such GC.

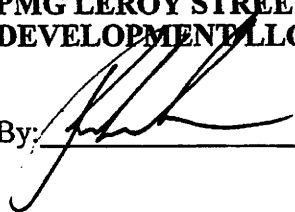
3. Upon recording, the provisions of this Declaration shall be considered covenants running with the land and bind all heirs, successors, legal representatives, assigns, lessees and mortgagees of PMG Declarant's interest or any portion thereof in the Leroy Lots, provided that, upon the sale, transfer, assignment or conveyance of PMG Declarant's entire interest in the Leroy Lots, PMG Declarant shall be released from and have no further obligations with respect to this Declaration or any covenant, obligation or undertaking provided or given hereunder.

4. The Chair, may by express written consent, administratively approve modifications of this Declaration requested by PMG Declarant, provided that no such administrative modification of the provisions of paragraphs 1 or 2 of this Declaration shall be permitted. Any amendment or modification of this Declaration shall be executed and recorded in the same manner as this Declaration. PMG Declarant shall execute and record such modification immediately upon approval and provide a certified copy thereof to the GC.

5. PMG Declarant acknowledges that the City is an interested party to this declaration, and consent to enforcement by the City, administratively or at law or equity, of the restrictions, covenants, obligations and agreements contained herein, no person or entity other than the city shall have any right to enforce the provisions of this Declaration and nothing contained herein shall be deemed to allow any other person or entity, public or private, any interest or right of enforcement of any provision of this Declaration.

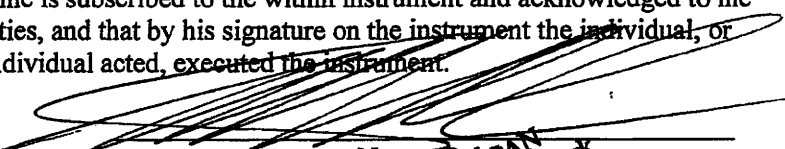
IN WITNESS WHEREOF, the undersigned has executed this Declaration as of the day and year first hereinabove set forth.

**PMG LEROY STREET
DEVELOPMENT LLC**

By:  _____

STATE OF NEW YORK)
) ss.:
 COUNTY OF NEW YORK)

On the 30 day of CCF in the year 2015 before me, the undersigned, personally appeared RECIMUS LAM, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacities, and that by his signature on the instrument the individual, or the person upon behalf of which, the individual acted, executed the instrument.


 Notary Public
 FRANKLIN R. KAINE
 Notary Public, State of New York
 No. 02KA4663586
 Qualified in Westchester County
 Commission Expires February 28, 2018

Schedule "A"
Legal Description Lots 85 and 55, Block 602

Tax Lot 85

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH OF MANHATTAN, COUNTY, CITY AND STATE OF NEW YORK BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE CORNER FORMED BY THE INTERSECTION OF THE NORTHERLY SIDE OF LEROY STREET, AND THE EASTERLY SIDE OF GREENWICH STREET;

RUNNING THENCE EASTWARDLY ALONG THE NORTHERLY SIDE OF LEROY STREET, 134 FEET 9 INCHES TO A POINT, SAID POINT BEING 160 FEET 0 INCHES WEST, OF THE CORNER FORMED BY THE INTERSECTION OF THE WESTERLY SIDE OF HUDSON STREET, AND THE NORTHERLY SIDE OF LEROY STREET;

THENCE NORTHWARDLY ALONG A LINE PERPENDICULAR TO THE NORTHERLY SIDE OF LEROY STREET, 100 FEET 1-5/8 INCHES TO A POINT IN THE CENTER LINE OF THE BLOCK;

THENCE EASTWARDLY ALONG THE CENTER LINE OF THE BLOCK 9 FEET 3-1/2 INCHES TO A POINT;

THENCE NORTHWARDLY ALONG A LINE MAKING AN ANGLE OF 89° 56' 25" ON ITS WESTERLY SIDE WITH THE PRECEDING COURSE AND PART OF THE DISTANCE ALONG THE WESTERLY FACE OF THE INDEPENDENT WALL, 100 FEET 1-5/8 INCHES TO A POINT IN THE SOUTHERLY SIDE OF MORTON STREET;

THENCE WESTWARDLY ALONG THE SOUTHERLY SIDE OF MORTON STREET, 25 FEET 4-1/4 INCHES TO A POINT; SAID POINT BEING 102 FEET 4-1/4 INCHES EASTERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE SOUTHERLY SIDE OF MORTON STREET, AND THE EASTERLY SIDE OF GREENWICH STREET;

THENCE SOUTHWARDLY ALONG A LINE MAKING AN ANGLE OF 90° 12' 00" ON ITS WESTERLY SIDE WITH THE SOUTHERLY SIDE OF MORTON STREET, 100 FEET 0 INCHES TO A POINT;

THENCE WESTWARDLY ALONG A LINE PARALLEL WITH THE SOUTHERLY SIDE MORTON STREET, 46 FEET 11-1/4 INCHES TO A POINT;

THENCE SOUTHWARDLY ALONG A LINE AT RIGHT ANGLES TO MORTON STREET, 18 FEET 5 INCHES TO A POINT;

THENCE WESTWARDLY ALONG A LINE PARALLEL WITH THE NORTHERLY SIDE OF LEROY STREET, 21 FEET 9-3/4 INCHES TO A POINT;

THENCE SOUTHWARDLY ALONG A LINE AT RIGHT ANGLES TO THE NORTHERLY SIDE OF LEROY STREET, 7 FEET 10 INCHES TO A POINT;

THENCE WESTWARDLY ALONG A LINE PARALLEL WITH THE NORTHERLY SIDE OF LEROY STREET, 0 FEET 3-1/8 INCHES TO A POINT;

THENCE SOUTHWARDLY ALONG A LINE AT 90° 00' 00" TO THE NORTHERLY SIDE OF
LEROY STREET, 18 FEET 4-1/4 INCHES TO A POINT;

THENCE WESTWARDLY ALONG A LINE PARALLEL WITH THE NORTHERLY SIDE OF
LEROY STREET, 45 FEET 5 INCHES TO A POINT IN THE EASTERLY SIDE OF GREENWICH
STREET;

THENCE SOUTHWARDLY ALONG THE EASTERLY SIDE OF GREENWICH STREET, 55 FEET
10-1/8 INCHES TO THE POINT OR PLACE OF BEGINNING.

Tax Lot 55

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN
THE BOROUGH OF MANHATTAN, COUNTY, CITY AND STATE OF NEW YORK, BOUNDED
AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY SIDE OF GREENWICH STREET, DISTANT 56
FEET NORTHERLY FROM THE NORTHEASTERLY CORNER OF GREENWICH AND LEROY
STREETS;

RUNNING THENCE EASTERLY PARALLEL WITH LEROY STREET, 45 FEET 5 INCHES;
THENCE NORTHERLY AT RIGHT ANGLES TO LEROY STREET, 18 FEET 6 INCHES;

THENCE WESTERLY PARALLEL WITH THE FIRST MENTIONED LINE, 43 FEET 9 INCHES TO
THE EASTERLY SIDE OF GREENWICH STREET; AND

THENCE SOUTHERLY ALONG THE EASTERLY SIDE OF GREENWICH STREET, 18 FEET 5
INCHES TO THE POINT OR PLACE OF BEGINNING

Schedule "B"
Legal Description Lot 83, Block 602

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH OF MANHATTAN, COUNTY, CITY AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY SIDE OF LEROY STREET, DISTANT 134 FEET 9 INCHES EASTERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE NORTHERLY SIDE OF LEROY STREET, AND THE EASTERLY SIDE OF GREENWICH STREET; SAID POINT BEING 160 FEET 0 INCHES WEST OF THE CORNER FORMED BY THE INTERSECTION OF HUDSON STREET & LEROY STREET;

RUNNING THENCE NORTHWARDLY ALONG A LINE AT RIGHT ANGLES TO THE NORTHERLY SIDE OF LEROY STREET, A DISTANCE OF 100 FEET 1-5/8 INCHES TO A POINT IN THE CENTER LINE OF THE BLOCK;

THENCE EASTWARDLY ALONG THE CENTER LINE OF THE BLOCK, 39 FEET 7-3/4 INCHES TO A POINT;

THENCE SOUTHWARDLY ALONG A LINE MAKING AN ANGLE OF 90° 12' 00", ITS WESTERLY SIDE WITH THE PRECEDING COURSE, 100 FEET 1-5/8 INCHES TO A POINT IN THE NORTHERLY SIDE OF LEROY STREET;

THENCE WESTWARDLY ALONG THE NORTHERLY SIDE OF LEROY STREET, 40 FEET 0 INCHES TO THE POINT OR PLACE OF BEGINNING.

Schedule "C"

Title Company Certification

N.B. # _____
 or
 ALT. # _____

EXHIBIT "II"

**CERTIFICATION PURSUANT TO ZONING LOT SUBDIVISION D
 OF SECTION 12-10 OF THE ZONING RESOLUTION OF
 DECEMBER 15, 1961 OF THE CITY OF NEW YORK
AS AMENDED, EFFECTIVE AUGUST 18, 1977**

Commonwealth Land Title Insurance Company, a title insurance company licensed to do business in the State of New York, and having an office at 630 Third Avenue, New York, New York, 10017, hereby certifies that as to the land hereafter described being a tract of land, either unsubdivided or consisting of two or more lots of record, contiguous for a minimum of ten linear feet, located within a single block, that all the parties in interest constituting a "party in interest" as defined in Section 12-10, subdivision (d) of the Zoning Resolution of The City of New York, effective December 15, 1961, as amended are the following:

<u>NAME & ADDRESS</u>	<u>NATURE OF INTEREST</u>	<u>DECLARATION/WAIVER</u>
1. PMG Leroy Street Development LLC c/o Property Markets Group 5 East 17 th Street, Floor 2 New York, NY 10003	<i>Fee Owner-</i> Block 602, Lots 55, 83 and 85	Declaration intended to be recorded simultaneously herewith
2. 111 Leroy Gap Lender, LLC 333 S. Grand Avenue, 28th Floor Los Angeles, California 90071	<i>Mortgagee-</i> Block 602, Lots 55, 83 and 85	Waiver intended to be recorded simultaneously herewith
3. 90 Morton Owner LLC (f/k/a 627 Greenwich Owner LLC) c/o Brack Capital Real Estate Ltd. 885 Third Avenue New York, NY 10022	<i>Fee Owner-</i> Block 602, Lot 58	Declaration intended to be recorded simultaneously herewith
4. ACREFI J-I, LLC c/o Apollo Commercial Real Estate Finance Inc. 9 West 57 th Street New York, NY 10019	<i>Mortgagee-</i> Block 602, Lot 58	Waiver intended to be recorded simultaneously herewith

5. **Israel Discount Bank
of New York**
511 Fifth Avenue
New York, NY 10017

Mortgagee- Block 602, Lot 58

Waiver intended to be
recorded simultaneously
herewith

The subject tract of land with respect to which the foregoing parties are the parties in interest as aforesaid, is known as Tax Lots 55, 83, 85, 64 and 58 in Block 602 on the Tax Map of the City of New York, County of New York, and more particularly described as follows:

Tax Lot 55:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Greenwich Street, distant 56 feet northerly from the northeasterly corner of Greenwich and Leroy Streets;

RUNNING thence easterly parallel with Leroy Street, 45 feet 5 inches;

THENCE northerly at right angles to Leroy Street, 18 feet 6 inches;

THENCE westerly parallel with the first mentioned line, 43 feet 9 inches to the easterly side of Greenwich Street; and

THENCE southerly along the easterly side of Greenwich Street, 18 feet 5 inches to the point of place of BEGINNING.

Tax Lot 83:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at a point on the northerly side of Leroy Street, distant 134 feet 9 inches easterly from the corner formed by the intersection of the northerly side of Leroy Street, and the easterly side of Greenwich Street, said point being 160 feet 0 inches west of the corner formed by the intersection of Hudson Street and Leroy Street;

RUNNING THENCE northwardly along a line at right angles to the northerly side of Leroy Street, a distance of 100 feet 1-5/8 inches to a point in the center line of the block;

THENCE eastwardly along the center line of the block, 39 feet 7-3/4 inches to a point;

THENCE southwardly along a line making an angle of 90° 12' 00", its westerly side with the preceding course, 100 feet 1-5/8 inches to a point in the northerly side of Leroy Street;

THENCE westwardly along the northerly side of Leroy Street, 40 feet 0 inches to the point or place of BEGINNING.

Tax Lot 85:

ALL that certain plot, piece of parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly side of Leroy Street, and the easterly side of Greenwich Street;

RUNNING THENCE eastwardly along the northerly side of Leroy Street, 134 feet 9 inches to a point, said point being 160 feet 0 inches west of the corner formed by the intersection of the westerly side of Hudson Street and the northerly side of Leroy Street;

THENCE northwardly along a line perpendicular to the northerly side of Leroy Street, 100 feet 1-5/8 inches to a point in the center line of the block;

THENCE eastwardly along the center line of the block 9 feet 3-1/2 inches to a point;

THENCE northwardly along a line making an angle of 89° 56' 25" on its westerly side with the preceding course and part of the distance along the westerly face of the independent wall, 100 feet 1-5/8 inches to a point in the southerly side of Morton Street;

THENCE westwardly along the southerly side of Morton Street, 25 feet 4-1/4 inches to a point, said point being 102 feet 4-1/4 inches easterly from the corner formed by the intersection of the southerly side of Morton Street, and the easterly side of Greenwich Street;

THENCE southwardly along a line making an angle of 90° 12' 00" on its westerly side with the southerly side of Morton Street, 100 feet 0 inches to a point;

THENCE westwardly along a line parallel with the southerly side Morton Street, 46 feet 11-1/4 inches to a point;

THENCE southwardly along a line at right angles to Morton Street, 18 feet 5 inches to a point;

THENCE westwardly along a line parallel with the northerly side of Leroy Street, 21 feet 9-3/4 inches to a point;

THENCE southwardly along a line at right angles to the northerly side of Leroy Street, 7 feet 10 inches to a point;

THENCE westwardly along a line parallel with the northerly side of Leroy Street, 0 feet 3-1/8 inches to a point;

THENCE southwardly along a line at $90^{\circ} 00' 00''$ to the northerly side of Leroy Street, 18 feet 4-1/4 inches to a point;

THENCE westwardly along a line parallel with northerly side of Leroy Street, 45 feet 5 inches to a point in the easterly side of Greenwich Street;

THENCE southwardly along the easterly side of Greenwich Street, 55 feet 10-1/8 inches to the point or place of BEGINNING.

Tax Lot 64:

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the County, City and State of New York, bounded and described and containing as follows:

BEGINNING at a point on the southerly side of Morton Street distant 125 feet westerly from the southwesterly corner of Morton and Hudson Streets;

RUNNING THENCE Westerly along said southerly side of Morton Street, 25 feet;

THENCE Southerly and at right angles to Morton Street, 100 feet;

THENCE Easterly and parallel with Morton Street, 25 feet;

THENCE Northerly and at right angles to Morton Street, 100 feet to the point or place of BEGINNING.

Tax Lot 58:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, and more particularly described as follows:

BEGINNING at the corner formed by the intersection of the easterly side of Greenwich Street, with the southerly side of Morton Street;

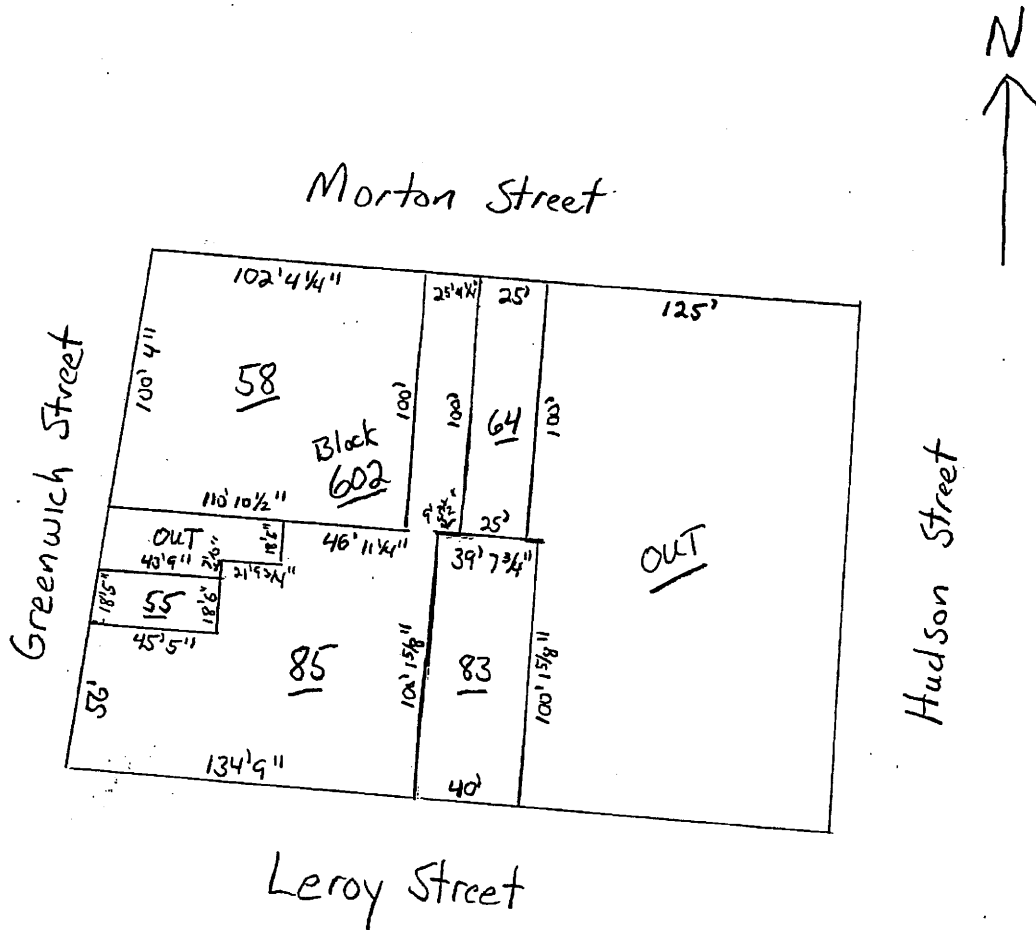
RUNNING THENCE easterly along the southerly side of Morton Street, 102 feet 4-1/4 inches;

THENCE southerly on a line forming an interior angle of 90 degrees 12 minutes 00 seconds with the last course, 100 feet;

THENCE westerly on a line forming an interior angle of 89 degrees 48 minutes 00 seconds with the last course, 110 feet 10-1/2 inches to the easterly side of Greenwich Street;

THENCE northerly along the easterly side of Greenwich Street, 100 feet 4 inches to the corner at the point or place of BEGINNING.

That the said premises are known as and by the street addresses 623 Greenwich Street, 111 Leroy Street, 621 Greenwich Street, 78 Morton Street, and 627 Greenwich Street, New York, New York (Block No. 602, Tax Lots 55, 83, 85, 64 and 58), as shown on the following DIAGRAM:



Certified as of the 2nd day of November, 2015, to PMG Leroy Street Development LLC, the applicant for this certification.

NOTE: A Zoning Lot may or may not coincide with a lot as shown on the Official Tax Map of the City of New York, or on any recorded subdivision plot or deed. A Zoning Lot may be subdivided into two or more zoning lots provided all the resulting zoning lots all the buildings thereon shall comply with the applicable provisions of the zoning lot resolution.

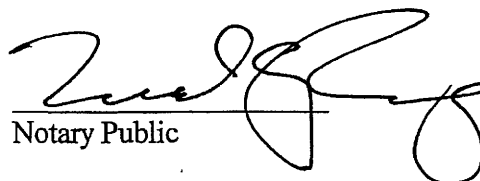
THIS CERTIFICATION IS MADE FOR AND ACCEPTED BY THE APPLICANT UPON THE EXPRESS UNDERSTANDING THAT LIABILITY HEREUNDER IS LIMITED TO ONE THOUSAND DOLLARS (\$1,000.00).

**COMMONWEALTH LAND TITLE
INSURANCE COMPANY**

By: 
Name: David Wilcomes
Title: Counsel

State of New York)
) ss.:
County of New York)

On the 2nd day of November, 2015, before me, the undersigned, personally appeared David Wilcomes, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.


Notary Public

NEAL GREENBERG
Notary Public, State of New York
No. 02GR5074601
Qualified in Westchester County
Commission Expires March 17, 2019

ZONING LOT DEVELOPMENT AGREEMENT

ZONING LOT DEVELOPMENT AGREEMENT

**RECORD AND RETURN TO:
BRYAN CAVE LLP
1290 AVENUE OF THE AMERICAS
NEW YORK, NY 10104
ATTENTION: BARRY C. ROSS**

ZONING LOT DEVELOPMENT AGREEMENT

THIS ZONING LOT DEVELOPMENT AGREEMENT (this "Agreement"), is made as of November ____, 2015, between 90 Morton Owner LLC (f/k/a 627 Greenwich Owner LLC), a Delaware limited liability company having an address at 885 Third Avenue, New York, New York 10022 (herein called "**627**"), and PMG Leroy Street Development LLC, ("**PMG**"), a Delaware limited liability company, having an address at 111 Fifth Avenue, New York, New York 10003 (627 and PMG are sometimes herein referred to as the "Party" or "Parties," as applicable).

RECITALS:

A. 627 is the owner in fee title of the 627 Property (such term and all other capitalized terms shall have the meaning hereinafter set forth);

B. PMG is the owner in fee title of the PMG Property;

C. The 627 Land and that portion of the PMG Land that is comprised of that certain parcel of land known as 621 Greenwich Street a/k/a 115 Leroy Street and identified on the Tax Map as Block 602, Lot 85 and which is more particularly described in Schedule "A" annexed hereto, are a single zoning lot, as evidenced by the Zoning Lot Description and Ownership Statement, dated October 1, 1985 and recorded in the Office of the City Register of the City of New York on December 9, 1986 (Reel 1154, page 1539);

D. PMG is the holder of certain Development Rights acquired from Tax Lot 64 in Block 602, as shown on the Tax Map of the City of New York, New York County and which is more particularly described in Schedule "B" annexed hereto (the "**Lot 64 Parcel**"), pursuant to the provisions of the Lot 64 ZLDA; and

E. By Declaration of Zoning Lot Restrictions of even date herewith entered into between PMG and 627, the single zoning lot described in the foregoing Recital C has been enlarged to include (i) the Lot 64 Parcel, and (ii) the following additional parcels of land that comprise a portion of the PMG Land: (x) 623 Greenwich Street and identified on the Tax Map as Block 602, Lot 55 and which is more particularly described in Schedule "C" annexed hereto, and (y) 111 Leroy Street and identified on the Tax Map as Block 602, Lot 83 and which is more particularly described in Schedule "D" annexed hereto.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged, the parties hereto hereby covenant and agree as follows:

1. Certain Definitions. All capitalized terms used in this Agreement and not otherwise defined in this Agreement shall have the respective meanings ascribed to such terms in the Zoning Resolution. As used herein:

"627 Buildings" shall mean the buildings and improvements located or Under Construction on the 627 Land, together with any future additions, alterations and replacements thereof.

"627 Development Rights" shall mean the Development Rights allocated to the 627 Land pursuant to this Agreement and consisting of (i) 106,869 square feet of the Development Rights appurtenant

to the Zoning Lot as of the date hereof, (ii) any additional Development Rights acquired by 627 Owner (whether by special permit, variance, or by any other procedure allowed under the provisions of the Zoning Resolution), and (iii) any Development Rights allocated to the 627 Land pursuant to the provisions of Section 3(a) hereof.

"627 Land" shall mean that certain parcel of land known as 627 Greenwich Street, New York, New York, and identified on the Tax Map of the City of New York, County of New York (the **"Tax Map"**) as Block 602, Lot 58 and which is more particularly described in Schedule "E" annexed hereto.

"627 Owner" shall mean only the fee owner(s), at the time in question, of the 627 Property; such that, in the event of any transfer of fee title to the 627 Property, (i) the transferor shall thereby be relieved and freed of all obligations of 627 Owner under this Agreement accruing after time of such transfer, and (ii) the transferee shall thereby be deemed to have assumed (subject to the provisions of Section 12 hereof) all of the obligations of 627 Owner under this Agreement. During any period that there are multiple fee owners of the 627 Property, 627 Owner shall be all such fee owners, collectively. Without limiting the generality of the foregoing, in the event the 627 Property is subjected to a condominium regime pursuant to Article 9-B of the Real Property Law of the State of New York, then during the period that the 627 Property is held in the condominium form of ownership (x) 627 Owner shall be the owners of each condominium unit, on a collective basis, and (y) the board of managers shall on behalf of 627 Owner be the sole party to act with respect to the rights and obligations of 627 Owner. As of the date hereof, 627 is the sole fee owner of the 627 Property and constitutes 627 Owner.

"627 Property" shall mean, collectively, the 627 Land and the 627 Buildings.

"Buildings" shall mean either the 627 Buildings or the PMG Buildings.

"Construction" shall mean any new construction, addition, reconstruction, replacement, repair or rebuilding of any buildings on the 627 Land or the PMG Land, as the case may be.

"DOB" shall mean the Department of Buildings of the City of New York.

"Development Rights" shall mean the rights, as determined in accordance with the Zoning Resolution, which are appurtenant to a zoning lot, to develop the zoning lot by erecting or adding thereon a structure or structures with a total floor area determined by (i) multiplying the area of the zoning lot by the floor area ratio established for the zoning district or districts in which the zoning lot is located, (ii) the inclusion of any bonus floor area available to the zoning lot pursuant to the Zoning Resolution, and (iii) the further inclusion of any use, bulk, density, and other development rights permitted under the Zoning Resolution and which may be authorized to be developed by the appropriate agency of the City of New York from time to time.

"Declaration of Zoning Lot Restrictions" shall mean the Declaration of Restrictions referred to in Zoning Resolution § 12-10 (definition of "Zoning Lot" subsection (d)) and which is referred to in the New York City Department of Buildings Departmental Memorandum, dated May 18, 1978, from Acting Commissioner Irving E. Minkin, P.E (DOB Directives and Memorandums, Volume 9, at pages 1466-1478 (1978)).

"Downzoning" shall have the meaning set forth in Section 4 of this Agreement.

"East Easement Area" shall mean that area within the PMG Land extending approximately twenty four (24) feet east of the eastern lot line of the 627 Land, as more particularly described on Exhibit A hereto.

"Lot 64 ZLDA" shall mean that certain Zoning Lot Development Agreement dated December 20, 2006 between Ti Takk, LLC and KMG PMA Leroy LLC and recorded at CRFN No. 2007000001810.

"Material Violation" shall mean any violation of the Zoning Resolution or any building code, fire code, or other law, ordinance or regulation and/or any violation, which would prevent, hinder or delay the issuance or maintenance of a temporary or permanent Certificate of Occupancy for any Building located on the Zoning Lot or prevent, hinder or delay the issuance or maintenance of a building permit or any other permits or approvals required by law to build on any parcel that is part of the Zoning Lot or create a new or increase an existing non-compliance or nonconformance by any building located on the Zoning Lot with the Zoning Resolution.

"PMG Buildings" shall mean the buildings and improvements located or Under Construction on the PMG Land, together with any future additions, alterations and replacements thereof.

"PMG Development Rights" shall mean the Development Rights allocated to the PMG Land pursuant to this Agreement and consisting of (i) 43,865.75 square feet of the Development Rights appurtenant to the Zoning Lot as of the date hereof, (ii) any additional Development Rights acquired by PMG Owner (whether by special permit, variance, or by any other procedure allowed under the provisions of the Zoning Resolution), (iii) any Development Rights allocated to the PMG Land pursuant to the provisions of Section 3(a) hereof. For the avoidance of doubt, the Available Unused Development Rights (as such term is defined in the Lot 64 ZLDA) are allocated to the PMG Land and comprise a portion of the PMG Development Rights.

"PMG Land" shall mean those certain parcels of land known as (i) 621 Greenwich Street a/k/a 115 Leroy Street and identified on the Tax Map as Block 602, Lot 85 and which is more particularly described in Schedule "A" annexed hereto, (ii) 623 Greenwich Street and identified on the Tax Map as Block 602, Lot 55 and which is more particularly described in Schedule "C" annexed hereto, and (iii) 111 Leroy Street and identified on the Tax Map as Block 602, Lot 83 and which is more particularly described in Schedule "D" annexed hereto.

"PMG Owner" shall mean only the fee owner(s), at the time in question, of the PMG Property; such that, in the event of any transfer of fee title to the PMG Property, (i) the transferor shall thereby be relieved and freed of all obligations of PMG Owner under this Agreement accruing after time of such transfer, and (ii) the transferee shall thereby be deemed to have assumed (subject to the provisions of Section 12 hereof) all of the obligations of PMG Owner under this Agreement. During any period that there are multiple fee owners of the PMG Property, PMG Owner shall be all such fee owners, collectively. Without limiting the generality of the foregoing, in the event the PMG Property is subjected to a condominium regime pursuant to Article 9-B of the Real Property Law of the State of New York, then during the period that the PMG Property is held in the condominium form of ownership (x) PMG Owner shall be the owners of each condominium unit,

on a collective basis, and (y) the board of managers shall on behalf of PMG Owner be the sole party to act with respect to the rights and obligations of PMG Owner. As of the date hereof, PMG is the sole fee owner of the PMG Property and constitutes PMG Owner.

“PMG Property” shall mean, collectively, the PMG Land and the PMG Buildings.

“Property” shall mean either the 627 Property or the PMG Property.

“South Easement Area” shall mean that area within the PMG Land extending thirty (30) feet south of the southern lot line of 627 Land, as more particularly described on Exhibit B hereto.

“Under Construction” shall mean that a building permit for a building has been issued and has vested under the Zoning Resolution.

“Upzoning” shall have the meaning set forth in Section 4 of this Agreement.

“Zoning Lot” shall mean the zoning lot comprised of the 627 Land, the PMG Land and the Lot 64 Parcel.

“Zoning Resolution” shall mean the Zoning Resolution of the City of New York, as in effect as of the date hereof and as amended or restated from time to time hereafter.

2. Allocations and Limitations of Development Rights.

627 Owner and PMG Owner hereby agree that there are 156,234.75 square feet of Development Rights appurtenant to Zoning Lot on the date hereof. Accordingly, the 627 Development Rights comprise sixty eight and four tenths percent (68.4%) of the Development Rights appurtenant to Zoning Lot on the date hereof and the PMG Development Rights comprise twenty eight and eight hundredths percent (28.08%) of the Development Rights appurtenant to Zoning Lot on the date hereof.

627 Owner and PMG Owner hereby agree that Development Rights now or hereafter appurtenant to the Zoning Lot shall be owned and allocated as follows:

(i) The 627 Development Rights are owned by the 627 Owner and are hereby allocated to the 627 Land. 627 Owner shall have the right to utilize the 627 Development Rights, with respect to any buildings or improvements on the 627 Land; and

(ii) The PMG Development Rights are owned by the PMG Owner and are hereby allocated to the PMG Land. PMG Owner shall have the right to utilize the PMG Development Rights, with respect to any buildings or improvements on the PMG Land.

3. Upzoning and Downzoning.

(a) If, at any time following a validly enacted amendment of the Zoning Resolution (or any other change in existing law) that reduces the Development Rights appurtenant to the Zoning Lot (such amendment of the Zoning Resolution or such other change, a “**Downzoning**”), all or any portion of the PMG Buildings suffer a casualty to an extent that, pursuant to the then effective damage or destruction

provisions of the Zoning Resolution, the same can only be restored subject to such Downzoning, then the amount of Construction on the PMG Land shall be limited by such Downzoning to the amount of the PMG Development Rights that are appurtenant to the PMG Land following the Downzoning, so as to allow the 627 Land the full benefit, without reduction, of the 627 Development Rights allocated to the 627 Land pursuant to this Agreement.

(b) If, at any time following a Downzoning, all or any portion of the 627 Buildings suffer a casualty to an extent that, pursuant to the then effective damage or destruction provisions of the Zoning Resolution, the same can only be restored subject to such Downzoning, then the amount of Construction on the 627 Land shall be limited by such Downzoning to the amount of the 627 Development Rights that are appurtenant to the 627 Land following the Downzoning, so as to allow the PMG Land the full benefit, without reduction, of the PMG Development Rights allocated to the PMG Land pursuant to this Agreement.

(c) If, following a Downzoning (i) all or any portion of both the 627 Buildings and the PMG Buildings suffer a casualty to an extent that the same can only be restored subject to such Downzoning, (ii) all or any portion of the 627 Buildings suffer a casualty to an extent that the same can only be restored subject to such Downzoning and there are no PMG Buildings, (iii) all or any portion of the PMG Buildings suffer a casualty to an extent that the same can only be restored subject to such Downzoning and there are no 627 Buildings then in existence, or (iv) there are no 627 Buildings and no PMG Buildings then in existence, then any Construction of such buildings undertaken by the applicable Party shall be limited by such Downzoning to such amounts as would allow such Party's land to utilize a percentage of the Development Rights appurtenant to the Zoning Lot as of the date of such casualty, which percentage shall be equivalent to the ratio of such Party's respective Development Rights allocated to it pursuant to this Agreement to the total Development Rights available with respect to the Zoning Lot, as of the date of the Downzoning.

(d) Following a validly enacted amendment of the Zoning Resolution increasing the Development Rights appurtenant to the Zoning Lot (an "Upzoning"), the increased Development Rights shall be allocated to the PMG Land and the 627 Land in the proportion that the 627 Development Rights and the PMG Development Rights bear to the total Development Rights attributable to the Zoning Lot as of the date of the Upzoning. For the avoidance of doubt, any future Development Rights that comprise the Available Unused Development Rights (as such term is defined in the Lot 64 ZLDA) are allocated to the PMG Land.

4. Easements.

(a) PMG Owner hereby grants to 627 Owner (i) a perpetual easement over the East Easement Area and the South Easement Area for light and air for the 627 Buildings' windows that are adjacent to those easement areas, (ii) a perpetual easement to permit operable windows in the 627 Buildings that are adjacent to the East Easement Area and South Easement Area to project, when opened up to one and one half (1.5) horizontal feet into the airspace within such easement areas; it being understood and agreed that when such windows are not opened they shall not project into such airspace, and (iii) temporary easements within the portion of the East Easement Area that is within five (5) feet of the eastern lot line of the 627 Land and the portion of the South Easement Area that is within five (5) feet of the southerly lot line of the 627 Land, in each case, subject to the terms of this Agreement, for the ordinary and necessary cleaning, maintenance and routine repair of the façade of the 627 Buildings, including the use of window washing

equipment, scaffolding, and rigging (and related operations) required for such ordinary and necessary cleaning, maintenance and routine repair.

(b) PMG Owner shall not construct within the East Easement Area or South Easement Area any buildings or structures that would constitute a building "wall" within the meaning of Zoning Resolution section 23-861, it being understood that PMG Owner may, by way of example, improve said easement areas with landscaping, fences, seating or other furniture, paving, lighting, arbors and/or trellises, awnings, screening and other sun control devices, fences, flagpoles, open parking spaces for automobiles and bicycles, solar energy systems, swimming pools, terraces or porches and/or recreational equipment. For the avoidance of doubt, PMG Owner may erect within the Easement Area a privacy wall that is not part of a building, as such term is defined in Section 12-10 of the Zoning Resolution, provided the height of such privacy wall does not exceeding 23 feet above the Datum level established in Section 28-104.7.6 [NAVD] of the Administrative Code of the City of New York on the date of this Agreement.

(c) 627 Owner shall not exercise its rights under the temporary easements (i) more than two (2) times in any calendar year, nor (ii) more than thirty (30) days in any twelve (12) month period. 627 Owner shall, not less than ten (10) business days' prior to the exercise of such above described temporary easements, provide to PMG Owner (x) notice of the exercise of the rights under the temporary easement, together with a reasonably detailed description of any work to be undertaken, (y) copies of all necessary permits for such work required under applicable laws, rules and regulations, and (z) evidence of commercial general liability and excess liability insurance policies in commercially reasonable amounts naming PMG Owner and PMG Owner's mortgagee(s) of which 627 Owner has been given notice, as additional insureds. Notwithstanding the foregoing, in the case of an emergency that presents an imminent danger to life or property, 627 Owner shall not be required to give ten (10) business days' notice prior to such exercise but shall give such notice as is reasonable under the circumstances and shall not, in any event, exercise its rights under the temporary easements until it has delivered copies of all necessary permits and evidence of insurance as required by this paragraph.

(d) All work pursuant to the exercise of the above described temporary easements shall be performed in compliance with applicable laws, rules and regulations and consistent with good construction practice.

(e) To the maximum extent permitted by applicable law, 627 Owner shall indemnify, defend and hold harmless PMG Owner and the holder of any mortgage on the PMG Property from and against any and all claims, or suits for damages, liability, loss, expenses, causes of action and judgments (including, but not limited to, reasonable attorneys' fees and legal expenses in connection with defending against any such action, suit or claim) arising from injury to or death of any person or loss of or damage arising out of the performance of the activities permitted under this Section 4.

(f) Simultaneously herewith, PMG Owner shall also execute, acknowledge and deliver to 627 Owner the DOB form of Light and Air Easement attached hereto as **Schedule "F"**, together with transfer tax returns required to record such easement. 627 Owner may record such easement in the Office of the New York City Register at its sole expense.

(g) 627 Owner shall be solely responsible for, and shall indemnify PMG Owner with respect to, the payment of any transfer taxes (and interest or penalties with respect thereto) required with respect to the easements granted by PMG Owner under this Agreement.

5. Material Violations.

(a) PMG Owner covenants and agrees not to create or permit to exist a Material Violation (hereinafter defined) with respect to the PMG Property. If at any time hereafter there exists any Material Violation on the PMG Property, PMG Owner shall commence a cure within thirty (30) days after receiving notice of the same from 627 Owner, and shall proceed diligently and continuously to make all commercially reasonable efforts to cure, remove and discharge of record the same as rapidly as possible. 627 Owner may, at its option, maintain any action permitted at law or in equity or by statute against PMG Owner with respect to such Material Violation, including, without limitation, an action for injunctive relief to compel PMG Owner to cure such Material Violation.

(b) 627 Owner covenants and agrees not to create or permit to exist a Material Violation with respect to the 627 Owner Premises. If at any time hereafter there exists any Material Violation on the 627 Owner Premises, 627 Owner shall commence a cure within thirty (30) days after receiving notice of the same from PMG Owner and shall proceed diligently and continuously to make all commercially reasonable efforts to cure, remove and discharge of record the same as rapidly as possible. PMG Owner may, at its option, maintain any action permitted at law or in equity or by statute against 627 Owner with respect to such Material Violation, including, without limitation, an action for injunctive relief to compel 627 Owner to cure such Material Violation.

6. Survey Correction. 627 Owner agrees to promptly file with DOB the survey prepared by Joseph Nicolletti Associates, Professional Land Surveyors, P.C., dated July 29, 2014, and last updated on July 16, 2015, as part of any and all existing open applications and any and all future applications affecting the 627 Property that require the filing of a survey, provided such survey is certified to 627 Owner, signed, sealed and otherwise in proper form for such filing.

7. Representations. 627 and PMG each represent and warrant to each other that it has the right to enter into this Agreement. 627 further represents and warrants to PMG that 627 is the only "party in interest" with respect to the 627 Land, other than "parties in interest" that have executed, acknowledged and delivered certain Waivers of Declaration of Restrictions and Consent and Subordination to Zoning Lot Development Agreement with respect to this Agreement. PMG further represents and warrants to 627 that PMG is the only "party in interest" with respect to the PMG Land, other than "parties in interest" that have executed, acknowledge and delivered certain Waivers of Declaration of Restrictions and, Consent and Subordination to Zoning Lot Development Agreement with respect to this Agreement.

8. Third Party Beneficiaries. No covenant or agreement contained herein shall inure to the benefit of any person or party, other than the PMG Owner and the 627 Owner.

9. Binding Effect. This Agreement, and all the covenants contained herein, shall run with the land and shall be binding upon PMG Owner and 627 Owner.

10. Breach Shall Not Defeat Mortgage. A breach of any of the terms, conditions, covenants, or restrictions of this Agreement or any of the Zoning Documents shall not defeat or render invalid the lien of any mortgage made for value which encumbers all or any portion of the PMG Land or the 627 Land, but such terms, conditions, covenants or restrictions shall be binding upon and effective against any person who becomes an owner of any portion of either such properties by acquiring title thereto by foreclosure, trustee's sale or otherwise.

11. Remedies. In the event of any breach or threatened breach of this Agreement by any Party hereto, the other Party shall have the right to any remedy available at law or in equity, including but not limited to injunctive relief and specific performance.

12. Limitation of Liability. Notwithstanding anything to the contrary contained herein, each Party hereto shall look only to the other Party's then estate in the 627 Property or PMG Property, as the case may be, including insurance proceeds received therefor, for the satisfaction of their respective remedies, and no other property or assets of the other Party or its principals, officers, directors, trustees, members and partners disclosed or undisclosed, shall be subject to levy, execution or other enforcement procedure for the satisfaction of the first Party's remedies hereunder.

13. Notices. Except as may be otherwise expressly provided in this Agreement, any bills, statements, notices, demands, requests, approvals, consents or other communications given or required to be given under or in connection with this Agreement ("Notices") shall be effective only if (a) in writing, (b) (i) sent by United States registered or certified mail, return receipt requested, postage prepaid; or (ii) delivered by hand; or (iii) sent by electronic mail by 5:00 p.m.; or (iv) sent by nationally recognized overnight courier services, and (c) addressed as follows:

To 627 Owner:	90 Morton Owner LLC 885 Third Avenue New York, NY 10022 Attention: Issac Hera
with a copy to:	Kramer Levin Naftalis & Frankel LLP 1177 Avenue of Americas New York, NY 10036 Attention: Paul Selver, Esq.
To PMG Owner:	PMG Leroy Street Development LLC 111 5 th Avenue, 6 th Floor New York, NY 10003 Attention: Richard Lam
with a copy to:	Bryan Cave LLP 1290 Avenue of Americas New York, NY 10104 Attention: Barry Ross, Esq.

Each Notice shall be deemed to have been rendered or given (i) on the date delivered, if delivered by hand, (ii) on the next business day, if sent by nationally recognized overnight courier for next day delivery, or (iii) on the date which is three (3) business days after mailing, if mailed as provided in this Section 13. Either Party may at any time change the address for Notices to such Party by giving a Notice as provided in this Section 13.

14. No Oral Agreements; Integration. Except as stated in this Agreement and the exhibits and schedules annexed hereto, this Agreement contains all the promises, agreements, conditions, inducements

and understandings between the parties relative to the matters stated herein and therein, and there are no promises, agreements, conditions, understandings, inducements, warranties or representations, expressed or implied, between the parties other than as set forth herein and therein.

15. Modifications and Amendments. This Agreement may not be modified, amended or terminated except by an instrument in writing signed by the Parties hereto.

16. Estoppel Certificates. Whenever requested by a Party, the other Party shall within ten (10) business days thereafter furnish to the requesting Party a written certificate setting forth: (i) whether this Agreement is in full force and effect; (ii) the extent to which this Agreement has been modified or amended by any instrument, whether or not of record (and if it has, then stating the nature thereof); (iii) whether the other Party has served any written notice of default under this Agreement, which default remains uncured; (iv) that the certificate may be relied upon by the requesting Party, its lenders and any prospective purchaser from such party of such Party's land.

17. Recording. This Agreement shall be recorded in the Office of the City Register for New York County.

18. Governing Law; Jurisdiction.

This Agreement shall be governed by, and construed in all respects in accordance with, the internal laws of the State of New York (without giving effect to New York's principles of conflicts of law).

Each Party hereby irrevocably submits to the exclusive jurisdiction of any New York State or Federal court sitting in the Borough of Manhattan, City of New York over any suit, action or proceeding commenced by or on behalf of any party hereto arising out of, or relating to, this Agreement. To the extent permitted by applicable law, each Party hereby waives trial by jury in any action or proceeding, and with respect to any claim asserted in any such action or proceeding, brought by either of the parties against the other on any matter whatsoever arising out of or in any way connected with this Agreement.

19. Waiver of Non-Performance. Any failure by a Party hereto (collectively and/or individually referred to herein as the "non-waiving party") to insist upon the strict performance by the other Party hereto of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and the non-waiving party, notwithstanding 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 other Party.

20. Pronouns, etc. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons may require. 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 a contrary intent is expressly set forth.

21. Counterparts. This Agreement may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed an original, but all of which taken together shall be construed as and shall constitute but one and the same agreement.

22. Severability. If any term of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is invalid

or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law, with the parties hereto covenanting nonetheless to negotiate in good faith, in order to agree upon the terms of a mutually satisfactory provision to be substituted for the term or provision which is void or unenforceable.

23. Captions; Headings. The captions, paragraph headings, titles and sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

24. Exhibits and Schedules. Each of the exhibits and schedules referred to herein and attached hereto is incorporated herein by this reference.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

90 Morton Owner LLC

By: _____

Name: Alann Freeman

Title: Authorized Person

PMG Leroy Street Development LLC

By: _____

Name: _____

Title: _____

or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law, with the parties hereto covenanting nonetheless to negotiate in good faith, in order to agree upon the terms of a mutually satisfactory provision to be substituted for the term or provision which is void or unenforceable.

23. Captions; Headings. The captions, paragraph headings, titles and sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

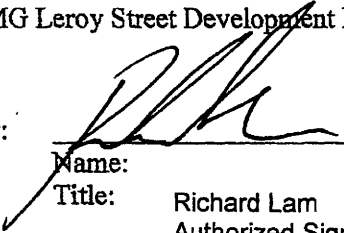
24. Exhibits and Schedules. Each of the exhibits and schedules referred to herein and attached hereto is incorporated herein by this reference.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

90 Morton Owner LLC

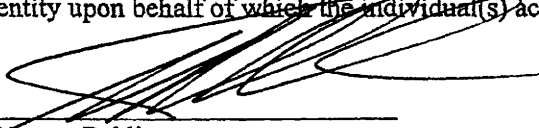
By: _____
 Name:
 Title:

PMG Leroy Street Development LLC

By:  _____
 Name:
 Title: Richard Lam
 Authorized Signatory

STATE OF NEW YORK)
)ss.:
 COUNTY OF NEW YORK)

On the 29th day of October in the year 2015 before me, the undersigned, personally appeared RECHARD CAM, 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 or entity upon behalf of which the individual(s) acted, executed the instrument.



 Notary Public

Franklin R. Kaiman
 Notary Public, State of New York
 No. 02KA4663586
 Qualified in Westchester County
 Commission Expires February 28, 2018

STATE OF NEW YORK)
)ss.:
 COUNTY OF NEW YORK)

On the _____ day of _____ in the year 2015 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 or entity upon behalf of which the individual(s) acted, executed the instrument.

 Notary Public

SCHEDULE A

115 Leroy

SCHEDULE A115 Leroy

ALL that certain plot, piece of parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly side of Leroy Street, and the easterly side of Greenwich Street;

RUNNING THENCE eastwardly along the northerly side of Leroy Street, 134 feet 9 inches to a point, said point being 160 feet 0 inches west of the corner formed by the intersection of the westerly side of Hudson Street and the northerly side of Leroy Street;

THENCE northwardly along a line perpendicular to the northerly side of Leroy Street, 100 feet 1-5/8 inches to a point in the center line of the block;

THENCE eastwardly along the center line of the block 9 feet 3-1/2 inches to a point;

THENCE northwardly along a line making an angle of 89° 56' 25" on its westerly side with the preceding course and part of the distance along the westerly face of the independent wall, 100 feet 1-5/8 inches to a point in the southerly side of Morton Street;

THENCE westwardly along the southerly side of Morton Street, 25 feet 4-1/4 inches to a point, said point being 102 feet 4-1/4 inches easterly from the corner formed by the intersection of the southerly side of Morton Street, and the easterly side of Greenwich Street;

THENCE southwardly along a line making an angle of 90° 12' 00" on its westerly side with the southerly side of Morton Street, 100 feet 0 inches to a point;

THENCE westwardly along a line parallel with the southerly side Morton Street, 46 feet 11-1/4 inches to a point;

THENCE southwardly along a line at right angles to Morton Street, 18 feet 5 inches to a point;

THENCE westwardly along a line parallel with the northerly side of Leroy Street, 21 feet 9-3/4 inches to a point;

THENCE southwardly along a line at right angles to the northerly side of Leroy Street, 7 feet 10 inches to a point;

THENCE westwardly along a line parallel with the northerly side of Leroy Street, 0 feet 3-1/8 inches to a point;

THENCE southwardly along a line at $90^{\circ} 00' 00''$ to the northerly side of Leroy Street, 18 feet 4-1/4 inches to a point;

THENCE westwardly along a line parallel with northerly side of Leroy Street, 45 feet 5 inches to a point in the easterly side of Greenwich Street;

THENCE southwardly along the easterly side of Greenwich Street, 55 feet 10-1/8 inches to the point or place of BEGINNING.

SCHEDULE B

Lot 64 Parcel

SCHEDULE B**Lot 64 Parcel**

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the County, City and State of New York, bounded and described and containing as follows:

BEGINNING at a point on the southerly side of Morton Street distant 125 feet westerly from the southwesterly corner of Morton and Hudson Streets;

RUNNING THENCE Westerly along said southerly side of Morton Street, 25 feet;

THENCE Southerly and at right angles to Morton Street, 100 feet;

THENCE Easterly and parallel with Morton Street, 25 feet;

THENCE Northerly and at right angles to Morton Street, 100 feet to the point or place of BEGINNING.

SCHEDULE C

623 Greenwich Street

SCHEDULE C623 Greenwich Street

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Greenwich Street, distant 56 feet northerly from the northeasterly corner of Greenwich and Leroy Streets;

RUNNING thence easterly parallel with Leroy Street, 45 feet 5 inches;

THENCE northerly at right angles to Leroy Street, 18 feet 6 inches;

THENCE westerly parallel with the first mentioned line, 43 feet 9 inches to the easterly side of Greenwich Street; and

THENCE southerly along the easterly side of Greenwich Street, 18 feet 5 inches to the point of place of BEGINNING.

SCHEDULE D

111 Leroy Street

SCHEDULE D**111 Leroy**

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at a point on the northerly side of Leroy Street, distant 134 feet 9 inches easterly from the corner formed by the intersection of the northerly side of Leroy Street, and the easterly side of Greenwich Street, said point being 160 feet 0 inches west of the corner formed by the intersection of Hudson Street and Leroy Street;

RUNNING THENCE northwardly along a line at right angles to the northerly side of Leroy Street, a distance of 100 feet 1-5/8 inches to a point in the center line of the block;

THENCE eastwardly along the center line of the block, 39 feet 7-3/4 inches to a point;

THENCE southwardly along a line making an angle of 90° 12' 00", its westerly side with the preceding course, 100 feet 1-5/8 inches to a point in the northerly side of Leroy Street;

THENCE westwardly along the northerly side of Leroy Street, 40 feet 0 inches to the point or place of BEGINNING.

SCHEDULE E

627 Greenwich

SCHEDULE E**627 Greenwich Street**

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, and more particularly described as follows:

BEGINNING at the corner formed by the intersection of the easterly side of Greenwich Street, with the southerly side of Morton Street;

RUNNING THENCE easterly along the southerly side of Morton Street, 102 feet 4-1/4 inches;

THENCE southerly on a line forming an interior angle of 90 degrees 12 minutes 00 seconds with the last course, 100 feet;

THENCE westerly on a line forming an interior angle of 89 degrees 48 minutes 00 seconds with the last course, 110 feet 10-1/2 inches to the easterly side of Greenwich Street;

THENCE northerly along the easterly side of Greenwich Street, 100 feet 4 inches to the corner at the point or place of BEGINNING.

SCHEDULE F

Form of Light and Air Easement

[follows]

621 & 627 Greenwich St.

508

Block 602

Lots 85 & 58

LIGHT AND AIR EASEMENT

EASEMENT AGREEMENT made this 2nd day of November, 2015, between PMG Leroy Street Development LLC, a Delaware limited liability company with offices at 111 Fifth Avenue, New York, New York 10003, hereinafter referred to as the "Grantor," and 90 Morton Owner LLC (f/k/a 627 Greenwich Owner LLC), a Delaware limited liability company with offices at 885 Third Avenue, New York, New York 10022, hereinafter referred to as the "Grantee".

WHEREAS, the Grantor is the fee owner of certain land located in the City and State of New York, Borough of Manhattan, designated as Block 602 Lot 85 on the Tax Map of the City of New York, hereinafter referred to as Parcel A and more particularly described by a metes and bounds description set forth in Schedule A annexed hereto and by this reference made a part hereof;

WHEREAS, the Grantee is the fee owner of certain land located in the City and State of New York, Borough of Manhattan, designated as Block 602 Lot 58 on the Tax Map of the City of New York, hereinafter referred to as Parcel B and more particularly described by a metes and bounds description set forth in Schedule B annexed hereto and by this reference made a part hereof;

WHEREAS, there is an existing a 12-story commercial building erected on Parcel B (the "Parcel B Building");

WHEREAS, Grantee has requested the New York City Department of Buildings (the "Department of Buildings") to act upon Application No. _____ to convert the Parcel B Building from commercial to residential use on Parcel B; and

WHEREAS, the Department of Buildings may approve the Application upon the condition, *inter alia*, that Grantor create an easement for light and air over the South Easement Area and the East Easement Area, both as shown on Schedule C (collectively, the "Easement Areas"), for the benefit of the present and future owners of Parcel B in order to comply with the applicable provisions of Sections 27-732 and 27-746 of the 1968 Building Code or Sections BC1203.4 and BC 1205.2 of the 2008 Building Code, as applicable.

NOW, THEREFORE, good and valuable consideration having been paid, the Grantor for her/himself, her/his heirs, legal representatives, successors and assigns hereby makes the following grant to Grantee, her/his heirs, legal representatives, successors, and assigns and to any future owner of Parcel B:

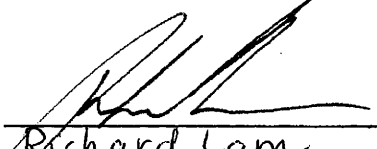
1. The right to unrestricted light and air over the Easement Areas commencing at a height of 16 feet above Datum Level established in Section 28-164.7.6 (NAVD) of the Administrative Code of the City of New York as of the date hereof, such that any

building or other structure on Easement Areas shall never infringe upon the light and air provided to Parcel B.

2. This easement agreement may not be modified, amended or terminated without the prior written consent of the Department of Buildings.
3. The covenants set forth herein shall run with the land and be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.
4. Failure to comply with the terms of this easement agreement may result in the revocation of a building permit or certificate of occupancy.
5. This easement agreement shall be recorded at the city register's (county clerk's) office against all affected parcels of land and the cross-reference number and title of the easement agreement shall be cited on each temporary and permanent certificate of occupancy hereafter issued to buildings located on the affected parcels and in any deed for the conveyance thereof.
6. This easement agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have made and executed the foregoing easement agreement as of the date hereinabove written.

PMG LEROY STREET DEVELOPMENT LLC

By: 
 Name: Richard Lam
 Title: Authorized Signatory

90 MORTON OWNER LLC

By: _____
 Name: _____
 Title: _____

building or other structure on Easement Areas shall never infringe upon the light and air provided to Parcel B.

2. This easement agreement may not be modified, amended or terminated without the prior written consent of the Department of Buildings.
3. The covenants set forth herein shall run with the land and be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.
4. Failure to comply with the terms of this easement agreement may result in the revocation of a building permit or certificate of occupancy.
5. This easement agreement shall be recorded at the city register's (county clerk's) office against all affected parcels of land and the cross-reference number and title of the easement agreement shall be cited on each temporary and permanent certificate of occupancy hereafter issued to buildings located on the affected parcels and in any deed for the conveyance thereof.
6. This easement agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have made and executed the foregoing easement agreement as of the date hereinabove written.

PMG LEROY STREET DEVELOPMENT LLC

By: _____
 Name: _____
 Title: _____

90 MORTON OWNER LLC

By: _____
 Name: *Allen Pughan*
 Title: *Attorney at Law*

STATE OF NEW YORK)

) ss.:

COUNTY OF NEW YORK)

On the 29th day of October, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared RECHARD L. M., personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.


 Notary Public

Franklin R. Kaiman
 Notary Public, State of New York
 No. 02KA4663586
 Qualified in Westchester County
 Commission Expires February 28, 2018

STATE OF NEW YORK)

) ss.:

COUNTY OF NEW YORK)

On the _____ day of _____, _____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

 Notary Public

STATE OF NEW YORK)

) ss.:

COUNTY OF NEW YORK)

On the _____ day of _____, _____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

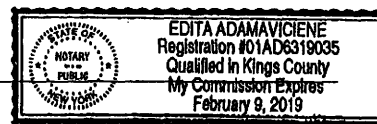
STATE OF NEW YORK)

) ss.:

COUNTY OF NEW YORK)

On the 30 day of October, 2015 before me, the undersigned, a Notary Public in and for said State, personally appeared Aaron Progan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

Aaron Progan



Notary Public

SCHEDULE ATax Lot 85

ALL that certain plot, piece of parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly side of Leroy Street, and the easterly side of Greenwich Street;

RUNNING THENCE eastwardly along the northerly side of Leroy Street, 134 feet 9 inches to a point, said point being 160 feet 0 inches west of the corner formed by the intersection of the westerly side of Hudson Street and the northerly side of Leroy Street;

THENCE northwardly along a line perpendicular to the northerly side of Leroy Street, 100 feet 1-5/8 inches to a point in the center line of the block;

THENCE eastwardly along the center line of the block 9 feet 3-1/2 inches to a point;

THENCE northwardly along a line making an angle of 89° 56' 25" on its westerly side with the preceding course and part of the distance along the westerly face of the independent wall, 100 feet 1-5/8 inches to a point in the southerly side of Morton Street;

THENCE westwardly along the southerly side of Morton Street, 25 feet 4-1/4 inches to a point, said point being 102 feet 4-1/4 inches easterly from the corner formed by the intersection of the southerly side of Morton Street, and the easterly side of Greenwich Street;

THENCE southwardly along a line making an angle of 90° 12' 00" on its westerly side with the southerly side of Morton Street, 100 feet 0 inches to a point;

THENCE westwardly along a line parallel with the southerly side Morton Street, 46 feet 11-1/4 inches to a point;

THENCE southwardly along a line at right angles to Morton Street, 18 feet 5 inches to a point;

THENCE westwardly along a line parallel with the northerly side of Leroy Street, 21 feet 9-3/4 inches to a point;

THENCE southwardly along a line at right angles to the northerly side of Leroy Street, 7 feet 10 inches to a point;

THENCE westwardly along a line parallel with the northerly side of Leroy Street, 0 feet 3-1/8 inches to a point;

THENCE southwardly along a line at $90^{\circ} 00' 00''$ to the northerly side of Leroy Street, 18 feet 4- $\frac{1}{4}$ inches to a point;

THENCE westwardly along a line parallel with northerly side of Leroy Street, 45 feet 5 inches to a point in the easterly side of Greenwich Street;

THENCE southwardly along the easterly side of Greenwich Street, 55 feet 10- $\frac{1}{8}$ inches to the point or place of BEGINNING.

SCHEDULE BTax Lot 58

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, and more particularly described as follows:

BEGINNING at the corner formed by the intersection of the easterly side of Greenwich Street, with the southerly side of Morton Street;

RUNNING THENCE easterly along the southerly side of Morton Street, 102 feet 4-1/4 inches;

THENCE southerly on a line forming an interior angle of 90 degrees 12 minutes 00 seconds with the last course, 100 feet;

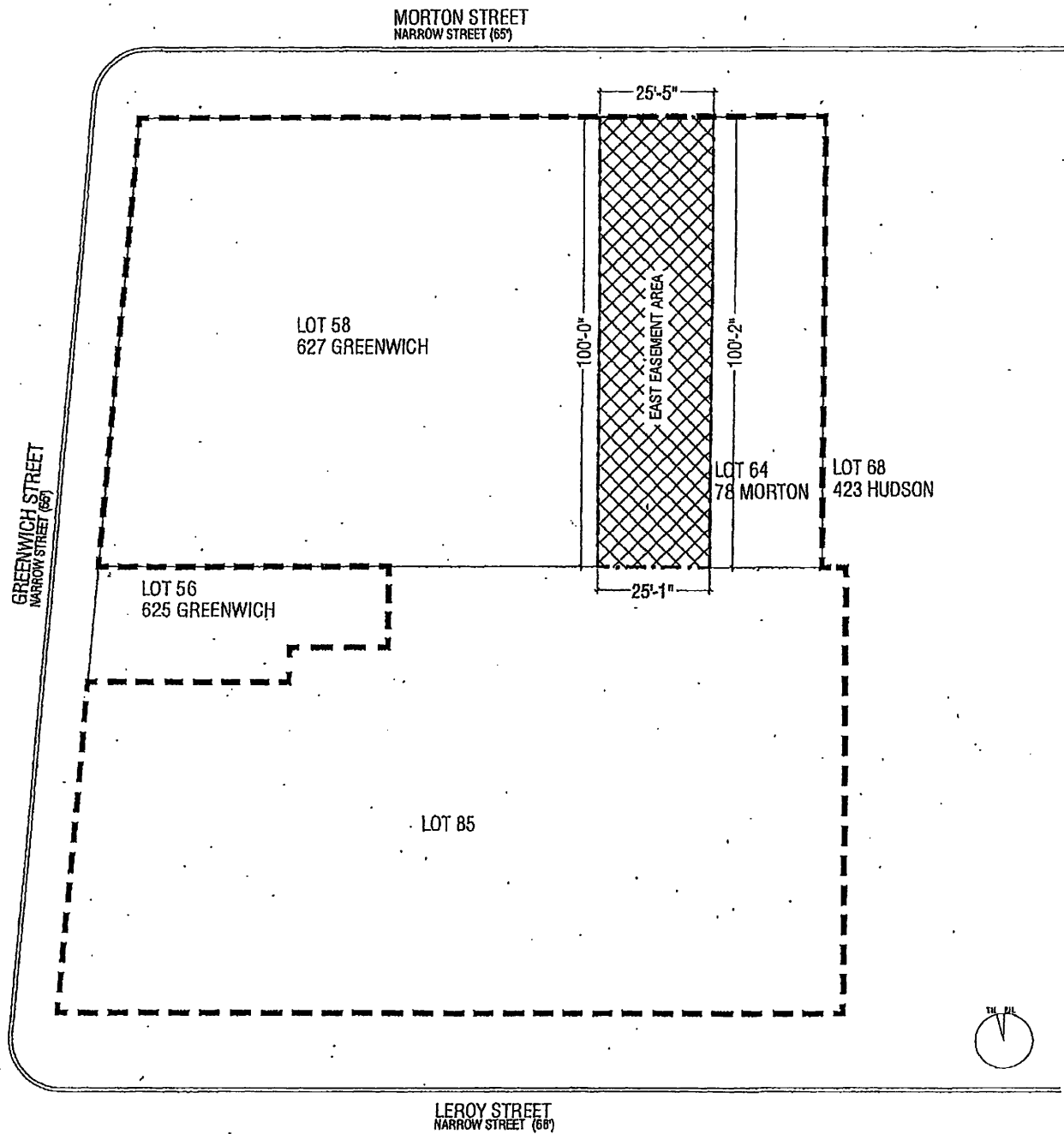
THENCE westerly on a line forming an interior angle of 89 degrees 48 minutes 00 seconds with the last course, 110 feet 10-1/2 inches to the easterly side of Greenwich Street;

THENCE northerly along the easterly side of Greenwich Street, 100 feet 4 inches to the corner at the point or place of BEGINNING.

SCHEDULE C

[FOLLOWS]

EXHIBIT A - EAST EASEMENT AREA

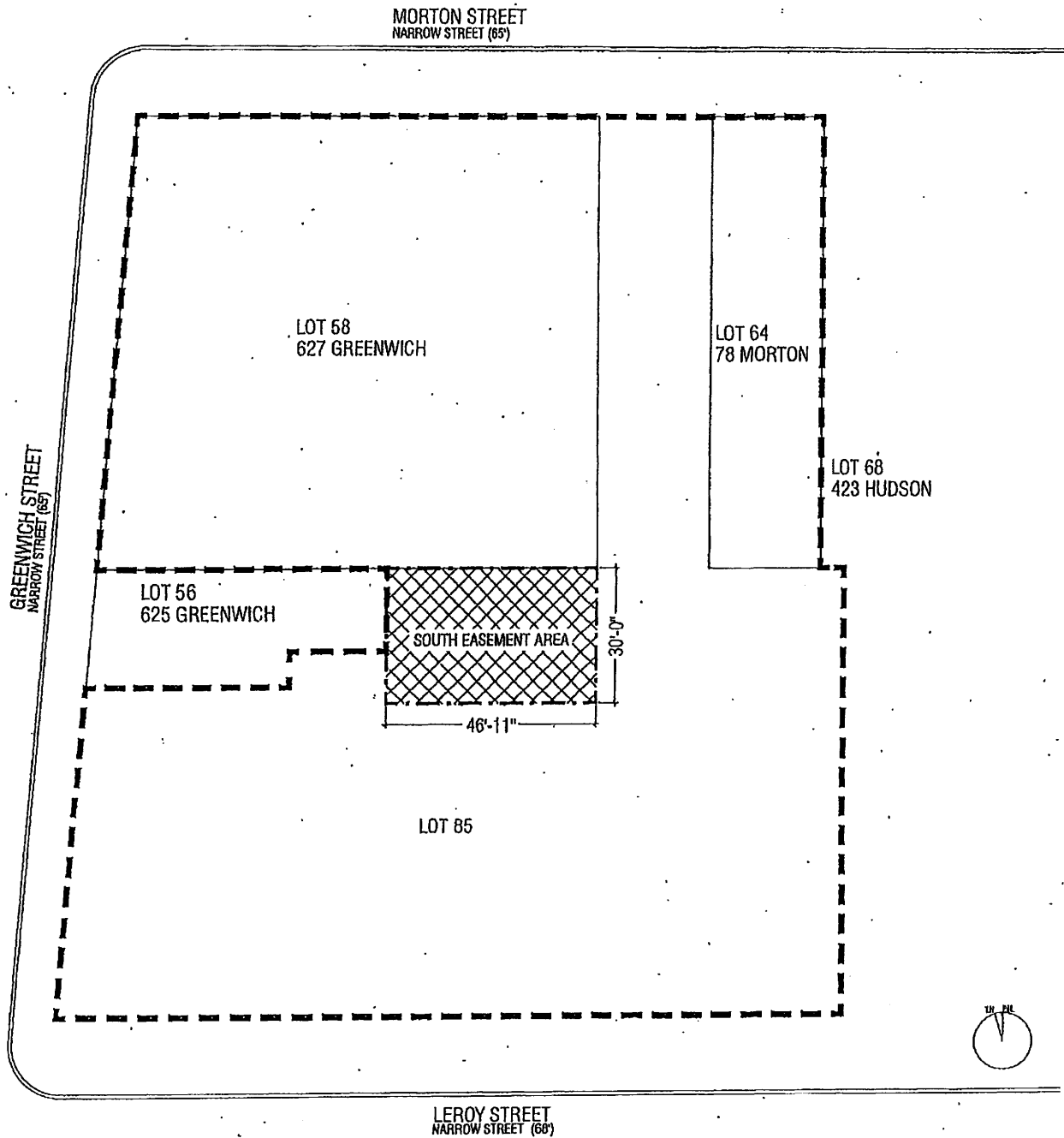


 EASEMENT AREA

 ZONING LOT

SCALE: 1/32" = 1'

EXHIBIT B - SOUTH EASEMENT AREA



 EASEMENT AREA

 ZONING LOT

SCALE: 1/32" = 1'

EAST AND SOUTH EASEMENT AREAS

EXHIBIT A - EAST EASEMENT AREA

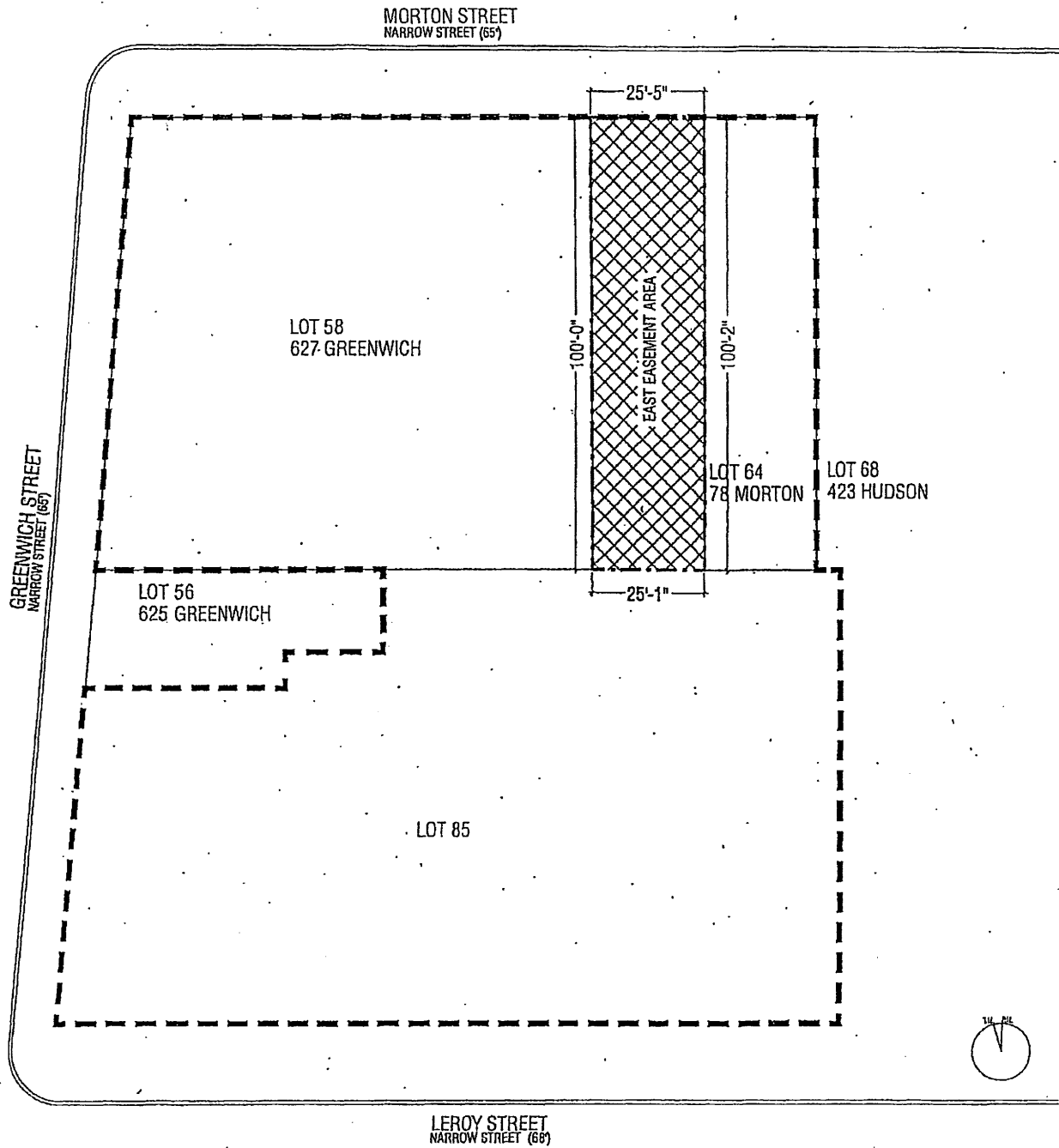
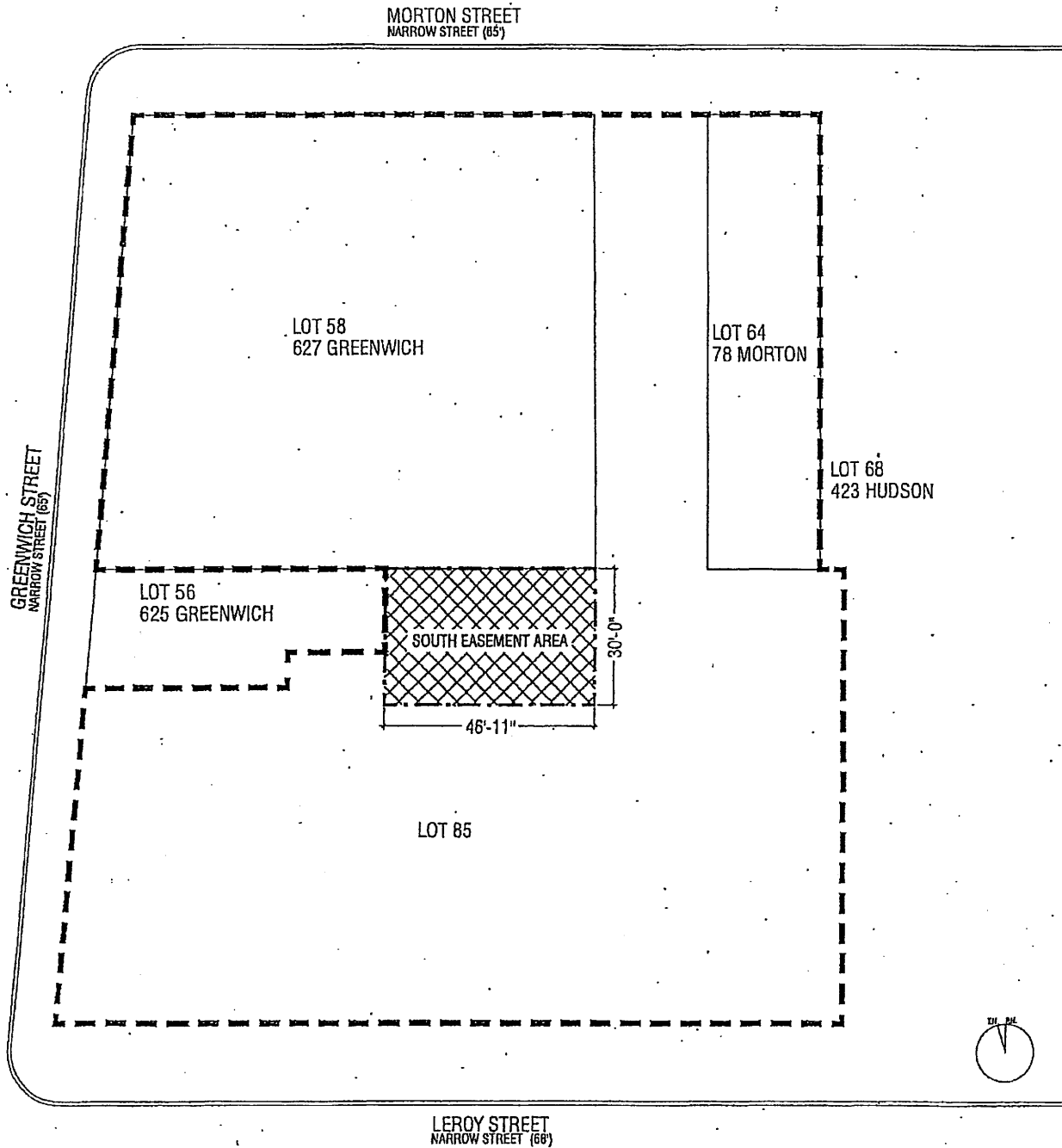


EXHIBIT B - SOUTH EASEMENT AREA



 EASEMENT AREA

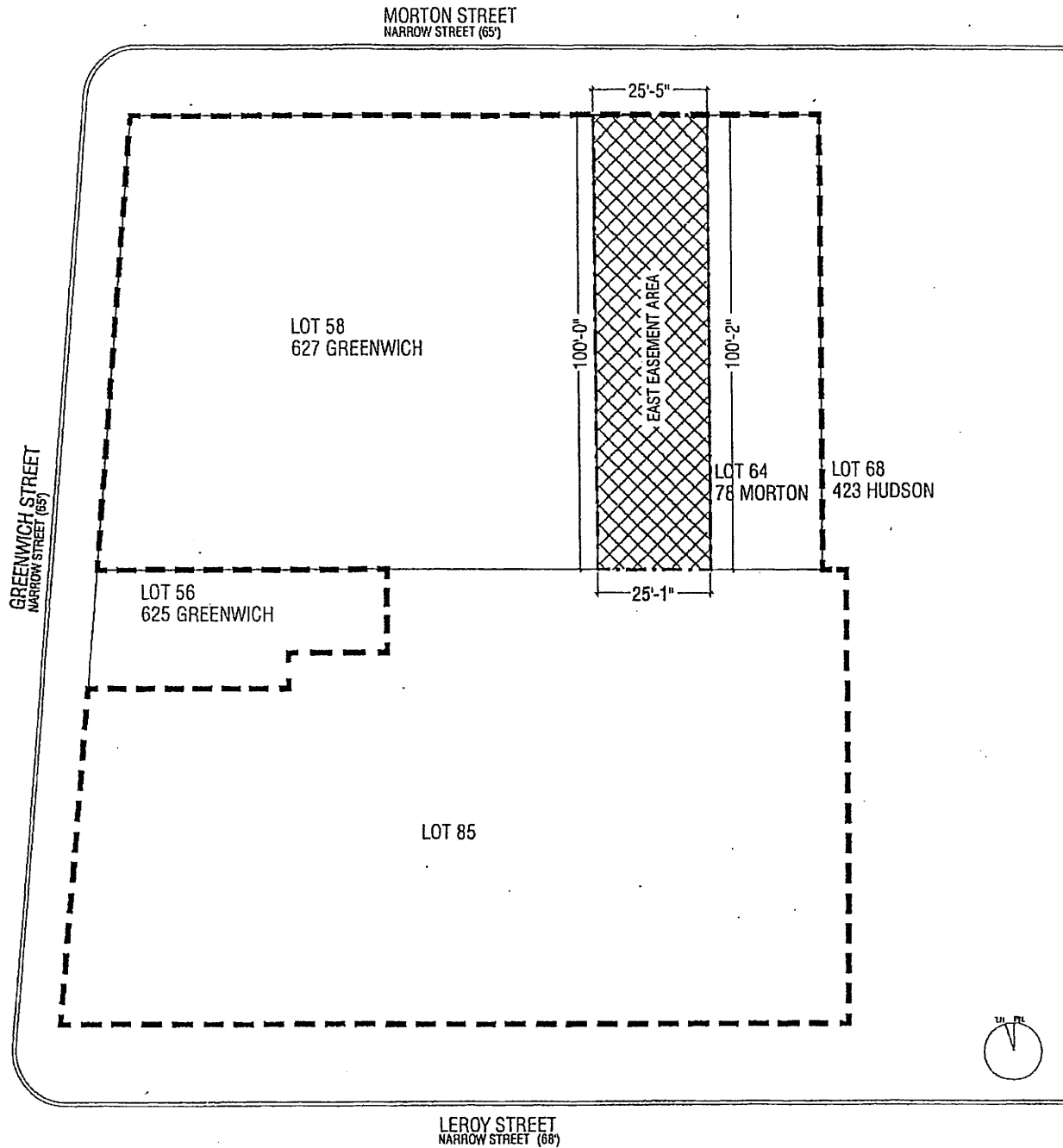
 ZONING LOT

SCALE: 1/32" = 1'

EXHIBIT A

East Easement Area

EXHIBIT A - EAST EASEMENT AREA



EASEMENT AREA

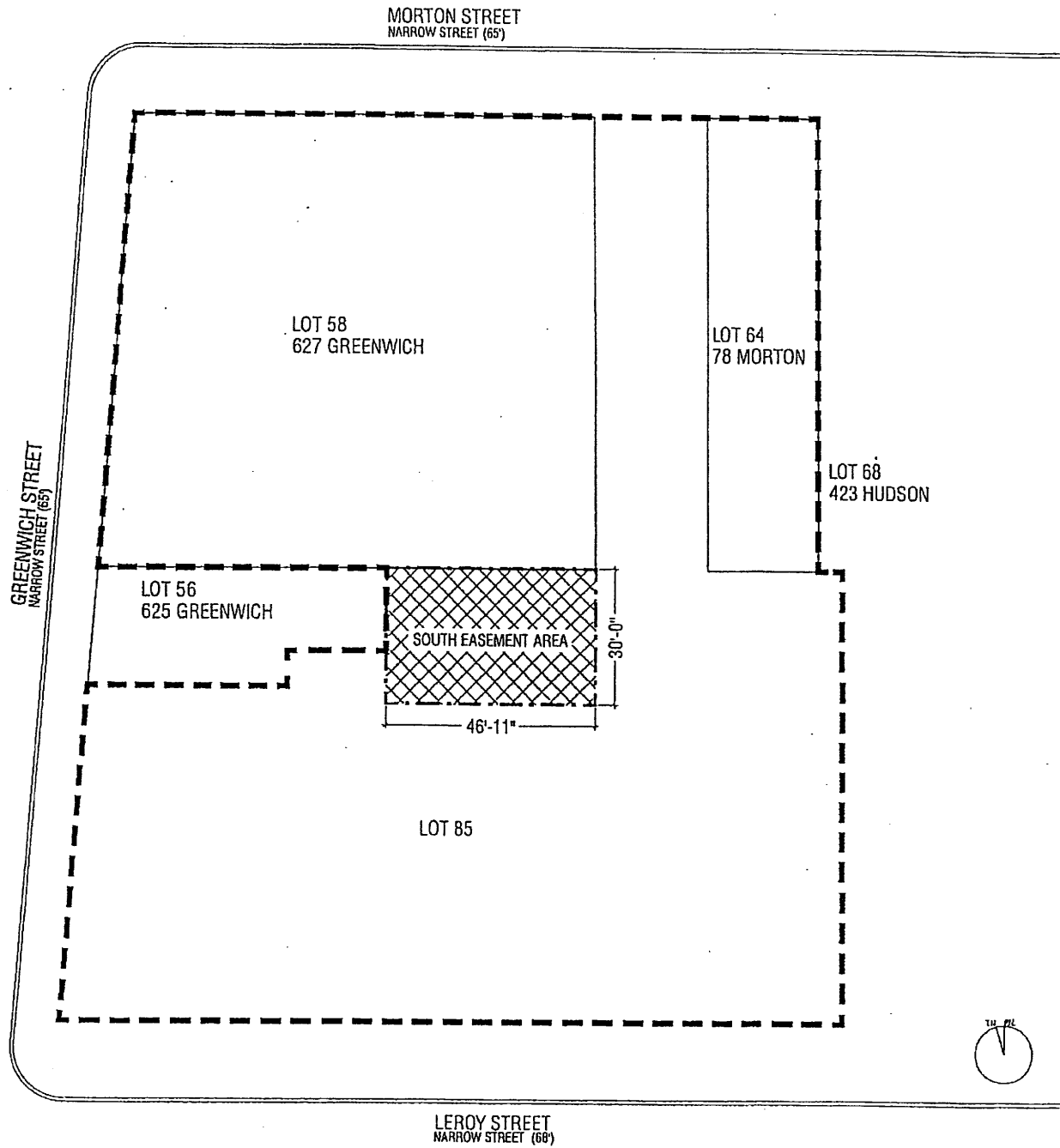
--- ZONING LOT

SCALE: 1/32" = 1'

EXHIBIT B

South Easement Area

EXHIBIT B - SOUTH EASEMENT AREA



 EASEMENT AREA

 ZONING LOT

SCALE: 1/32" = 1'