CONDOMINIUM OFFERING PLAN FOR 32 EAST 1ST STREET CONDOMINIUM

24 Second Avenue, New York, New York 10003
New York County

TOTAL INITIAL OFFERING PRICE OF:
THE 31 RESIDENTIAL UNITS OFFERED FOR SALE IS $96,560,000;
THE 1 RETAIL UNIT OFFERED FOR SALE IS $30,000,000;
FOR AN AGGREGATE TOTAL INITIAL OFFERING PRICE OF $126,560,000

(31 Residential Units and 1 Retail Unit are initially being offered for sale hereunder.)

Sponsor

24 Second Avenue Owner LLC
c/o AORE Holdings, LLC
49 Bleecker Street, Suite 301
New York, New York 10012

Selling Agent

Capital Realty Investors Inc.
136 Madison Avenue, Suite 4
New York, New York 10016

Sales Office

6 Bond Street, 4th Floor
New York, New York 10012

Date of Acceptance for Filing: [_____ __, 20__]

The term of the initial offering of this Plan commenced on [_____ __, 20__] and expires on [_____ __, 20__] unless said date is extended in a duly filed amendment.

SEE PAGE (vi) FOR SPECIAL RISKS TO PURCHASERS.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS AFTER CONSUMMATION, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. (SEE SPECIAL RISKS SECTION OF THE PLAN.)

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

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

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SPECIAL RISKS TO BE CONSIDERED BY PURCHASERS

1. Use Provisions

The Condominium will initially consist of thirty-one (31) Residential Units, one (1) Retail Unit and the Common Elements. Both the Residential Units and the Retail Unit (and their appurtenant interest in the Common Elements) are offered pursuant to the offering plan.

The Residential Units may generally be used only for residential purposes and, subject to compliance with the Declaration and the Condominium By-Laws, for a lawful home occupation as defined in the Zoning Resolution (a New York City zoning resolution affecting use and occupancy). Residential Unit Owners may, subject to the Board's right of first refusal, rent their Residential Unit pursuant to a lease with a minimum term of one (1) year, in each case. No transient tenant or short-term paying guest (i.e., a tenant or paying guest in occupancy for a period of less than twelve (12) consecutive months) may be accommodated in any Residential Unit, and only an entire Residential Unit may be leased. Residents of the Residential Units thus may be comprised of Residential Unit Owners who reside in the Building, as well as tenants leasing Residential Units from other Residential Unit Owners.

The Retail Unit may be used for any lawful purpose. The Condominium Board will have no right to restrict or limit any of the uses of, or alterations in or to, the Retail Unit (including the storefronts thereof) which are permitted by law and applicable zoning ordinances, except as otherwise set forth in the Declaration and By-Laws. Notwithstanding the foregoing, the By-Laws provide that the Retail Unit Owner shall use reasonable efforts to eliminate all noxious fumes, odors or gases originating from its Retail Unit and vent the same. No income derived from any use of the Retail Unit will constitute income to the Board or the Residential Unit Owners. (See the Section of this Plan entitled "Rights and Obligations of the Unit Owners and the Condominium Board of Managers" for further discussion.)

2. Interim Service Period

Prospective Purchasers are advised that until twelve months after the First Closing, some of the services and facilities described in the Plan (such as some of the elevators, or a full staff of building personnel) may not be available. Although Sponsor anticipates that the Building may be fully staffed as of the First Closing, Sponsor reserves the right to limit the number of staffing for a period ending upon the earlier of 50% occupancy or twelve months from the First Closing, at which point the Building will be fully staffed as set forth in the Budget. The interim level of staffing will at all times during this period be commensurate with the levels of occupancy from time to time and adequate to properly maintain the Building. Additionally, it is anticipated that at all times after the First Closing, the lobby will be attended 24 hours a day, seven days a week, and there will be at least one elevator servicing every occupied Residential Unit. All Legal Requirements with respect thereto will be complied with, including the Administrative Code of the City of New York, Section 27-2050, et seq, either by providing for janitorial services to be performed on a twenty-four-hour-a-day basis or by having a janitor reside in or within a distance of one block or two hundred feet of, whichever is greater, the Building.

3. Purchaser Deposits; Defaults by Purchasers

At the time an agreement for the purchase of a Unit (an "Agreement") is executed, the Purchaser thereunder is required to make a payment in an amount equal to: (a) ten percent (10%) of the purchase price set forth therein (the "Initial Deposit"); and, an additional payment equal to five percent (5%) of such purchase price (the "Additional Deposit") shall be due and payable no later than the earlier to occur of (x) four (4) months after the date of the Agreement; or (y) fifteen (15) days after Sponsor serves Purchaser with written notice of an amendment to the Offering Plan declaring the same effective, but in no event later than the closing of title to the Unit; provided, however, that with respect to Agreements entered into after the Offering Plan has been declared effective, Sponsor reserves the right to require both the Initial Deposit and the Additional Deposit due and payable upon execution of the Agreement. The term "Deposit" as used herein refers to both the Initial Deposit and, if the same has been paid at the time in question, the Additional Deposit. The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts, which is fixed by the Bank (as defined above) and which will vary from time to time. As of May 3, 2016, such rate was 0.1%. Notwithstanding the foregoing, if a Purchaser 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), such Purchaser will be required to make an Initial Deposit equal to fifty percent (50%) of the applicable purchase price and will not be required to make an Additional Deposit. The Escrow Account (as defined herein) is federally insured by the FDIC at the maximum amount of $250,000 per deposit (the FDIC limit in effect as of the filing date hereof). Any deposit in excess of $250,000 (or the FDIC limit in effect from time to time) will not be insured. Purchasers are also advised that if a Purchaser has any additional accounts at the Bank (as defined herein), the funds in said accounts will be added together with the Deposit held in escrow and the aggregate of all the funds held by the Bank will only be insured up to the $250,000 FDIC maximum coverage.

In the event that a Purchaser defaults under an Agreement, ***time being of the essence*** with regard to the obligations of the Purchaser thereunder, and does not cure such default within 30 days after Sponsor gives written notice to the Purchaser of such default, Sponsor may, at its option, cancel such Agreement and retain, as liquidated damages, the Deposit made by the Purchaser, together with interest earned thereon, if any. Additionally, if a Purchaser fails for any reason to close title on the originally scheduled closing date and Sponsor elects not to cancel the Agreement: (i) the closing apportionments to be made at the closing will be made as of midnight of the day preceding the originally scheduled closing date; and (ii) the Purchaser will be required to pay to Sponsor a per diem amount equal to 0.04% of the purchase price of the Unit(s) in question for each day that the closing is adjourned. Purchasers are advised that notwithstanding the foregoing, nothing herein shall be deemed to grant to Purchaser any right of rescission and/or any right to the return of all or any portion of a Deposit except as expressly set forth in the Plan. (See the Section of this Plan entitled "Procedure to Purchase" for further discussion.)

4. No Financing Contingency

A Purchaser may obtain financing from any lending institution or other source, but the Purchaser's obligation to purchase a Unit pursuant to an Agreement shall not be

contingent on the Purchaser obtaining such financing, so that a Purchaser will remain obligated under the Agreement whether or not such Purchaser has been able to obtain financing. Neither Sponsor nor Selling Agent makes any representation whatsoever as to the terms or availability of any mortgage or other financing. Prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be limited and it could expire before the closing date, and Sponsor shall have no liability as a result of any scheduling, rescheduling or adjournment of closing beyond the expiration of a loan commitment. (See the Section of this Plan entitled "Procedure to Purchase" for further discussion)

Purchasers should further note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of apartments in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a Purchaser of a Residential Unit to experience difficulty in obtaining a loan in the event Sponsor is the owner of a substantial percentage of the Residential Units (e.g., more than fifty percent (50%) or seventy percent (70%)). Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of ten percent (10%) or more. Further, in the event a Unit Owners seeks to sell its Unit, prospective purchasers may be unable to obtain institutional financing for such purchase as a result of the scenario described herein, regardless of the creditworthiness of the prospective purchaser.

(See the Sections entitled "Procedure to Purchase" and "Terms of Sale" in Part I of the Plan for further discussion.)

5. <u>Liquidated Damages</u>

The Deposit, and all other amounts paid by a Purchaser to Sponsor pursuant to the Agreement and/or the Plan in connection with the purchase of a Unit, shall be such Purchaser's own funds (and not a third party's). In the event of a default and the election by Sponsor to terminate the Agreement and retain the Deposit as its remedy, the Deposit previously paid (together with any interest thereon) shall be retained by Sponsor (subject to the terms of the Plan), as liquidated damages, it being acknowledged and agreed by Sponsor and each Purchaser that it would be impractical and/or extremely difficult to fix or establish the actual damage sustained by Sponsor as a result of such a default by a prospective Purchaser, and that the Deposit (including all interest) shall constitute and be deemed to be the reasonable and agreed upon liquidated damages of Sponsor in respect of the possible loss of a timely closing, the possible fluctuation of values, additional carrying costs of the Unit and other expenses that may be incurred and shall be paid by Purchaser to and retained by Sponsor. In such case, Purchaser shall have no further liability to Sponsor in respect of the Agreement (except for those matters expressly specified therein or herein to survive the termination thereof); however, such Purchaser shall not have any right whatsoever to the return of all or any portion of its Deposit (or any interest thereon). The payment of the Deposit (including all interest) as liquidated damages is not intended to be a forfeiture or penalty, but is intended to constitute liquidated damages to Sponsor.

6. Control by Sponsor; First Meeting

The powers and duties necessary for or incidental to the administration of the affairs of the Condominium will be vested in the Condominium Board. Sponsor will be entitled to designate a majority of the members of the Condominium Board until the later to occur of: (i) the fifth anniversary of the first closing of title to a Residential Unit by Sponsor pursuant to an Agreement (the "First Closing"); or (ii) the closing of title to Residential Units representing more than 90%, both in number and in aggregate Common Interests, of all Residential Units, but in either event no later than the closing of title to all Residential Units in the Condominium. IN LIGHT OF SPONSOR'S UNCONDITIONAL RIGHT TO RENT OR LEASE, RATHER THAN SELL AFTER CONSUMMATION, THE UNITS OFFERED HEREUNDER, THE FOREGOING NINETY PERCENT (90%) CLOSING THRESHOLD MIGHT NEVER BE REACHED AND THE INITIAL CONTROL PERIOD MAY NEVER EXPIRE. AS A RESULT, UNIT OWNERS MAY NEVER GAIN CONTROL OF THE BOARD.

Therefore, during this period (the "Initial Control Period") Sponsor will be able to control the maintenance and operation of, and services to be provided by, the Condominium; provided, however, that any changes made by Sponsor to Schedule B – "Projected Budget for First Year of Condominium Operation" set forth in the Plan (the "First Year Budget") must provide for the same level of services disclosed in Schedule B – "Projected Budget for First Year of Condominium Operation." Sponsor will be able to control the determination of the Common Charges to be paid by all Unit Owners. Moreover, during the Initial Control Period, the Condominium Board may not, without the prior written consent of Sponsor: (i) make any addition, alteration or improvement to the Common Elements or any Residential Unit (unless required by any applicable Legal Requirements); (ii) assess any Common Charges for the creation of, addition to or replacement of all or any reserve, contingency or surplus fund; (iii) increase or decrease the number of, or change the kind of, employees initially hired for the Building, as provided for in Schedule B – "Projected Budget for First Year of Condominium Operation" set forth in the Plan; (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services; (v) borrow money on behalf of the Condominium; or (vi) exercise any right of first refusal or waiver thereof to lease or purchase a Residential Unit. However, the Condominium Board may perform any function or take any action enumerated in subsections (ii) through (vi) hereinabove without the consent of Sponsor if, and only if, the performance of such function or the carrying out of such action is necessary, and no other alternative is available, either to enable the Condominium Board to comply with any Legal Requirements, or to remedy any notice of violation entered against the Condominium, or to comply with any proper work order by an insurer of the Building, or for the health and safety (but not the general comfort or welfare) of the occupants of the Building.

The Condominium Board shall initially consist of four (4) members designated by Sponsor from time to time until the first annual meeting of Unit Owners (the "First Annual Meeting"), at which time the incumbent Board will resign and a new five (5) member Board will be installed as set forth below. The First Annual Meeting shall be held within thirty (30) days following the second anniversary of the First Closing. From and after the First Annual Meeting, the Board will consist of five members elected and/or designated as follows: (i) four (4)

members elected by the Residential Unit Owners (including Sponsor), subject to Sponsor's right to designate members (as described below), and; (ii) one (1) member designated by the Retail Unit Owner.

At meetings of the Unit Owners, Sponsor will have the right to vote all of the Common Interests appurtenant to the Units owned by Sponsor as it sees fit. In addition, until the expiration of the Initial Control Period: (i) three of the four (4) members of the Board otherwise to be elected by the Residential Unit Owners, shall be designated by Sponsor and/or its designee (or other Unsold Unit Owner) which members may be related to or affiliated with Sponsor, Sponsor's designee or other Unsold Unit Owner(s) and the fourth such member, who shall not be related to or affiliated with Sponsor, Sponsor's designee or other Unsold Unit Owner(s), shall be elected by the Residential Unit Owners. The Retail Unit Owner shall at all times have the right to designate its one Board member as aforesaid (even if Sponsor or its designee owns such Unit).

Notwithstanding the foregoing, because Sponsor reserves the unconditional right to rent or lease the Units after consummation, there is no commitment to sell more Units than the fifteen percent (15%) necessary to declare this Plan effective, and thus, the First Annual Meeting may never occur (meaning Purchasers may never have an opportunity to express their opinions with respect to the operation of the Condominium) and owner-occupants may never gain effective control and management of the Condominium.

As a result of the foregoing, there is no provision in the By-Laws for a majority of the Condominium Board to be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals within two (2) years after the First Closing. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment. (See the Sections of the Plan entitled "Control by Sponsor" and "The Condominium Board" for further discussion.)

7. Additional Building Work

Construction in general is a complicated process which requires the coordination of numerous concurrent tasks, contractors and suppliers and the balancing of complex mechanical, electrical, plumbing and other systems, all of which is subject to unanticipated delays and difficulties and necessarily involves noise, disruption and inconvenience. Thus, for a period of time following the First Closing (through, including and beyond the closing of title to any particular purchaser's Unit), work should be expected to be undertaken and continue by or on behalf of: (i) Sponsor to complete the balance of the Building; (ii) individual Residential Unit Owners within their Residential Units (to perform custom renovations, etc.); and the Retail Unit Owner to complete construction, build-out, furnishing and equipping the Retail Unit. During at least the First Year of Condominium Operation, construction workers and related personnel of Sponsor and others will be at the Property from time to time performing construction work, making adjustments and performing various other tasks related to the completion of construction, fitting out of, and moving into, the Residential Units and other portions of the Building. Various systems, including, but not limited to, water supply, air conditioning, heating, cooling, gas, electric, ventilating and other systems, and elevators may require more than a year after any

particular Unit closing to complete and may be disrupted temporarily and from time to time (systems constituting Common Elements may require more than a year after any particular closing to complete, but all systems must be completed as a requirement for the issuance of a temporary Certificate of Occupancy covering a Unit will be functioning at the time of closing). Residential elevators and personnel may be taken out of service and diverted to facilitate construction and exterior hoists or scaffolding may be in place during at least the year following the First Closing, and from time to time thereafter, as needed, in connection with construction being performed in Units by the Sponsor or other Unit Owners thereof. Various other adjustments, to windows and elevators and other systems, may require eighteen (18) months or more after the First Closing to complete. Sponsor may not fully complete the decoration or finishing of the lobby, corridors, elevator finishes and other portions of the Building, including, but not limited to, installing light fixtures, painting, hanging wall coverings or laying carpeting or stone, until that particular floor is fully occupied by Unit Owners or, if additional construction within a Unit is anticipated, for some period thereafter. All of the foregoing work and conditions may create a noisy and otherwise disruptive condition in the Building during the period such work is being performed. Certain portions of the Common Elements may be completed before or after completion of any particular Purchaser's Unit. As a result, certain amenities and benefits anticipated to be available to Residential Unit Owners (specifically, storage closets, full staff of building personnel, outdoor Amenity Terrace, fitness center, resident lounge, spa and bicycle storage) may not be available until such other portions of the Building are completed and fully operational. Sponsor shall have no liability whatsoever in the event these services are delayed or disrupted. Further, the Board and/or Sponsor may refuse to permit a Residential Unit Owner to perform alterations in a Residential Unit until such time as the Building has been completed and permanent certificate(s) of occupancy have been obtained therefor. Even where such alterations are permitted, the Board and/or Sponsor may impose conditions and deadlines upon the planning, performing and completion of such work. No assurance can be given with regard to the accuracy of any projected schedules or completion dates set forth herein or with respect to the duration of any interim service period or periods of potential disruption to the Residential Unit Owners and their tenants or occupants, all such dates and timetables, to the extent provided, being only good faith estimates.

Based upon Sponsor's construction schedule anticipated as of the initial filing date of this Plan, Sponsor contemplates, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery and/or the inability to obtain on a timely basis or otherwise, materials or equipment, governmental restrictions, acts of god or other events beyond its reasonable control, Sponsor's construction work at the Building will be sufficiently completed to permit closings of title to Units to begin on or about September 1, 2017. Prospective Purchasers should note, however, that the Units will be completed at differing times over a period that may begin prior to and/or extend significantly beyond such date. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the purchase price for his or her Unit or otherwise be relieved from any obligations under the Agreement, in the event that the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to such Purchaser's Unit is accelerated, delayed or postponed by Sponsor, provided, however, that in the event the actual or anticipated commencement date of the projected First Year of Condominium Operation is to be delayed by six (6) months or more, Sponsor will amend the Plan to include a revised budget with current projections and if: (i) the amended budget exceeds the projected budget set forth herein by

twenty-five percent (25%) or more; or (ii) the First Closing does not occur within twelve (12) months after September 1, 2017, the date set forth in Schedule B – "Projected Budget for First Year of Condominium Operation" as the commencement date for the projected First Year of Condominium Operation, then in either case Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period under their Agreements, if the Plan has been declared effective) the right to rescind their Agreements within not less than fifteen (15) days after the presentation date of the amendment containing such revised budget or after such twelve (12) month period, as the case may be, and any Purchasers, electing rescission pursuant to such offer will have their Deposit and any interest accrued thereon returned. Purchasers' rights as described in the preceding sentence are in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of which shall be deemed to have been waived by all Purchasers. However, in the event the First Closing occurs before September 1, 2018, or within twelve (12) months after such other projected date for the First Closing as may be set forth in an amendment hereto, Sponsor may schedule closings of title to other Units significantly later than such date. Unless a Purchaser's Purchase Agreement contains an outside closing date, Sponsor is not obligated to schedule the closing of title to a Unit within any specified time frame or to ensure that the closing of title to a Unit will occur by any certain date. PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT. As set forth in the Section entitled "Effective Date" in Part I of the Plan no closing of title to any Unit offered hereunder will take place prior to the Plan being declared effective.

8. Prohibition Against Advertising

Purchasers are prohibited from listing their Units for resale or for lease with any broker or otherwise advertising, promoting or publicizing the availability of their Units for sale prior to the closing of title thereto. Any such listing or form of advertising, promotion or publicizing of the Unit by a Purchaser or its agents or representatives prior to such Closing date shall be an Event of Default (as defined in the Purchase Agreement) under such Purchaser's Purchase Agreement, entitling Sponsor to the remedies set forth therein. In addition, Purchaser may not and shall not advertise, list or sell its Unit for twelve months after acquisition of the Unit (i.e., the transfer of title by Sponsor to Purchaser), unless Sponsor has then entered into a Purchase Agreement for all Residential Units in the Building. Any such conveyance in violation of the foregoing will be voidable by Sponsor, and shall be an event of Default under such Purchaser's Purchase Agreement. (See the Section entitled "Procedure to Purchase" in Part I of the Plan and Exhibit 1 in Part II of the Plan for further information.)

9. No Bond or Other Security

No bond or other security has been posted by Sponsor to secure its obligation to pay Common Charges, special assessments or real estate taxes with respect to the Unsold Units. Sponsor represents that it has the financial resources to pay such amounts with respect to the Unsold Units and agrees to pay such amounts. (See the Section entitled "Rights and Obligations of Sponsor" in Part I of the Plan for further discussion.)

10. Sponsor's Right to Lease Unsold Units; Construction Loan

Sponsor will endeavor in good faith to sell rather than lease the Units in a reasonably timely manner, but nevertheless, reserves the unconditional right, prior to the date of closing title to a Unit, to rent or lease such Unit to Purchasers and others after consummation of the Plan. There are no limitations of any kind on Sponsor's right to rent rather than sell Units. As a result, Purchaser may be acquiring a Unit that has been previously occupied, but, unless otherwise specifically agreed to in writing by Sponsor and such Purchaser, such Unit will be delivered at closing free and clear of all leases and tenancies and rights of occupancy. Moreover, once an Agreement is signed for a Unit and for so long as such Agreement is in effect, such Unit may be leased only to the Purchaser listed in the Agreement. In addition, because Sponsor has the unconditional right to rent or lease the Units, there is no commitment to sell more Units than the fifteen percent (15%) of Units necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium and the First Annual Meeting may never occur. (See the Sections entitled "Interim Leases" and "Rights and Obligations of Sponsor" in Part I of the Plan for further discussion.)

Sponsor has obtained a construction loan (the "Construction Loan") for the project from Bank of the Ozarks (hereinafter "Sponsor's Lender") in the aggregate amount of $50,465,000. The Loan has a maturity date of February 7, 2019. Payments are of interest and principal on a monthly basis based on the outstanding amount of said loan from time to time. Since Sponsor's Construction Loan will not be satisfied at or prior to the First Closing, Sponsor's Lender will either (i) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Units; or (ii) subordinate the lien of its mortgage to the Condominium Declaration and, at each applicable closing, after payment of the minimum release price set forth in the Sponsor's Construction Loan, release its lien on the Unit being conveyed and its interest in the Common Elements. There are no restrictions in Sponsor's Construction Loan on the number of Units which Sponsor may lease, rather than sell, or on the number of Units which Sponsor must sell in order to declare the plan effective.

11. Interim Leases

Purchasers are advised that in the event of any amendment to the Plan that discloses a material adverse change to the Plan and offers the Purchaser a right to rescind, if a Purchaser who is a tenant under an interim lease duly elects to rescind, Purchaser's Deposit hereunder will be returned subject to the terms of the Plan and the interim lease made with such Purchaser shall be cancelled and possession of the Unit must be surrendered within thirty (30) days thereafter free of all occupants and in broom clean condition. A Purchaser shall be liable to Sponsor for any and all damages, costs and expenses incurred by Sponsor by reason of any failure to vacate within said thirty (30) day period or of damage caused by Purchaser to the Unit. If such failure to timely vacate occurs prior to the First Closing, the Purchaser shall be liable for use and occupancy in an amount equal to twice the rent under the interim lease. If such failure to timely vacate occurs after the First Closing, the Purchaser shall be liable for twice the costs of carrying the Unit (such as Common Charges, real estate taxes and the allocable portion, based on such Unit's Common Interest, of debt service on any loan covering the Unsold Units) as calculated by Sponsor or twice the rent under the interim lease, whichever is higher. In addition, irrespective of when such failure to timely vacate occurs, such Purchaser shall be liable to

Sponsor for loss of profit and all costs and expenses incurred by Sponsor to obtain possession of the Unit, including the cost of litigation and reasonable attorneys' fees and expenses.

12. Changes in the Retail Unit

Sponsor and any successor Retail Unit Owner will have the right to alter, divide, subdivide and combine portions of its Retail Unit, subject to the provisions of all applicable laws and ordinances, and the Declaration and By-Laws. Additionally, the Retail Unit Owner may make alterations, additions, improvements and repairs in or to its Retail Unit (including any decorations that are compatible with the first class character and location of the Building) without obtaining the approval of the Board, except for alterations which would affect the structural, mechanical, electrical or plumbing elements of the Building, or the exterior appearance of the Building. In the event that a dispute arises between the Retail Unit Owner and the Board regarding any alteration which requires the Board's approval, such dispute shall be submitted to arbitration in accordance with the By-Laws. (See the Section entitled "Retail Unit" in Part I of the Plan and Exhibit 7 in Part II of the Plan for further discussion.)

13. Transfer Taxes; Mansion Taxes; Closing Costs

Purchasers shall be obligated (as is customary in condominium offerings) to pay at the closing of title to their Unit(s) the New York City Real Property Transfer Tax ("NYC RPTT") and New York State Real Estate Transfer Tax ("NYS RETT", and together with NYC RPTT, collectively "transfer taxes"), notwithstanding the fact that these taxes are by law the primary obligation of the seller. For purposes of calculating the transfer taxes payable, the amounts of such taxes will be included in the consideration subject to such tax. Currently (as of the date of the filing of this Plan), for the purchase of a single Residential Unit, the NYC RPTT is one percent (1%) of the consideration paid for a Unit if such consideration is $500,000 or less and 1.425% of the consideration if such consideration is more than $500,000; and the NYS RETT is currently $2 for each $500 (or fractional part thereof) of the consideration paid for a Residential Unit. Purchasers shall also be obligated to pay the New York State Additional Tax pursuant to Article 31 of the New York State Tax Law, commonly referred to as the "Mansion Tax," currently one percent (1%) of the total consideration paid when such consideration is $1,000,000 or more, which tax by law is the primary obligation of the Purchaser (and thus, not includable in the consideration subject to such tax).

In addition to transfer taxes and the Mansion Tax, Purchasers shall also be obligated to pay at closing any tax on the transfer of a Residential Unit enacted after the date of this Plan (any such tax, an "Additional Tax"), regardless of whether such Additional Tax is by law the primary obligation of the seller or Purchaser. For example (and without limitation), if New York City were to impose a modified version of the Mansion Tax or other supplemental tax on the sale of residential condominium units exceeding a certain purchase price, such a tax will be payable by Purchasers. Sponsor will amend the Plan to disclose the enactment of any Additional Tax; provided, however, that Purchasers shall be required to pay such Additional Tax at closing regardless of whether the Plan amendment disclosing the same has been accepted for filing by the date of such closing. The enactment of an Additional Tax and any amendment of

the Plan to provide for the inclusion thereof shall not give rise to any right of rescission or recourse of any kind.

The purchase price, together with transfer taxes and any other consideration or amounts payable by Purchasers which are the obligation of Sponsor, will be added together by the New York State Department of Taxation and Finance and the New York City Department of Finance (collectively, the "taxing authorities") to arrive at the total consideration for transfer tax and Mansion Tax purposes. However, Sponsor makes no representation regarding the calculation of such taxes or of the "consideration" upon which the taxing authorities may base such taxes and shall have no liability with respect thereto. Purchasers should consult with their own counsel and/or tax advisors.

Under the New York City Department of Finance's current policies, where a Purchaser purchases two or more Residential Units that have not been physically combined into a single residence before the transfer (a "bulk sale"), the NYC RPTT will be imposed at higher non-residential rates, i.e., where the consideration paid for a Unit is $500,000 or less, the rate will be 1.425%, and where the consideration exceeds $500,000, the rate will be 2.625%. This may be the case even if the Residential Units are transferred to the Purchaser pursuant to separate sales contracts with separate closing dates. Thus, in connection with a bulk sale or otherwise, it is possible that a Purchaser could be required to pay these higher non-residential rates for purposes of the NYC RPTT and also pay the Mansion Tax. Sponsor makes no representation as to which transfer tax rates will apply at the time of closing of a particular Residential Unit. (See the Section entitled "Unit Closing Costs and Adjustments" in Part I of the Plan for further discussion.)

14. Reserve Fund/Working Capital Fund

A Reserve Fund is being established by Sponsor for the Condominium and is included as a line item to Schedule B for the purpose of costs and expenses related to capital repairs, replacements and improvements. The Reserve Fund amount was the product of a Reserve Fund study undertaken by Strategic Inspections, with offices at 777 Westchester Avenue, Suite 101, White Plains, New York 10604. For the First Year of Condominium Operation, the Reserve Fund will be funded by Sponsor at or prior to the First Closing. As the Building, upon completion of construction will be new construction, Sponsor does not anticipate a need for major capital repairs, replacements or improvements, however, no assurance or guaranty is given that such need will not arise. Following the First Year of Condominium Operation, it is anticipated that the Unit Owners will be responsible for funding the Reserve Fund as part of their respective Common Charges. Purchasers are advised that the Reserve Fund study is not a guarantee and the Reserve Fund may not be sufficient to provide for needed capital expenditures within five (5) years following the First Closing.

Additionally, a Working Capital Fund will be established through payments made therefor by each Purchaser at Closing to be held or used for working capital and for such other appropriate purposes as the Condominium Board may determine. (See the Section entitled "Working Capital Fund" in Part I of the Plan for further discussion.)

15. Real Estate Taxes

The estimated real estate taxes payable in respect of each Unit(s) were calculated on the assumption that the real estate taxes for the Building payable for the First Year of Condominium Operation, as estimated by Sponsor's real estate tax consultant, will be allocated to each Unit on the basis of their proportionate Common Interest. Upon determination of individual tax lots and individual assessments for such Unit, the New York City tax authorities may allocate taxes among the Units on some other basis rather than its relative Common Interest, and, if so, Units having the same or similar Common Interests may pay different real estate taxes and/or taxes may differ from those set forth on Schedule A. In addition, the New York City tax authorities may assess taxes against the Building in a different manner and in a different amount than that assumed by Sponsor's real estate tax consultant and, if so, Unit Owners may pay significantly different real estate taxes than those set forth on Schedule A. Sponsor can only estimate, based on reasonable, professional third party expert assumptions, what the real estate taxes for each Unit will be. Only the New York City tax authorities will make this determination upon the filing of tax lots. (See the Section of this Plan entitled "Real Estate Taxes" for further discussion.)

Until the Units are separately assessed, each Unit Owner will pay a share of the Property's real estate taxes for the period in question calculated on the basis of such Unit's Common Interest. The Board will pay (or cause to be paid) such real estate taxes timely to the Department of Finance of the City of New York, or directly to Sponsor if Sponsor has paid such taxes, so that no lien will be placed on any portion of the Units. If Sponsor fails to pay real estate taxes attributable to any Unsold Unit in a timely manner and as a result of such failure a lien is placed on a Unit, Sponsor will immediately cause such lien to be removed at its sole cost and expense. If Unit Owners fail to pay their pro rata share of real estate taxes as set forth above, the Board will be entitled to assess late charges and/or place a lien on their Units as if such unpaid share were Common Charges. (See the subsection entitled "Collection and Lien for Non-Payment of Common Charges" in the Section entitled "Rights and Obligations of the Unit Owners and the Board of Managers" in Part I of the Plan for further discussion.) A Unit Owner will not be responsible for the payment of, and will not be subject to any lien arising from the non-payment of real estate taxes against any other Units. At such time as a Unit is separately assessed and separate tax bills are issued, the Unit Owner will pay such taxes directly to the taxing authority.

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

16. Closing Fees and Costs

All legal costs, fees and expenses charged by each Purchaser's attorney shall be the sole responsibility of such Purchaser. In addition, each Purchaser shall also be responsible for payment of the following fees to Sponsor's attorneys, Kramer Levin Naftalis & Frankel LLP ("Sponsor's Counsel"), in connection with the closing of title to such Purchaser's Unit: (i) the sum of $3,750 as a per Unit base closing fee; (ii) $250 for the preparation of ACRIS transfer documents required by the City of New York; (iii) if the Purchaser requests the closing to occur

other than at the offices of Sponsor's Counsel (or such other place as Sponsor may designate in its closing notice) and Sponsor consents to such change (in its sole discretion), an attendance fee of $500 (closings may not be scheduled to occur outside of Manhattan); (iv) if the closing is adjourned through no fault of Sponsor, an additional fee of $700 for each such adjournment to prepare and coordinate the new closing; (v) 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, a fee of $1,500, payable in advance; (vi) if Purchaser obtains mortgage financing, an additional fee of $750 to Sponsor's Counsel; and (vii) Purchasers shall pay Sponsor's counsel the sum of $600 in connection with the consideration, review and processing of any agreement of exchange or the like which Sponsor is requested to execute in connection with any tax deferred exchange under §1031 of the Internal Revenue Code. Other additional charges may apply. At Sponsor's option (in its sole discretion), any one or more of the foregoing fees to be paid to Sponsor's Counsel shall be paid by Purchaser prior to closing upon notice to Purchaser. (See the Section entitled "Unit Closing Costs and Adjustments" in Part I of the Plan for further discussion.)

17. Non-Conforming Checks

Purchasers are advised that simultaneously with the delivery of the Unit Deed, the Purchaser shall pay the balance of the purchase price and the closing apportionments and costs described in Part I of the Plan. Payments shall be by official bank or cashier's check or unendorsed certified check drawn on or issued by a bank or trust company which is a member of the New York Clearing House Association, payable to the direct order of Sponsor or to such other party or parties as Sponsor notifies the Purchaser prior to the closing. Purchasers are advised that uncertified attorney escrow checks and other non-conforming checks may not be accepted by Sponsor. Any delay in closing occasioned by the presentation of such checks shall be deemed to have been caused by Purchaser and may, at the option of Sponsor, constitute a default under the Agreement and/or give rise to additional costs or expenses to be borne by Purchaser.

18. No Warranty

Sponsor shall not be obligated to correct, repair or replace any defects relating to construction of the Units or the Common Elements or in the installation or operation of any appliances, fixtures, or equipment therein, except as expressly provided in this Plan. Sponsor will not warrant the materials or workmanship of any Unit or any of the Common Elements. The Housing Merchant Implied Warranty Law (General Business Law Article 36-B) is not applicable to this offering. Notwithstanding anything contained herein, Sponsor is obligated to construct the Units and Common Elements in accordance with all applicable codes, the provisions of this Plan, all applicable Legal Requirements, and the Description of Property and Specifications set forth in Part II of this Plan. Any conflict between the disclaimer in this Special Risk and Sponsor's obligations described herein shall be resolved in favor of the latter. (See the Section entitled "Rights and Obligations of Sponsor" in Part I of the Plan for further discussion.)

19. Insurance

The Board is not required to obtain or maintain any insurance with respect to any property contained in any Unit or any liability with respect to occurrences in or about each Unit or the Common Elements, if any, exclusive and/or appurtenant thereto. Consequently, all Unit Owners are required, at the Unit Owners own cost and expense, to obtain and maintain in full force and effect (i) a liability policy insuring against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, on or about such Unit Owner's Unit and the Common Elements, if any, exclusive and/or appurtenant to his or her Unit affording protection of at least $500,000 per occurrence, (ii) umbrella liability coverage of at least $5,000,000 and (iii) "special causes of loss" property insurance in respect of property damage occurring in, upon, to, or from the Unit or any part thereof (including, but not limited to appropriate coverage for additions, alterations, improvements and betterments). The limits of liability set forth in (i) and (ii) above may be increased by the Condominium Board from time to time provided that for so long as Sponsor owns at least one (1) Unsold Unit, any change or elimination of the requirements set forth above may only be made upon Sponsor's prior written consent. Unit Owners are urged to obtain property insurance with respect to the fixtures, furniture, furnishings and other personal property located within their respective Units at the Property. Further requirements with respect to insurance required to be maintained by Unit Owners are more particularly set forth in the By-Laws. Evidence of such insurance must be provided by the Purchaser the Closing of title to each Unit and thereafter, whenever requested by the Condominium Board or Managing Agent. Purchasers are also advised that the insurance policies to be maintained by or on behalf of the Condominium Board will be on a "replacement cost" basis and will not cover losses to the extent that "market value" of a Unit may exceed its insured replacement cost. Further, as a result of current fluctuations in the insurance market, the Condominium Board will not be required to obtain or maintain terrorism coverage but may do so, and in such event, the cost thereof shall be a Common Expense as described in the By-Laws. The Condominium Board is not required to obtain or maintain any insurance with respect to damage by fire or other casualty to any element of or property contained in any Unit or any liability with respect to occurrences in or about each Unit or the Common Elements, if any, exclusive and/or appurtenant thereto. (See the Section entitled "Rights and Obligations of the Unit Owners and the Condominium Board of Managers" in Part I of the Plan for further discussion.)

20. Waiver of Diplomatic or Sovereign Immunity

Purchasers will be required to waive expressly any and all immunity from suit by Sponsor and/or the Condominium Board. In addition, any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) will be required at the time of closing of title to such Purchaser's Unit, to deposit with the Condominium Board an amount equal to two (2) years' estimated Common Charges. (See the Section of this Plan entitled "Procedure to Purchase" for further discussion.)

21. Certificate of Occupancy

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive TCO's. Certificate of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCO's and FCO's are issued by the New York City Department of Buildings ("Department of Buildings" or "DOB"). 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 DOB. All TCO's have an expiration date. A TCO typically expires ninety (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 FCO. Sponsor anticipates this scenario may occur. Sponsor will undertake responsibility for extending each TCO received prior to expiration thereof, and ultimately Sponsor and its principals will undertake responsibility for obtaining a FCO covering the entire building. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within a two (2) year period following the date of issuance of the first TCO. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the FCO for the entire building, and shall exercise reasonable efforts to obtain the FCO within such two (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 to individual Units prior to the procurement of a FCO, such renovations may cause additional delays in the issuance thereof, including a delay beyond two (2) years from the date of the issuance of the first TCO. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the FCO.

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

Additionally, Purchasers are advised that since open building permits for Unit Owners' alterations to their Units may impact the ability to obtain the FCO, Sponsor or the Condominium Board may therefore, in order to obtain a FCO, or for any other reason, implement a moratorium on Unit alterations.

Sponsor will apply for a TCO from DOB prior to the First Closing and will also apply for a Certificate of Occupancy after substantial completion of Sponsor's construction work at the Building, potentially on a phase by phase, floor by floor, or area by area basis as determined acceptable by DOB.

If, as of the First Closing, only a temporary Certificate of Occupancy has been issued for the Building, Sponsor will use all reasonable diligence to cause DOB to continuously renew the TCO until the FCO for all of the Units has been issued. Sponsor will, at its sole expense, do and perform, or cause to be done and performed, all such work (subject to events and circumstances beyond Sponsor's reasonable control, e.g., casualty, strikes, governmental restrictions, acts of god, etc.), and will supply, or cause to be supplied, all such materials, and will submit or cause to be submitted all such documentation, and shall pay all applicable fees required by DOB that shall be necessary in order to cause the TCO to be continuously renewed until a FCO for the Building has been issued, as well as to obtain any requisite certificates or permits relative to the electrical work, plumbing, heating and air conditioning facilities and elevators at the Building. Prospective Purchasers are advised that FCO's are required for permanent use of the Building and that a TCO may be renewed only for a total of two (2) years from the first date of issuance. Sponsor and its principals cannot assure, that a FCO for the Building will be obtained within two (2) years after the First Closing.

To the extent the Retail Unit is subdivided as permitted under the Declaration and/or By-Laws, if required by applicable Legal Requirements, the Retail Unit Owner will cause the certificate of occupancy to be appropriately amended.

22. Terraces and/or Balconies

Terraces and/or Balconies are appurtenant to certain Residential Units, as identified in Schedule A and the Floor Plans (Exhibit 5 in Part II of the Plan). Terraces and/or Balconies are Residential Limited Common Elements available for the exclusive use of the Residential Unit Owners of the Residential Units to which such Terrace and/or Balcony is appurtenant, subject to and in accordance with the Declaration, By-Laws and Rules and Regulations as in effect from time to time. Each Residential Unit Owner shall be responsible for all ordinary maintenance and cleaning of each Terrace and/or Balcony appurtenant to its Residential Unit (including replacement of the Terrace and/or Balcony surface) subject to the rights of the Board to regulate its use, and to enter the Residential Unit to access the Terrace and/or Balcony and to access any Common Elements for maintenance, repair and replacement and other uses (including, without limitation, to access any Building mechanical equipment or other Common Elements located on any roof setback adjacent to any Terrace and/or Balcony, or to use any Terrace and/or Balcony as a platform for window washing equipment). Sponsor is not responsible for, can make no guarantees regarding and shall have no liability to Residential Unit Owners with respect to, the level of noise or vibrations or odors resulting from the operation of the Building or the Residential Units or the degree of privacy which will be afforded to Residential Unit Owners on their Terraces and/or Balconies. The costs and expenses of any repairs or replacements to a Terrace and/or Balcony, structural or otherwise (unless caused by or attributable to the Residential Unit Owner) shall be charged to all Residential Unit Owners as a Common Expense. Use of the Terraces and/or Balconies and placement of any personal property thereon will be subject, in all events, to the terms of the Condominium Documents, including the Rules and Regulations which may be adopted by the Condominium Board with respect thereto from time to time.

No Residential Unit Owner with a Terrace and/or Balcony exclusively appurtenant to its Residential Unit shall place or maintain on such Terrace and/or Balcony any

items or personal property which may adversely affect the integrity of the roof or other portion of the Building or are otherwise unsafe or which are not consistent with the standard of quality and appearance of the Building (even if previously approved by the Condominium Board, and as determined by the Condominium Board, in its sole discretion). The Condominium Board shall have the right to require a Residential Unit Owner to remove all such items, including but not limited to, plantings, roof surfaces and other installations which have been placed on the Terraces and/or Balconies if the Board determines, in its sole discretion, that the same may adversely affect the integrity of the roof or other portion of the Building or is otherwise unsafe or is not consistent with the standard of quality and appearance of the Building. In addition, the Condominium Board shall have the right, in connection with any construction, repair or maintenance work in the Building, to erect scaffolding temporarily on any Terrace and/or Balcony. In no event shall any Residential Unit Owner of a Residential Unit having a Terrace and/or Balcony be permitted to enclose or erect any structure on such Terrace and/or Balcony. The Board may establish such other rules and regulations it deems necessary to protect the Common Elements and the Residential Units to insure the integrity of the Building and the health and safety of the occupants.

Moreover, Terraces and/or Balconies that are exposed to the elements must be kept free of snow, ice and accumulation of water to the extent failure to do so could cause damage to the Building and/or other Units therein. In the event a Residential Unit Owner fails to comply with any of its maintenance obligations, the Board may, at the expense of the Residential Unit Owner and without liability to the Board, enter the Residential Unit and perform such acts as are necessary to cure the Residential Unit Owner's default.

(See the Section entitled "Description of the Property and Improvements" in Part I of the Plan for further discussion)

23. <u>Storage Closets</u>

Thirty-two (32) storage closets (the "Storage Closets") will be located at the Cellar of the Building. Purchasers of Residential Units will be assigned a Storage Closet at Closing. Storage Closets are Residential Limited Common Elements available for the exclusive use of the Residential Unit Owners of the Residential Units to which such Storage Closet is appurtenant, subject to and in accordance with the Declaration, By-Laws and Rules and Regulations in effect from time to time.

The Storage Closets may only be used for storage purposes, and in no event may a Storage Closet be used as a dwelling space or for the storage of toxic or inflammable items or Combustibles (as such term is defined in the New York City Building Code). No materials which pose a health or safety threat or which otherwise create a nuisance may be stored in the Storage Closets. To do so may result in a violation placed against the Building by the Department of Buildings that will be the obligation of the Residential Unit Owner to remove.

Notwithstanding the foregoing, Sponsor or its designee shall have the right to use without charge any unassigned Storage Closets (collectively, the "Unassigned Storage Closets", and individually, an "Unassigned Storage Closet") for any lawful purpose or to change the permitted use of any Unassigned Storage Closets, subject, however to the provisions of Article 6

of the By-Laws which provide, among other things, that no use shall be allowed in the Condominium which interferes with the peaceful possession and proper use of the Condominium by its occupants.

Each Residential Unit Owner shall be liable for all damage arising out of such Residential Unit Owner's use or misuse of its Storage Closet. Neither the Sponsor, nor its respective agents or employees shall be liable for any theft or damage to any property stored in the Storage Closets. Each Residential Unit Owner shall indemnify and hold Sponsor and its respective directors, officers, partners, parent and subsidiary and affiliated companies, agents and employees, harmless from and against any and all liabilities, claims, causes of action, damages, lawsuits, penalties, judgments and liens, together with any related costs and expenses, including but not limited to reasonable legal fees, asserted against or sustained by any of them in connection with any act, omission or negligence of a Residential Unit Owner or a Residential Unit Owner's family, servants, employees, agents, guests and invitees in connection with the use of a Storage Closet.

(See "Description of Property and Specifications" as set forth in Exhibit 4 in Part II of the Plan for further discussion.)

24. Flood Zone

The site falls within a moderate to low risk flood zone unshaded Zone X, which such zone is determined to be outside of the 0.2% annual chance flood level. There are no current Building Code or FEMA flood insurance requirements for buildings in this zone.

(See "Description of Property and Specifications" as set forth in Exhibit 4 in Part II of the Plan for further discussion.)

25. Increase or Decrease in Common Interest

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

26. Window Treatments and Washing

In order to promote a consistent appearance of the Building from the outside, each Unit Owner will be required to install and maintain window treatments having a neutral-colored backing on the sides facing the windows in its Unit, which window treatments and backings must conform to any specifications (including a new color) established from time to time by the Condominium Board.

The Building does not feature a window washing rig and accordingly the washing and cleaning of the interior glass surfaces of all windows in the Units shall be the responsibility of the respective Unit Owners. All window interiors shall be cleaned a minimum of two (2) times per calendar year. The washing of window exteriors shall be the responsibility of the Board and shall be performed by an insured window washing professional a minimum of two (2) times per calendar year and the cost thereof shall be charged to the Unit Owners as a Common Expense. The Board may from time to time, enforce the responsibility of Unit Owners to wash and clean the interior surfaces of windows located in their respective Units and charge the defaulting Unit Owner therefor. Unit Owners are prohibited from cleaning or allowing to be cleaned any window from the outside in violation of Section 202 of the New York State Labor Law, and any other applicable Legal Requirements, any insurance policy or requirement or otherwise. Unit Owners are also prohibited from making any repair or alteration which would void any warranty covering the building's windows (See the Sections entitled "Introduction" and "Rights and Obligations of the Unit Owners and the Board" in Part I of the Plan for further discussion).

The Board shall have the right, in connection with any window washing and/or cleaning conducted at the Building, to erect scaffolding or attach window washing equipment or other equipment temporarily on any Terrace and/or Balcony. At the request of the Board, any furniture, plantings or other items placed on such Terrace and/or Balcony shall be moved promptly at the expense of the Unit Owner to whose Unit such Terrace and/or Balcony is appurtenant, to the extent necessary for any window washing and/or cleaning.

27. Management Agreement

It is contemplated that at or prior to the First Closing, the Board will enter into a management agreement (the "Management Agreement") on behalf of the Unit Owners with Livingston Management Services, LLC (the "Managing Agent"), having its principal office at 225 West 35th Street, 15th Floor, New York, New York 10001, to act as Managing Agent with respect to the Units and Common Elements.

The Management Agreement will provide for a term of one (1) year commencing on the First Closing. Thereafter, the Agreement will be automatically renewed from year to year, but may be cancelled by the Board without cause, upon not less than sixty (60) days prior written notice and may be cancelled by the Managing Agent without cause, upon not less than ninety (90) days prior written notice. If either the Managing Agent or the Board materially breaches the Management Agreement, the other party shall have the right to terminate the Management Agreement if such breach is not cured within thirty (30) days of receipt of written

notice thereof. (See the Section of the Plan "Management Agreement and Contracts" for further discussion.)

28. Additional Units

Sponsor reserves the right to change the number and size of the Units by, among other things, subdividing and reconfiguring the Units and, as the case may be, in connection with such subdivision and reconfiguration, redesignating in an amendment to the Declaration, among other things, a portion of subdivided Unit of one type (e.g., a Retail Unit) as a Unit of another type (e.g., Residential). In such event, the Common Interest appurtenant to any diminished Unit will decrease and such reduced Common Interest will be allocated to and/or among the newly created and/or configured Units. Sponsor expressly reserves the right, from time to time prior to the First Closing, to effect such changes and to amend the Plan so as to reflect the same. In the event the Common Interest appurtenant to a Unit is increased in excess of five percent (5%) or there is a reduction in square footage of a Unit in excess of five percent (5%), Sponsor shall offer the materially adversely affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Purchase Agreements and receive a refund of their Deposit, together with all interest earned thereon. A decrease in a Unit's area of five percent (5%) or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a Unit size that is diminished by five percent (5%) or less is not material.

(See the Sections entitled "Retail Unit" and "Changes in Prices and Units: Residential Units and Retail Unit" in Part I of the Plan for further discussion)

29. Method for Measuring Units

The approximate square foot area of each Unit ,within reasonable tolerances, has been measured horizontally from the exterior face of exterior walls to the inside face of interior walls for common stairs and/or corridors (incorporating the full wall thickness within the Unit area) or for Units which share a demising wall, to the centerline of any such shared demising wall. Columns and mechanical pipes and trash chutes, ducts and shafts (whether along the perimeter or within the Unit), were not deducted from the square foot area of the Units. The outdoor floor area of a Terrace and/or Balcony appurtenant to a Unit was not included in the Unit's indoor floor area. Measured vertically, each Unit consists of the area from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling above. All Terrace/Balcony dimensions are measured from the outside of the Building face to the outside face of the Building parapet or outside edge of Building slab. The square foot areas determined using the methodology set forth above, as shown in Schedule A in Part I of the Plan, includes the area of the interior walls of the Unit, and the actual livable area of the Units is less than the area set forth in Schedule A. The stated method of measurement used is applicable to all Units.

30. Sponsor's Use of the Building for Promotional Functions

Sponsor and its designee(s) shall have the right, until the tenth (10th) anniversary of the First Closing (or until no Unsold Units remain, if earlier), to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events and/or promotional

functions in connection with the sale and leasing of Unsold Units. Such activities will result in excess traffic and noise in the Building, and may interfere with owner-occupants' enjoyment of the Building.

31. Decoration of Private Entry Foyers

Notwithstanding any of the foregoing, and subject to the Condominium Documents, including but not limited to, any easements set forth in Article 14 of the Declaration, the Private Entry Foyers, as shown on the Floor Plans which are immediately outside Residential Unit PH-10, PH-8A and PH-8B, shall be for the exclusive use of the Owners of such Residential Units, and may be decorated and/or furnished by such Residential Unit Owners, at their sole cost and expense. Such Residential Unit Owners, and not the Condominium Board, will be responsible for keeping the décor and furnishings in each Private Entry Foyer in a first class condition and state of repair and performing, at such Residential Unit Owner's sole cost and expense, and for all repairs and maintenance necessary or desirable in order to accomplish the same. Notwithstanding the foregoing, no decoration or alteration shall be made in or to the Private Entry Foyer, and no items of personal property shall be placed whether temporarily or permanently therein, to the extent the same shall: (i) constitute a violation of any applicable law or insurance requirement; (ii) cause the building or any part thereof to fail to comply with any applicable law or insurance requirement, including, but not limited to, obstruction of the fire stairs and required clearance of and access thereto; or (iii) affect any building systems, equipment or structures including, without limitation, HVAC, electrical, plumbing or life safety.

32. Child Safety Window Guards

In the event a child of eleven (11) years of age or less resides, or visits for an extended period of time, the Residential Unit Owner is required to have installed (at Residential Unit Owner's expense) child safety window guards in all windows of the Residential Unit, as per New York City Code. The Residential Unit Owner must notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides in the Residential Unit.

33. Special Allocation of Certain Common Expenses

Each Unit Owner must pay Common Charges to cover the costs of operation and maintenance of the Condominium in accordance with Sections 339(i)(1)(iv) and 339(m) of the New York Condominium Act. The costs of operation and maintenance of the Condominium, including both those directly attributable to the Units and an allocated share of expenses attributable to the Condominium as a whole (such as expenses for insurance, repairs and maintenance of the General Common Elements and various service contracts), will generally be borne by the Unit Owners in proportion to their respective Common Interests. The Retail Unit Owner's share of Common Expenses will be limited to a share of only certain components of the Common Expenses, as shown on Schedule B. As more fully set forth in the "Notes to Schedule B," the Retail Unit Owner will therefore pay only allocated percentages of such components of the Common Expenses, which percentages may be less (or more) than their Common Interest. The allocated percentages represent a projection of the proportionate usage of the services and facilities in question by the Retail Unit Owner, and (other than those which relate to utility

consumption, which shall be fairly adjusted based upon such consumption) shall remain fixed from and after the First Year of Condominium Operation. Such allocated share of expenses will result in the Residential Unit Owners having to pay either higher (if fewer services are being provided to the Retail Unit Owner) or lower (if greater services are being provided to the Retail Unit Owner) shared expenses of the Condominium. The requirements for amending Article 6 of the Condominium By-Laws do not differ from those otherwise provided in the Condominium By-Laws.

34. Waiver of Collection of Common Charges by Sponsor

Sponsor reserves the right, in its sole and absolute discretion, to waive the collection of Common Charges from Purchasers under the Plan for a period of time prior to full occupancy of the Building (the "Waiver Period"); provided, however, that Sponsor shall be solely responsible for payment of all expenses to operate the Building during the Waiver Period (the "Operating Expenses"). All Operating Expenses paid by Sponsor during the Waiver Period are based on the actual cost of operating the Building and not on estimates set forth in Schedule B – "Projected Budget for First Year of Condominium Operation". Purchasers should note that Schedule B will not be in effect until the expiration of the Waiver Period. Notwithstanding anything to the contrary set forth above, the Operating Expenses shall not include real estate taxes regardless of whether the Unit has been separately assessed. In all instances the Unit Owners will remain responsible for the payment of the real estate taxes. Sponsor, in its sole and absolute discretion, may upon thirty (30) days prior written notice to Unit Owners terminate the Waiver Period.

If Sponsor shall exercise its right to waive collection of Common Charges as set forth above, Sponsor shall file an amendment to the Plan prior to the First Closing indicating that collection of common charges will not commence with the beginning of the First Year of Condominium Operation and further indicating the anticipated length of the Waiver Period. Sponsor will notify all Unit Owners in writing of the expiration of the Waiver Period at least thirty (30) days prior to such expiration and will disclose such fact in the following amendment to the Plan. During any such Waiver Period, Sponsor will timely pay all expenses of the operation of the Condominium, including but not limited to insurance premiums and reserve fund payments required by lenders, if any. Upon expiration of any such Waiver Period and the commencement of assessment of common charges against the Units, there will not be any assessment over and above the amount of such common charges against Units or Unit Owners for any item set forth in the approved budget that is in effect at the time of commencement of assessment of common charges. During any such Waiver Period, Sponsor shall remain obligated to update the operating budget for the Condominium when and as needed, as provided in the New York State Department of Law regulations as to the same.

35. Alterations by an Initial Purchaser of an Unsold Unit

An initial purchaser of an Unsold Unit shall have the right, without the approval of the Board, to make any alterations, additions, improvements or repairs in or to such Unit, provided that such purchaser obtains all necessary approvals required by law and that Sponsor has consented to the same in writing at or prior to the closing of title to such Unit, which consent Sponsor may withhold or condition in its sole and absolute discretion. As more particularly set

forth in Special Risk 7 above, such work by an initial purchaser of an Unsold Unit in or to such purchaser's Unit, may create noisy and otherwise disruptive conditions in the Building during the period such work is being performed. (See the Section of the Plan "Rights and Obligations of the Unit Owners and the Board" for further discussion.)

36. Tenant Protection Plan

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

37. Full-Time Superintendent

Purchasers are advised that there will no Resident Manager living at the Building. Notwithstanding, the Building will comply with all Legal Requirements with respect thereto by providing for a full-time Superintendent, residing within 150 feet of the Building, to service the Building on a twenty-four-hour-a-day basis. In the event a full-time Superintendent residing within 150 feet of the Building is not available, the Board will engage a private company to provide twenty-four-hour-a-day emergency service to the Building and its residents.

38. Mechanical Equipment

The Building incorporates mechanical equipment designed to provide for the physical comfort and convenience of the Building's occupants. During normal operation of this equipment, some occupants of Units adjacent to or in the vicinity of the equipment floors and equipment areas of the Building may perceive noise and/or vibration from the equipment. The sole obligation of Sponsor and the Board with respect to such noise and/or vibration shall be to install and operate such equipment in a manner consistent with commercially reasonable practices in typical luxury residential buildings and in compliance with applicable Legal Requirements, including the New York City Building Code.

39. Roof Rights

With respect to the roof of the Building, Sponsor reserves the exclusive right (and such easements as shall be required) at any time and from time to time at its sole cost and expense, to exclusively erect, use, maintain, repair, replace, relocate and operate for Permitted Roof Platform Purposes, as defined herein, one or more platforms, supports or structures on any portion of the roof (other than those portions of the roof which are Residential Limited Common Elements for the exclusive use of a particular Unit Owner) for the purpose of erecting, using, maintaining, repairing, replacing, relocating and operating for Permitted Roof Platform Purposes, antennae, satellite dishes and other communications equipment thereon (including, without limitation, the running of conduit wiring and/or cabling throughout the Building as necessary); provided, however, that the Sponsor shall give prior notice to the Board for information purposes only of the type and location of any such equipment before installation. Such easement shall also include the right of the Sponsor to use, lease and license such equipment, and to retain any profits therefrom. All of the foregoing shall at all times be used, installed and maintained in

compliance with all Laws and Insurance Requirements. The word "equipment" as used herein shall be deemed to include fiber optic cable and other communications lines, wires, risers, cables and conduits, as well as any other ancillary equipment, based upon all current and future technologies, needed for the proper operation of the communications installations. Each easement and other right granted herein must be exercised, and all such platforms, supports, structures, installations and equipment must be used in such a way so as to minimize, to the extent reasonably practicable, interference with the exercise of the other easements and other rights granted hereunder. As used herein, "Permitted Roof Platform Purposes" shall mean all businesses, operations and activities of Sponsor and its affiliates, including the business of renting out or otherwise providing satellite dishes and/or other communications equipment, services and/or space for satellite dishes and/or other communications equipment or services to third parties, and any operations or activities in connection with such business.

40. (E) Designation

Purchasers are advised that the property has received the following (E) designation issued by the NYC Department of City Planning and enforced by the NYC Office of Environmental Remediation: E-216, as a result of the property's proximate location to a heavily trafficked street. The (E) designation is not a building violation and does not affect any legal use of the property and/or any building to be constructed thereon. Sponsor has undertaken responsibility for the satisfaction of the foregoing (E) designation by designing the façade so an hourly L10 interior noise level of 45 dBA or less is achieved by providing an alternate means of ventilation. No Purchaser shall be relieved from performing his or her obligations under the Agreement as a result of any outstanding (E) designation(s) on the property.

41. 2nd Avenue Subway

Purchasers are advised that Second Avenue subway line will run down Second Avenue. In the event future expansion of the Second Avenue subway line approaches the surrounding area(s) of the Building, the Property will be required to comply with all applicable laws and requirements as determined by the City of New York.

42. Model Unit

Purchasers are advised that there may be certain design elements included in a model Unit that are not offered for sale and not included in the Units being sold. Specifically, the furniture, furnishings, materials, equipment, hardware, installations, lighting or decorations displayed in a model Unit should not be deemed to be included in the sale of a Unit, except as otherwise described in this Plan. The materials, appliances and finishes, etc. in the Building and the Units are described in this Plan and are subject to modification as provided herein, and may vary from those displayed in a model Unit. All dimensions in a model Unit are approximate and subject to normal construction variances and tolerances. Purchasers should consult the Floor Plans appearing as Exhibit 5 in Part II of the Plan.

43. Security

During the period of time that the Building is being constructed and the Units are being offered for sale and/or rent there will be a greater number of visitors to and pedestrian and vehicular traffic through the Building than is expected to be the case once the construction and sales and/or leasing are completed. No representation or warranty is made as to the length of time the construction, sales or leasing period, if applicable, will continue.

44. Certification by Sponsor and Sponsor's Principal

Exhibit 8A in Part II of this Plan includes a certification by Sponsor and Sponsor's principal (the "Sponsor Certification") pursuant to Section 20.4(b) of the regulations issued pursuant to General Business Law, Article 23-A, as amended (the "Martin Act"). Sponsor's principals have executed the Sponsor Certification for compliance with the Martin Act and governing regulations. Sponsor's principals expressly disclaim the existence of any private right of action for contract claims by individual Unit Owners (or the Condominium Board, on their behalf) in connection with or arising solely from their execution of the Sponsor Certification, absent liability under another statute or under an alter-ego or other veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v 184 Thompson Street Owner LLC, et. Al., 2013 N.Y. Slip Op 03574 (1st Dept. May 16, 2013).

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PART I

A. INTRODUCTION

The land and building to be situated on the east side of Second Avenue between East 1st Street and East 2nd Street and to be known by the street address 24 Second Avenue, New York, New York 10003, together with the appurtenances thereto, will constitute and be known as "32 East 1st Street Condominium" (hereinafter, the "Condominium")

As described more fully in this Plan, the Building constituting the Condominium will contain the following mixed-use components: (i) 31 Residential Units; (ii) 1 Retail Unit; and (iii) various common elements. (See the Section entitled "Description of Property and Improvements" in Part I of the Plan for further discussion.)

24 Second Avenue Owner LLC, a limited liability company organized and existing under the law of the State of Delaware ("Sponsor"), hereby presents this Offering Plan (the "Plan") for the sale of the Residential Units and the Retail Unit, which, together with the Common Elements, constitute the Condominium. No other portion of the Condominium is offered for sale hereunder at this time.

The purpose of the Plan is to set forth in detail all material terms of the offering by Sponsor of the Units located in the Condominium and offered hereby. Sponsor may amend the Plan from time to time by filing an amendment with the New York State Department of Law ("Department of Law"), a copy of which amendment will be served on all Purchasers of Units pursuant to executed Agreements who are not in default, and to all Unit Owners and any other Offerees as may be required by applicable law or regulation.

The Plan is presented in two (2) parts (in one volume) which together constitute the entire Plan. Part I of the Plan sets forth a general description of the offering and the rights and obligations of Sponsor and the Unit Owners. Part II contains the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is a detailed physical description of the Property and certifications by Sponsor, Sponsor's architect and Sponsor's financial experts. In addition to the Plan, Sponsor has filed separately with the Department of Law certain exhibits to the Plan which are presented as Parts A (Certifications), B (General), C (Engineering) and D (Other Information).

The Plan, including all Schedules set forth herein, and Parts A, B, C and D of the exhibits, together constitute the entire offer of Sponsor to sell the Units at the Condominium which are the subject of this Plan. Sponsor shall not make, and has not authorized any other party to make, any oral representations or statements concerning this Plan, and no such representations or statements shall be considered part of this Plan. No information, data or representations other than those contained herein or in the documents annexed hereto as exhibits in Part II of this Plan may be relied upon. Copies of the Plan and the exhibits will be available for inspection by prospective Purchasers without charge, and for copying at a reasonable charge, at the Condominium's Sales Office by appointment and at the New York State Department of Law.

The Condominium will be organized pursuant to Article 9-B of the Real Property Law of the State of New York, as amended, commonly known as and hereinafter referred to as the "Condominium Act." The Condominium is subject to and will comply with all statutes and regulations applicable to condominiums in the State of New York.

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

1. The Property

On July 7, 2014, Sponsor acquired title to an approximately 7,619 square foot parcel located at 24 Second Avenue, New York, New York and known as Tax Lot 1 of Block 443 (the "Land"). Sponsor is constructing a new building thereon (the "Building"), and together with the Land, (the "Property"), which as more specifically described herein, upon completion of construction will constitute the Condominium and include:

(a) Thirty-one (31) residential apartments (the "Residential Units") located on Floors 2 through 10, together with the entrance and residential lobby on the Ground Floor and certain other Common Elements at the Cellar of the Building;

(b) One (1) Retail Unit located on portions of the Ground Floor and Cellar;

(c) A storage area located at the Cellar with thirty-two (32) storage closets (each a "Storage Closet") and collectively the "Storage Closets"). Sponsor is initially assigning Storage Closets to Purchasers of Residential Units at Closing;

(d) Amenities will include a spa (which shall include, without limitation, a hot tub, plunge pool, steam room, sauna and changing room) located at the Cellar, fitness center located at the Cellar, resident lounge located on Floor 2, outdoor Amenity Terrace located on Floor 2 and bicycle storage room located at the Cellar; and

(e) Various utility and service areas located throughout the Building.

Based upon the Sponsor's construction schedule anticipated as of the initial filing date of this Plan, Sponsor contemplates, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery and/or the inability to obtain on a timely basis or otherwise, materials or equipment, governmental restrictions, acts of god or other events beyond its reasonable control, Sponsor's construction work at the Building will be sufficiently completed to permit closings of title to Units to begin on or about September 1, 2017. Prospective Purchasers should note, however, that the Units will be completed at differing times over a period that may begin prior to and/or extend significantly beyond such date. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the purchase price for his or her Unit or otherwise be relieved from any obligations under the Agreement, in the event that the First Closing occurs earlier or later than the targeted

date or the time to complete or to close title to such Purchaser's Residential Unit is accelerated, delayed or postponed by Sponsor, provided, however, that in the event the actual or anticipated commencement date of the projected First Year of Condominium Operation is to be delayed by six (6) months or more, Sponsor will amend the Plan to include a revised budget with current projections and if: (i) the amended budget exceeds the projected budget set forth herein by twenty-five percent (25%) or more; or (ii) the First Closing does not occur within twelve (12) months after September 1, 2017, the date set forth in Schedule B – "Projected Budget for First Year of Condominium Operation" as the commencement date for the projected First Year of Condominium Operation, then in either case Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period under their Agreements, if the Plan has been declared effective) the right to rescind their Agreements within not less than fifteen (15) days after the presentation date of the amendment containing such revised budget or after such twelve (12) month period, as the case may be, and any Purchasers electing rescission pursuant to such offer will have their Deposit and any interest accrued thereon returned. Purchasers' rights as described in the preceding sentence are in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of which shall be deemed to have been waived by all Purchasers. As set forth in the Section entitled "Effective Date" in Part I of the Plan no closing of title to any Unit offered hereunder will take place prior to the Plan being declared effective.

As set forth in more detail in the Section entitled "Changes in Prices and Units: Residential Units and Retail Unit" in Part I of the Plan, Sponsor reserves the right to change the number of Units and Storage Closets from time to time by subdividing and/or combining Units and Storage Closets or otherwise, even after the Condominium is created, except with respect to a Unit as to which a binding Agreement has been entered into and remains in effect unless the Purchaser thereof consents in writing to such change. (See the Section entitled "Description of Property and Improvements" in Part I of the Plan for a further detailed description of the Property.)

On August 7, 2015, Sponsor obtained a construction loan for the project pursuant to: (i) that certain Building Loan Agreement (the "Building Loan Agreement") as between Sponsor, as borrower, and Bank of the Ozarks, as lender; (ii) that certain Project Loan Agreement (the "Project Loan Agreement") as between Sponsor, as borrower, and Bank of the Ozarks, as lender; and (iii) that certain Senior Loan Agreement (the "Senior Loan Agreement" and, together with the Building Loan Agreement and the Project Loan Agreement, the "Loan Agreement") as between Sponsor, as borrower and Lender, as lender (collectively, the "Construction Loan"). Sponsor's Construction Loan does not set any minimum number of percentage of Units which must be under contract before the Plan can be declared effective. It does provide a minimum release price set by the lender for each Unit. All of the Units are hereinafter covered by such loan, subject to the terms of the Plan.

2. Features of Condominium Ownership

The ownership of a Unit is similar in many respects to the ownership of a private home. Each Unit Owner is the fee owner of his or her Unit outright and is entitled to exclusive possession of that Unit. Each such Unit Owner also owns, in common with all other Unit Owners, an undivided interest in the Common Elements, which, as more particularly set forth

herein and in the Declaration, include all parts of the Property other than the Units themselves, including, without limitation, the Land and the roofs, foundations and supports of the Building, and all areas, equipment or facilities for the common use of the Units or the Unit Owners.

Use and occupancy of all Units is governed by the Declaration and the By-Laws of the Condominium, the provisions of this Plan and applicable Legal Requirements.

As more particularly set forth in the By-Laws, a Residential Unit may generally be used only for residential purposes and, subject to compliance with the Declaration and By-Laws and applicable laws, for a lawful home occupation as defined in the Zoning Resolution (a New York City zoning resolution affecting use and occupancy). Residential Unit Owners may, subject to the Board's right of first refusal, rent their Unit pursuant to a lease with a minimum term of one (1) year, in each case. No transient tenants or short-term paying guest (i.e., a tenant or paying guest in occupancy for a period of less than twelve (12) consecutive months) may be accommodated in any Residential Unit, and only an entire Residential Unit may be leased. Residents of the Units thus may be comprised of Unit Owners who reside in the Units, as well as tenants leasing Units from other Unit Owners.

Subject to compliance with all Legal Requirements, including, without limitation, the certificate of occupancy for the Retail Unit and any applicable zoning regulations, and except as otherwise provided herein and in the By-Laws, the Retail Unit may be used and operated for any lawful purpose. No income derived from the use of the Retail Unit will constitute income to the Board or the Residential Unit Owners.

The Storage Closets may only be used for storage purposes, and in no event may be used as a dwelling space or for the storage of toxic or inflammable or Combustibles (as such term is defined in the New York City Building Code). No materials which pose a health or safety threat or which otherwise create a nuisance may be stored in the Storage Closets. To do so may result in a violation placed against the Building by the Department of Buildings that will be the obligation of the Residential Unit Owner to remove. Notwithstanding the foregoing, Sponsor or its designee shall have the right to use without charge an Unassigned Storage Closets for any lawful purpose or to change the permitted use of any Unassigned Storage Closets, subject, however, to the provisions of Article 6 of the By-Laws which provide, among other things, that no use shall be allowed in the Condominium which interferes with the peaceful possession and proper use of the Condominium by its occupants. The Storage Closets will be located at the Cellar of the Building, subject to the right of Sponsor to create new/additional Storage Closets.

With certain exceptions, any sale or lease of a Residential Unit will be subject to a right by the Board to acquire or lease such Residential Unit, as the case may be, on the same terms as were offered by the Residential Unit Owner to the potential purchaser or lessee thereof. This right of first refusal in favor of the Board is not applicable to a sale or lease of the Unsold Units. It is also not applicable to the sale of the Retail Unit. For a more complete discussion of the foregoing, see the Section entitled "Rights and Obligations of Unit Owners and the Board" in Part I of the Plan

In addition, because Sponsor reserves the unconditional right to rent or lease Units, there is no commitment to sell more Units than the fifteen percent (15%) of such Units

necessary to declare the Plan effective and, accordingly, Unit Owners may never gain effective control and management of the Condominium, and the First Annual Meeting may never occur.

Each Unit Owner must pay Common Charges to cover the costs of operation and maintenance of the Condominium in accordance with Sections 339(i)(1)(iv) and 339(m) of the New York Condominium Act. The costs of operation and maintenance of the Condominium, including both those directly attributable to the Units and an allocated share of expenses attributable to the Condominium as a whole (such as expenses for insurance, repairs and maintenance of the Common Elements and various service contracts), will generally be borne by the Unit Owners in proportion to their respective Common Interests. The Retail Unit Owner, who will receive in certain instances greater or fewer services from the Condominium, will bear an allocated share of the expenses of the Condominium, all as described in Schedule A and Schedule B – "Projected Budget for First Year of Condominium Operation" of the Plan and Article 6 of the By-Laws. The estimated Common Charges for each Unit for the projected First Year of Condominium Operation are set forth in Schedule A.

Operation of the Condominium overall will be vested in the Board which will be elected by or on behalf of the Unit Owners and/or designated by Sponsor or otherwise as described in the Plan and the By-Laws. As more particularly set forth in the By-Laws, the Board will determine the amounts of Common Expenses and the allocation of Common Expenses among the Residential Units and Retail Unit, and will assess Unit Owners for Common Charges accordingly. The Retail Unit Owner will be obligated to pay to the Board its share of the expenses that are incurred by the Board in furnishing services, and operating, maintaining and repairing General Common Elements, only to the extent the same are utilized by or benefit the Retail Unit Owner. As more fully set forth in the "Notes to Schedule B" above, the Retail Unit Owner will therefore pay only allocated percentages of only certain expenses, which percentages may be less (or more) than in proportion to their Common Interest.

Residential Unit Owners may decorate the interior of their Units in any way that they desire, subject to compliance with the By-Laws, the Rules and Regulations and applicable Legal Requirements and will be responsible for maintaining, repairing and painting their Residential Units and for complying with Legal Requirements applicable to their Residential Units, all at their own expense.

As set forth in the Rules and Regulations, to promote a consistent appearance of the Building from the outside, each Unit Owner will be required to install and maintain window treatments having a neutral-colored backing on the sides facing and nearest to the windows in its Unit, which window treatments and backings must conform to any specifications (including a new color) established from time to time by the Board.

Residential Unit Owners must obtain the consent of the Board before altering their Residential Units in any way, subject to the further applicable provisions of the By-Laws. There are no limitations or restrictions upon the rights of the Retail Unit Owner to decorate or alter the Retail Unit except those imposed by applicable Legal Requirements or as expressly provided in the Declaration and/or By-Laws.

Each Unit Owner may mortgage his or her Unit with such lender and in such amount as he or she chooses, provided only that the Unit Owner satisfies all unpaid liens (other than any other permitted mortgages) against his or her Unit prior to making such mortgage. Each Unit is separate and is not subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

After the City of New York assesses as a separate tax lot each Unit and bills each Unit Owner, the Unit Owner will be responsible for paying the real estate taxes and assessments imposed against such Unit, and no Unit Owner will be responsible for the payment of, nor will his or her Unit be subjected to any lien arising from the non-payment of, taxes and assessments imposed on other Units.

In the opinion of Kramer Levin Naftalis & Frankel LLP, Sponsor's Counsel, an individual Residential Unit Owner who is a resident of New York City for income tax purposes and who itemizes his or her deductions generally will, under the income tax laws and regulations in effect as of the date of this Plan and subject to certain limitations and qualifications, be entitled to deduct from his or her Federal, New York State and New York City income:

(a) the state and local real property taxes assessed against his or her Residential Unit and paid by such Residential Unit Owner; and

(b) "qualified residence interest" paid by such Residential Unit owner with respect to such Residential Unit.

Sponsor's Counsel expresses no opinion regarding any deductions with respect to the Retail Unit. Prospective Purchasers should refer to the Section entitled "Income Tax Deductions to Unit Owners and Tax Status of Condominium" and "Opinions of Counsel" in Part I of the Plan for further discussion.

The Board will be responsible for maintaining casualty and liability insurance (excluding terrorism and mold coverage), with respect to the entire Building (including each Unit but excluding fixtures, furniture, furnishings, decorations, appliances and other personal property not constituting part of the Unit), together with all service machinery contained therein, in accordance with the provisions of the By-Laws. See the Section entitled "Rights and Obligations of the Unit Owners and the Board" in Part I for a more complete discussion. The Board is not required to obtain or maintain any insurance with respect to any property contained in any Unit or any liability with respect to occurrences in or about each Unit or the Common Elements, if any, exclusive and/or appurtenant thereto. Consequently, all Unit Owners are required, at the Unit Owners own cost and expense, to obtain and maintain in full force and effect: (i) a liability policy insuring against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, on or about such Unit Owner's Unit and the Common Elements, if any, exclusive and/or appurtenant to his or her Unit affording protection of at least $500,000 per occurrence; (ii) umbrella liability coverage of at least $3,000,000; and (iii) "special causes of loss" property insurance in respect of property damage occurring in, upon, to, or from the Unit or any part thereof (including, but not limited to appropriate coverage for additions, alterations, improvements and betterments). The limits of liability set forth in (i) and (ii) above may be increased by the Condominium Board from time to

time provided that for so long as Sponsor owns at least one (1) Unsold Unit, any change or elimination of the requirements set forth above may only be made upon Sponsor's prior written consent. Unit Owners are urged to obtain property insurance with respect to the fixtures, furnishings and other personal property located within their respective Units at the Property. Further requirements with respect to insurance required to be maintained by Unit Owners are more particularly set forth in the By-Laws. Evidence of such insurance must be provided by the Purchaser at the Closing of title to each Unit and thereafter, whenever requested by the Condominium Board or Managing Agent. Purchasers are also advised that the insurance policy to be maintained by or on behalf of the Condominium Board will be on a "replacement cost" basis and will not cover losses to the extent that "market value" of a Unit may exceed its insured replacement cost. Further, as a result of current fluctuations in the insurance market, the Condominium Board will not be required to obtain or maintain terrorism coverage but may do so, and in such event, the cost thereof shall be a Common Expense as described in the By-Laws. The Condominium Board is not required to obtain or maintain any insurance with respect to damage by fire or other casualty to any element of or property contained in any Unit or any liability with respect to occurrences in or about each Unit or the Common Elements, if any, exclusive and/or appurtenant thereto.

Unit Owners are advised that the prevention of the growth of mold in a Unit is the responsibility of each Unit Owner. Residential home construction is not, and cannot be, designed to exclude mold spores. Whether a Unit Owner experiences mold growth depends largely on how such Unit Owner manages and maintains its Unit. Unit Owners will need to take actions to prevent conditions which cause the mold or mildew, and it is the responsibility of each Unit Owner to ensure that it has taken the necessary precautions to prevent mold from becoming a problem in such Unit Owner's Unit. Sponsor will not be liable for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory with respect to the presence and/or existence of molds, mildew and/or microscopic spores unless caused by the gross negligence or willful misconduct of Sponsor.

3. Offering of Units for Sale

Sponsor hereby offers the thirty-one (31) Residential Units and one (1) Retail Unit for sale under the Plan.

There are no limitations on who may purchase such offered Units. However, Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of the Board, any Unit Owner or mortgagee, to refuse to approve and execute an Agreement for any Unit; provided, however, that Sponsor shall not discriminate against any person because of race, creed, color, gender, sexual orientation, disability, age, marital status or national origin, or as otherwise prohibited by applicable Legal Requirements.

The prices for the Units offered under the Plan are listed on Schedule A, entitled "Schedule of Offering Prices and Related Information for the Anticipated First Year of Condominium Operation – September 1, 2017- August 31, 2018." THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

Sponsor will endeavor in good faith to sell, but nevertheless reserves the unconditional right, to rent or lease, rather than sell, the Units offered hereunder. As a result, Purchaser may be acquiring a Unit that has been previously occupied, but, unless otherwise specifically agreed to in writing by Sponsor and such Purchaser, such Unit will be delivered at closing free and clear of all leases and tenancies. In addition, because Sponsor reserves the unconditional right to rent or lease Units, there is no commitment to sell more Units than the fifteen percent (15%) of Units necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the condominium.

In the event Sponsor makes a bulk sale of the Units, the transferee is entitled to and bound by those additional rights and obligations (including the aforementioned representation regarding good faith efforts to sell the Units) applicable to a "sponsor" as more fully described in the Plan, and subject to applicable regulations of the Department of Law.

The estimated Common Charges for each Unit for the projected First Year of Condominium Operation are also set forth in said Schedule A. In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes which will be separately assessed against such Unit (although the By-Laws provide for a limited period of time following the recording of the Declaration when the Units may not be separately assessed), and interest and amortization payments on the mortgage, if any, which such Purchaser may obtain. Further, Unit Owners may be responsible for additional charges for services which they choose to use at their option (See the Section of the Plan entitled "Description of the Property and Improvements" in Part I of the Plan for further discussion).

Schedule A sets forth the estimate for the amount of real estate taxes which will be payable with respect to each Unit during the First Year of Condominium Operation. See Notes to Schedule A hereof with respect to the basis of such estimate.

Sponsor has filed an application to test the market (CP16-0020). As of the date of the acceptance of this Plan for filing no contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the Units offered in this Plan and no deposits or advance of funds have been taken by or on behalf of Sponsor in connection with the reservation, sale or transfer of such Units.

4. Storage Closets

Thirty-two (32) Storage Closets will be located at the Cellar of the Building. Purchasers of Residential Units will be assigned a Storage Closet at Closing. Storage Closets are Residential Limited Common Elements available for the exclusive use of the Owners of Residential Units to which such Storage Closet is appurtenant.

5. Certain Definitions

For convenience, general definitions of certain of the terms used in Part I of the Plan are set forth below, which definitions are subject, in many cases, to the more particular definitions of such terms set forth in the Declaration and By-Laws included in Part II of the Plan.

Agreement: The purchase agreement to purchase a Unit pursuant to the Plan, the form of which is set forth as Exhibit 1 in Part II of the Plan.

Amenity Terrace: The outdoor space located on the Floor 2 of the Building which includes the exterior recreational area.

Balcony(ies): Any Balcony(ies) appurtenant to a Residential Unit as shown on Floor Plans, which Balconies are Residential Limited Common Elements.

Building: The building and other improvements to be located on the Land and commonly known as 24 Second Avenue and to be known as 32 East 1st Street Condominium, New York, New York.

By-Laws: The by-laws governing the operation of the Condominium, the form of which is set forth in Part II of the Plan, including the Rules and Regulations.

City Register's Office: The New York County office of the Register of The City of New York.

Common Charges: Assessments payable to the Board by Unit Owners for the purpose of meeting Common Expenses. Generally, Residential Unit Owners will pay Common Charges based on their proportionate share (among all Residential Unit Owners) of Common Expenses. Common Charges payable by the Retail Unit Owner will be based on its allocated share of Common Expenses incurred by the Board in furnishing services to, or in operating, maintaining and repairing those Common Elements that are used by the Retail Unit Owner, in accordance with the provisions of the By-Laws.

Common Elements: The entire property, including the Land and all parts of the Building and other improvements thereon, other than the Units. The Common Elements include, among other things, the foundations, roofs and supports of the Building and all areas, equipment or facilities for the common use of all or some of the Units or all or some of the Unit Owners. The Common Elements include the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements.

Common Expenses: The costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements and the provision of services to Unit Owners.

Common Interest: The proportionate undivided interest in fee simple absolute in the Common Elements appurtenant to each Unit, expressed as a numerical percentage and determined in accordance with the Declaration. The total Common Interest appurtenant to all Units equals 100%. As described more fully in the By-Laws, generally, the Common Interest is the basis of determining, among other things, a Unit Owner's voting power and general liability for a share of the Common Expenses.

Condominium: 32 East 1st Street Condominium.

Condominium Board or Board: The board of managers of the Condominium.

CPI Increase Factor: An increase proportionate to any increase in the cost of living from the date of the initial recording of the Declaration, as reflected by the change in the Consumer Price Index (CPI-U; All Items; 1982-84 = 100 standard reference base period) for New York, New York (or the smallest measured area including New York, New York), as published by the Bureau of Labor Statistics, United States Department of Labor or, if the same ceases to be published, a commonly used substitute therefor reasonably selected by the Board.

Declaration: The instrument creating the Condominium, the form of which is set forth as Exhibit 6 in Part II of the Plan.

Department of Buildings: The Department of Buildings of The City of New York.

First Closing: The first date upon which title to a Residential Unit is conveyed to a Purchaser under the Plan.

First Year of Condominium Operation. The twelve (12) month period commencing on the date of the First Closing, currently anticipated to be the period from September 1, 2017 through August 31, 2018.

Floor Plans: The floor plans of the Building which will be filed with, and approved by, the Tax Map Unit, Land Records Division of The City of New York and the City Register's Office at the time the Declaration is recorded. The Floor Plans will show the locations of the Units and the Common Elements in the Building.

General Common Elements: All of the Common Elements which are not Residential Common Elements or Residential Limited Common Elements as more particularly described in the Declaration and as shown on the Floor Plans for the Building.

Initial Control Period: The period ending upon the later to occur of: (a) the fifth anniversary of the First Closing; or (ii) the closing of title to Residential Units representing more than ninety percent (90%), both in number and in aggregate Common Interests, of all Residential Units, but in either event no later than the closing of title to all Residential Units in the Condominium.

Land: The land situated on the east side of Second Avenue, New York, New York, between East 1st Street and East 2nd Street, comprising the parcel commonly known as 24 Second Avenue, and to be known as 32 East 1st Street Condominium, as further and more particularly described in the Declaration.

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

Managing Agent: The managing agent for the Condominium from time to time. It is anticipated that the managing agent of the Condominium will initially be Livingston Management Services, LLC, with an office at 225 West 35th Street, 15th Floor, New York, New York 10001, a management firm engaged in the management of luxury residential buildings in New York City, pursuant to a management agreement, as more fully discussed in "Management Agreement" in Part I of this Plan.

Offeree: A Purchaser who has executed and delivered an Agreement to Sponsor or Selling Agent and whose Agreement is in effect, and a Unit Owner.

Retail Unit: That certain Retail unit located on portions of the Cellar and Ground Floor of the Building.

Permitted Encumbrances: Those matters encumbering title to a Unit offered hereunder subject to which a Purchaser agrees to take title, as more particularly itemized on "Schedule A" annexed to the form of Agreement as the same may be revised from time to time.

Permitted Mortgage: A mortgage of a Unit or Units permitted to be placed thereon pursuant to the provisions of the By-Laws.

Permitted Mortgagee. The holder of a Permitted Mortgage as more fully described in the By-Laws.

Plans and Specifications: The plans and specifications for the construction of the Building which (to the extent required by applicable Legal Requirements) have been or will be filed with the Department of Buildings and which may, from time to time, hereafter be amended in accordance with the provisions of the Plan.

Private Entry Foyers: Those areas shown on the Floor Plans immediately adjacent to Residential Units PH-10, PH-8A and PH-8B, which are Residential Common Elements, but which the Owners of such Residential Units have certain exclusive rights to, as more particularly set forth in the Condominium Documents.

Property: The Land, the Building, and the easements, rights and appurtenances thereto, including, without limitation, all Common Elements.

Purchaser: A purchaser of one (1) or more of the Units offered hereunder pursuant to an Agreement.

Reserve Fund: The reserve fund included as a line item to Schedule B and to be funded by Sponsor for the First year of Condominium Operation at or prior to the First Closing.

Residential Common Interest: The proportionate common interest appurtenant to a Residential Unit as against all other Residential Units (and excluding the Retail Unit), as more particular set forth in Schedule A in Part I of this Plan.

Residential Common Elements: Those Common Elements which serve or benefit exclusively all or a combination of the Residential Units or the Residential Unit Owners as more particularly described in the Declaration.

Residential Limited Common Elements: Those Common Elements which serve or benefit exclusively one Residential Unit or Residential Unit Owner as more particularly described in the Declaration. The Residential Limited Common Elements include, without limitation, any Terrace and/or Balcony or Storage Closet either appurtenant or designated to any Residential Unit.

Residential Unit: Any Unit designated as a Residential Unit in the Declaration, and all such Residential Units, are, collectively, referred to as the "Residential Units."

Residential Unit Owner: An owner of any Residential Unit.

Rules and Regulations: The rules and regulations of the Condominium made in accordance with the By-Laws and attached thereto as Exhibit A, as the same may be amended from time to time in accordance with the applicable provisions of the By-Laws.

Sales Office: The sales office for the Condominium, at a location to be designated by the Selling Agent from time to time. The Sales Office will initially be located at 6 Bond Street, 4th Floor, New York, New York 10012.

Selling Agent: Capital Realty Investors Inc., with offices located at 136 Madison Avenue, Suite 4, New York, New York 10016.

Sponsor; Sponsor or its designee; or similar phrases: Sponsor, any affiliate of Sponsor or a designee of Sponsor. An affiliate of Sponsor shall be deemed to be (i) a person or entity who or which owns twenty-five percent (25%) or more of the legal or beneficial interest of Sponsor or (ii) an entity with respect to which Sponsor owns twenty-five percent (25%) or more of the legal or beneficial interest.

Sponsor's Office: The office of Sponsor located at c/o AORE Holdings, LLC, 49 Bleecker Street, Suite 301, New York, New York 10012 or any other office regularly maintained by Sponsor in the City of New York.

Storage Closet: Any of the thirty-two (32) storage closets located in the storage room at the Cellar, which will be assigned to Purchasers of Residential Units at Closing. Storage Closets are designated as Residential Limited Common Elements for the exclusive use of certain Residential Unit Owners.

Terrace: Any Terrace(s) appurtenant to a Residential Unit as shown on Floor Plans, which Terrace(s) is a Residential Limited Common Element.

Title Company: Royal Abstract of New York LLC (500 Fifth Avenue, New York, New York 10110), or such other or additional company/ies designated by Sponsor in an amendment to this Plan

Unit: Any space designated as a Residential Unit or Retail Unit in the Declaration, consisting, generally, of the relevant condominium unit in the Building and an appurtenant undivided interest in the Common Elements, and with respect to the Residential Units, the Residential Common Elements. All or any of such Units are collectively referred to as the "Units."

Unit Owner or Owner: The owner of a Unit at the time in question.

Unsold Units: Any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or any of its designees as the holder of one or more Unsold Units; any Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor or one or more of its principals is a member; or a Unit that is acquired, individually or collectively, by either the holder of a Permitted Mortgage given by Sponsor or the designee of a holder of such a Permitted Mortgage.

All other capitalized terms used in Part I of the Plan which are not separately defined in Part I shall have the meanings ascribed thereto in the By-Laws or in the Declaration, as the case may be. Unless the context otherwise requires, words used in the singular include the plural and vice versa, and a reference herein to any one gender, masculine, feminine or neuter, includes the other two.

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B. DESCRIPTION OF THE PROPERTY AND IMPROVEMENTS

The following is a general description of the Property, including the Land, Building, Units and Common Elements, as well as certain facilities and services anticipated to be provided at the Condominium. For a more detailed physical description of the Property, see "Description of Property and Specifications" as set forth as Exhibit 4 in Part II of the Plan.

1. The Building

The Building is located on the Land, situated on the east side of Second Avenue in New York, New York, between East 1st Street and East 2nd Street. The Land has a frontage of approximately 108.37 feet on 1st Street and approximately 81.06 feet on Second Avenue, and consists of Block 443, Lot 1 on the Tax Map of the Borough of Manhattan.

The Building will initially contain 31 Residential Units and 1 Retail Unit; along with areas currently anticipated to include the residential lobby, spa, resident lounge, fitness center, outdoor Amenity Terrace, storage room and bicycle storage room. The residential lobby will be located on the Ground Floor with entrances thereto from First Street. The Retail Unit, located principally on portions of the Ground Floor and Cellar of the Building with frontage on Second Avenue and East First Street, which Sponsor currently anticipates will initially be used for retail purposes (and ancillary uses), will be accessible only from the exterior of the Building. Additionally, the storage room at the Cellar will initially consist of thirty-two (32) Storage Closets, to be assigned to purchasers of Residential Units at Closing.

The Building, which as of the initial date of this Plan is under construction, will feature ten (10) stories above grade, with a Cellar below grade. The Building is anticipated to be approximately 130 feet in height from the highest average curb elevation to the top of the highest stair and elevator bulkhead. The highest two (2) floors in the Building are referred to as: (i) Floor PH-10; and (ii) Floor PH-8 which consists of two (2) Residential Units: Residential Unit PH-8A and Residential Unit PH-8B (with PH-10 being the higher of the two floors).

The Building structural system consists of 10" and 11-1/2" thick cast in place concrete two-way slabs with void formers set at the center of the slabs thickness. The slabs are supported on cast in place concrete columns, beams and shear walls. The structure is founded on a soil-bearing cast in place concrete foundation mat below the cellar level.

Sponsor has engaged RSVP Architecture Studio, PLLC, as architect of record. In addition Plus Group Consulting Engineering PLLC, has been retained as mechanical engineer. The Plans and Specifications for the Building have been prepared by RSVP Architecture Studio, PLLC, in consultation with such other professionals.

Construction of the Building, including the individual Units, will be completed substantially in accordance with the Plans and Specifications, and otherwise in accordance with the Zoning Resolution and the Building Code of The City of New York. 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 therein or in Exhibit 4 in Part II of the Plan, items of substantially equal or better quality,

provided, however, that any material change shall be set forth in an amendment to the Plan, that any necessary approval of any governmental authority having jurisdiction is first obtained, and that no such amendments, modifications or substitutions may be made if the same would materially adversely affect any Purchaser under an Agreement which has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc. and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's reasonable control, and where no practicable alternative (in the exercise of sound construction management practices) exists), and in such event, Sponsor will, in the amendment disclosing such change and delivered to the Purchasers, offer any materially adversely affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Agreements and receive a refund of their Deposit, together with all interest earned thereon. (Any such changes that are not both material and adverse will not give rise to a right of rescission.)

The location in the Building, and the size, layout and approximate square footages of the Units offered hereunder are shown on the Floor Plans duplicated in Exhibit 5 of Part II of the Plan. Such Floor Plans are subject to the rights of Sponsor or its designee to combine two (2) or more Unsold Units, to add additional Units by subdividing Unsold Units or to change the number of rooms in, as well as the size, layout and square foot area of, any Unsold Units, as further described in the Section of "Changes in Prices and Units: Residential Units and Retail Unit" and "Rights and Obligations of Sponsor" in Part I of the Plan, provided, however, that any material change (for example, a reduction in square footage in excess of five percent (5%)) shall be set forth in an amendment to the Plan, and no material adverse change will be made in the size (i.e., decrease), configuration or layout of a Unit for which an Agreement which has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc. and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's reasonable control, and where no practicable alternative (in the exercise of sound construction management practices) exists), and in such event, Sponsor will, in the amendment disclosing such change and delivered to the Purchasers, offer the materially adversely affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Agreements and receive a refund of their Deposit, together with all interest earned thereon. A decrease in a Unit's area of five percent (5%) or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a Unit size that is diminished by five percent (5%) or less is not material.

Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to a credit, offset or reduction in the purchase price for his or her Unit or otherwise be relieved of any obligations under the Agreement, by virtue of a minor inaccuracy or error in the floor plans. With regard to size, such minor error would mean a decrease of five percent (5%) or less or any increase in the size of any Unit or room contained in a Unit.

The Building incorporates highly sophisticated mechanical equipment designed to provide for the physical comfort and convenience of the Building's occupants. During normal operation of this equipment (which may include required periodic testing), some occupants of

Residential Units adjacent to or in the vicinity of the equipment floors and equipment areas of the Building may perceive noise and/or vibration from the equipment. The sole obligation of Sponsor and the Board with respect to such noise and/or vibration shall be to install and operate such equipment in a manner consistent with commercially reasonable practices in typical luxury residential buildings and in compliance with applicable Legal Requirements, including the New York City Building Code.

Additionally, the Building contains a Retail Unit and outdoor Amenity Terrace (as hereinafter defined). Residential Units adjacent to, above or in the vicinity of the Retail Unit and/or the outdoor Amenity Terrace may perceive noise, vibration and/or excess traffic from those areas. Sponsor and the Board shall not be responsible and shall have no obligation to minimize, reduce or eliminate such noise, vibration and/or traffic.

Based upon the Sponsor's construction schedule anticipated as of the initial filing date of this Plan, Sponsor contemplates, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery and/or the inability to obtain on a timely basis or otherwise, materials or equipment, governmental restrictions, acts of god or other events beyond its reasonable control, Sponsor's construction work at the Building will be sufficiently completed to permit closings of title to Units to begin on or about September 1, 2017. Prospective Purchasers should note, however, that the Units will be completed at differing times over a period that may begin prior to and/or extend significantly beyond such date. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the purchase price for his or her Unit or otherwise be relieved from any obligations under the Agreement, in the event that the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to such Purchaser's Residential Unit is accelerated, delayed or postponed by Sponsor, provided, however, that in the event the actual or anticipated commencement date of the projected First Year of Condominium Operation is to be delayed by six (6) months or more, Sponsor will amend the Plan to include a revised budget with current projections and if: (i) the amended budget exceeds the projected budget set forth herein by twenty-five percent (25%) or more; or (ii) the First Closing does not occur within twelve (12) months after September 1, 2017, the date set forth in Schedule B – "Projected Budget for First Year of Condominium Operation" as the commencement date for the projected First Year of Condominium Operation, then in either case Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period under their Agreements, if the Plan has been declared effective) the right to rescind their Agreements within not less than fifteen (15) days after the presentation date of the amendment containing such revised budget or after such twelve (12) month period, as the case may be, and any Purchasers electing rescission pursuant to such offer will have their Deposit and any interest accrued thereon returned. Purchasers' rights as described in the preceding sentence are in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of which shall be deemed to have been waived by all Purchasers. As set forth in the Section entitled "Effective Date" in Part I of the Plan no closing of title to any Unit offered hereunder will take place prior to the Plan being declared effective.

2. Residential Units

There will initially be a total of thirty-one (31) Residential Units. The Units vary in size from one-bedroom apartments with approximately 484 square feet to 4-bedroom apartments with approximately 2,881 square feet. Detailed descriptions of the Units are set forth in the Declaration and in Exhibit 6 in Part II of the Plan. Exhibit 4 also includes a detailed description of the fixtures, finishes, appliances and equipment included in each Unit.

The height of the Residential Units, measured from finished floor to underside of ceiling will generally be 10'0" at full height ceiling areas and 9'0" at dropped ceiling areas but may vary from floor to floor. Ceiling heights in the public corridors will be approximately 9'0" but may vary.

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

3. Retail Unit

The Condominium will also initially include 1 Retail Unit. The Retail Unit will be located on portions of the Ground Floor and at the Cellar of the Building. The Retail Unit may be used for any lawful purpose. The Board will have no right to restrict or limit any of the uses of, or alterations in or to, the Retail Unit which are permitted by law and applicable zoning ordinances, except as otherwise set forth in the By-Laws and Declaration. No income derived from any use of the Retail Unit will constitute income to the Board or the Residential Unit Owners.

Subject to the foregoing and all applicable zoning regulations and the Declaration and By-Laws, the Retail Unit may be sold, leased or subleased by the Retail Unit Owner thereof, or subdivided by the Retail Unit Owner thereof into two or more separate Retail Units and such subdivided units may be sold or leased. (See the Section entitled "Retail Unit" in Par I hereof).

4. Storage Closets

There will be a total of thirty-two (32) Storage Closets located at the Cellar of the Building. Purchasers of Residential Units will be assigned a Storage Closet at Closing. Storage Closets are Residential Limited Common Elements available for the exclusive use of the Residential Unit Owners of the Residential Units to which such Storage Close is appurtenant, subject to and in accordance with the Declaration, By-Laws and Rules and Regulations in effect from time to time.

The Storage Closets may only be used for storage purposes, and in no event may a Storage Closet be used as a dwelling space or for the storage of toxic or inflammable items or Combustibles (as such term is defined in the New York City Building Code). No materials which

pose a health or safety threat or which otherwise create a nuisance may be stored in the Storage Closets. To do so may result in a violation placed against the Building by the Department of Buildings that will be the obligation of the Residential Unit Owner to remove.

Notwithstanding the foregoing, Sponsor or its designee shall have the right to use without charge any Unassigned Storage Closets for any lawful purpose or to change the permitted use of any Unassigned Storage Closets, subject, however, to the provisions of Article 6 of the By-Laws which provide, among other things, that no use shall be allowed in the Condominium which interferes with the peaceful possession and proper use of the Condominium by its occupants.

Each Residential Unit Owner shall be liable for all damage arising out of such Residential Unit Owner's use or misuse of its Storage Closet. Neither the Sponsor, nor its respective agents or employees shall be liable for any theft or damage to any property stored in the Storage Closets. Each Residential Unit Owner shall indemnify and hold Sponsor and its respective directors, officers, partners, parent and subsidiary and affiliated companies, agents and employees, harmless from and against any and all liabilities, claims, causes of action, damages, lawsuits, penalties, judgments and liens, together with any related costs and expenses, including but not limited to reasonable legal fees, asserted against or sustained by any of them in connection with any act, omission or negligence of a Residential Unit Owner or a Residential Unit Owner's family, servants, employees, agents, guests and invitees in connection with the use of a Storage Closet.

5. Residential Amenity Spaces

As indicated on the Floor Plans, various amenities will be located at the Building, including a spa, fitness center, resident lounge, outdoor Amenity Terrace and bicycle storage room. The spa, located at the Cellar, will consist of the following: a hot tub, a plunge pool, steam room, sauna and changing room. As indicated on the Floor Plans, the aforementioned residential amenity spaces shall be designated as Residential Common Elements for the common use of residents of the Residential Units. All Residential Unit Owners shall have the right to access and use the aforementioned amenity spaces, subject to the right of the Board to regulate their use in accordance with the By-Laws and the Rules and Regulations. The Board shall be responsible for all maintenance and repairs (whether structural or otherwise) of said amenity spaces and all of the equipment and machinery located therein, and the costs and expenses associated therewith shall be allocated to the Residential Unit Owners as set forth in the Notes to Schedule B or as otherwise provided in the By-Laws. The Building will not contain a common laundry facility; however, each of the Residential Units will be equipped with a washer and dryer as more specifically detailed in Exhibit 4 in Part II of this Plan.

6. Terraces and Balconies

Terraces and/or Balconies are appurtenant to certain Residential Units, as identified in Schedule A and the Floor Plans (Exhibit 5 in Part II of the Plan). Terraces and/or Balconies are Residential Limited Common Elements available for the exclusive use of the Residential Unit Owners of the Residential Units to which such Terrace and/or Balcony is appurtenant, subject to and in accordance with the Declaration, By-Laws and Rules and

Regulations as in effect from time to time. Each Residential Unit Owner shall be responsible for all ordinary maintenance and cleaning of each Terrace and/or Balcony appurtenant to its Residential Unit (including replacement of the Terrace and/or Balcony surface) subject to the rights of the Board to regulate its use, and to enter the Residential Unit to access the Terrace and/or Balcony and to access any Common Elements for maintenance, repair and replacement and other uses (including, without limitation, to access any Building mechanical equipment or other Common Elements located on any roof setback adjacent to any Terrace and/or Balcony, or to use any Terrace and/or Balcony as a platform for window washing equipment). Sponsor is not responsible for, can make no guarantees regarding and shall have no liability to Residential Unit Owners with respect to, the level of noise or vibrations or odors resulting from the operation of the Building or the Residential Units or the degree of privacy which will be afforded to Residential Unit Owners on their Terraces and/or Balconies. The costs and expenses of any repairs or replacements to a Terrace and/or Balcony, structural or otherwise (unless caused by or attributable to the Residential Unit Owner) shall be charged to all Residential Unit Owners as a Common Expense. Use of the Terraces and/or Balconies and placement of any personal property thereon will be subject, in all events, to the terms of the Condominium Documents, including the Rules and Regulations which may be adopted by the Condominium Board with respect thereto from time to time.

No Residential Unit Owner with a Terrace and/or Balcony exclusively appurtenant to its Residential Unit shall place or maintain on such Terrace and/or Balcony any items or personal property which may adversely affect the integrity of the roof or other portion of the Building or are otherwise unsafe or which are not consistent with the standard of quality and appearance of the Building (even if previously approved by the Condominium Board, and as determined by the Condominium Board, in its sole discretion). The Condominium Board shall have the right to require a Residential Unit Owner to remove all such items, including but not limited to, plantings, roof surfaces and other installations which have been placed on the Terraces and/or Balconies if the Board determines, in its sole discretion, that the same may adversely affect the integrity of the roof or other portion of the Building or is otherwise unsafe or is not consistent with the standard of quality and appearance of the Building. In addition, the Condominium Board shall have the right, in connection with any construction, repair or maintenance work in the Building, to erect scaffolding temporarily on any Terrace and/or Balcony. In no event shall any Residential Unit Owner of a Residential Unit having a Terrace and/or Balcony be permitted to enclose or erect any structure on such Terrace and/or Balcony. The Board may establish such other rules and regulations it deems necessary to protect the Common Elements and the Residential Units to insure the integrity of the Building and the health and safety of the occupants.

Moreover, Terraces and/or Balconies that are exposed to the elements must be kept free of snow, ice and accumulation of water to the extent failure to do so could cause damage to the Building and/or other Units therein. In the event a Residential Unit Owner fails to comply with any of its maintenance obligations, the Board may, at the expense of the Residential Unit Owner and without liability to the Board, enter the Residential Unit and perform such acts as are necessary to cure the Residential Unit Owner's default.

(See the Section entitled "Description of the Property and Improvements" in Part I of the Plan for further discussion.)

7. Common Elements

As is set forth in more detail in the Declaration, the Common Elements consist of the Land, together with all easements, rights and privileges appurtenant thereto (except as otherwise expressly provided in the Declaration), and all parts of the Building, other than the Units themselves, including, generally, foundations, exterior walls, roofs and supports of the Building and all other parts of the Building and all apparatus, installations, systems, equipment and facilities therein for the common use of the Units and Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property. The Common Elements are divided into the following separate categories: (i) the General Common Elements, which are, generally, those Common Elements which serve or benefit all the Units or Unit Owners; (ii) the Residential Common Elements, which are, generally, those Common Elements which serve or benefit exclusively all or a combination of the Residential Units or Residential Unit Owners; and (iii) the Residential Limited Common Elements, which are generally those Common Elements which serve or benefit exclusively one Residential Unit or Residential Unit Owner. The Common Elements cannot be divided or partitioned, except as provided in the New York Condominium Act. A Unit Owner's interest in the Common Elements shall not be separated from the Unit to which it appertains. For a detailed description of the Common Elements, see Exhibit 5 in Part II of the Plan and Article 7 of the Declaration (Exhibit 6 in Part II of the Plan) and the Description of Property and Specifications (Exhibit 4 in Part II of the Plan).

a. General Common Elements

The General Common Elements consist of all Common Elements other than the Residential Common Elements and the Residential Limited Common Elements, whether or not designated as General Common Elements (or designated at all) on the Floor Plans, and include, among other things, the following: (i) the Land, together with all easements, rights and privileges appurtenant thereto (except as otherwise expressly provided in the Declaration); (ii) all foundations, foundation walls, exterior walls, roofs (except as otherwise expressly provided in the Declaration), facades, footings, columns, girders, beams, supports, interior load-bearing walls, floor slabs and ceilings; (iii) any boilers, HVAC system and related support structure which are not Residential Common Elements, Residential Limited Common Elements or included in any Unit; (iv) all passages and corridors, mechanical and other utility rooms, all fire staircases, landings and stairs, areas and spaces located in the Building, which are not Residential Common Elements, Residential Limited Common Elements or included in any Unit; (v) any ventilation supply system consisting of motors, ductwork, fans and controls return piping, serving or benefiting the Building, which are not Residential Common Elements, Residential Limited Common Elements or included in any Unit; (vi) hot water and condenser water systems which are not Residential Common Elements, Residential Limited Common Elements or included in any Unit; (vii) any mechanical equipment and associated piping and controls serving or benefiting all of the Units; (viii) any electrical risers, feeders, lines and equipment, including incoming service, main switchgear and distribution panelboards, conduits, wires, meters, transformers and panelboards serving or benefiting the Building, excluding, however, all such items located within the Residential Common Elements, Residential Limited Common Elements or a Unit and serving only that Unit; (ix) all plumbing fixtures, equipment for distribution of cold water and equipment for producing and distributing hot and cold water, including pumps, valves, pressure reducers, meters and water heaters, excluding, however, all such items located within

the Residential Common Elements, Residential Limited Common Elements or a Unit and serving only that Unit (e.g., the fan coils located in Residential Units or the Retail Unit); (x) all storm and sanitary sewer equipment and pipes (including vent lines, ejectors, interceptors, filters and valves), excluding, however, all such items located within the Residential Common Elements, Residential Limited Common Elements or a Unit and serving only that Unit; (xi) all electric service rooms, gas and water meter rooms, Building storage, workrooms, locker rooms, telephone rooms and other service, mechanical and utility rooms serving or benefiting all the Units and are not located within the Residential Common Elements or Residential Limited Common Elements; (xii) any smoke detection alarm system security monitors and equipment and other security facilities servicing the Building excluding, however, all such items located within the Residential Common Elements, Residential Limited Common Elements or Unit and serving only that Unit; (xiii) all other facilities of the Building (including shafts, pipes, wires, ducts, vents, flues, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Building and are not located within the Residential Common Elements or Residential Limited Common Elements; and (xiv) all other parts of the Property either existing for the common use of the Units, or their respective Unit Owners or that are necessary or convenient for the existence, maintenance, operation or safety of the Property. The Common Elements cannot be divided or partitioned, except as provided in the New York Condominium Act. A Unit Owner's interest in the Common Elements shall not be separated from the Unit to which it appertains. For a detailed description of the Common Elements, see Article 7 of the Declaration (Exhibit 6 in Part II of the Plan).

b. Residential Common Elements

The Residential Common Elements consist of those portions of the Property whether or not designated on the Floor Plans as Residential Common Elements; and also those Common Elements which exclusively serve or exclusively benefit all or a combination of the Residential Units or the Residential Unit Owners. The Residential Common Elements consist of the following: (i) stairs and stairways in the Building shown on the Floor Plans as Residential Common Elements (excluding those stairs, stairways and fire stairways in the Building shown on the Floor Plans as constituting part of the General Common Elements or Unit); (ii) all other equipment existing in the Building or on the Property which servicing or benefiting all or a combination of the Residential Units or the Residential Unit Owners; (iii) any boilers (and any bulkheads thereto), HVAC system and related support structure servicing only the Residential Units; (iv) the condensing units located in the mechanical rooms on Floors 2-10 servicing only the Residential Units; (v) the trash room and the trash chutes located therein on Floors 2-10 servicing only the Residential Units; (vi) the residential passenger elevator servicing the Cellar through Floor 10 of the Building, including the shafts, elevator equipment, elevator pits, cabs and entrances and all appurtenant facilities; (vii) the residential service entrance provided along East 1st Street servicing only the Residential Units; (viii) the residential lobby providing access to the Building from East 1st Street and servicing only the Residential Units; (ix) the outdoor Amenity Terrace located on Floor 2 of the Building and servicing only the Residential Units; (x) the fitness center located at the Cellar of the Building and servicing only the Residential Units; (xi) the resident lounge located on Floor 2 of the Building and servicing only the Residential Units; (xii) the spa including the sauna, steam room, hot tub, plunge pool and changing room located at the Cellar and servicing only the Residential Units; (xiii) the bicycle storage room located at the Cellar and servicing only the Residential Units; (xiv) the mailbox area located on the Ground

Floor of the Building and servicing only the Residential Units; (xv) the storage area located at the Cellar servicing only the Residential Units; (xvi) Private Entry Foyers located on Floor 9 and Floor 10 of the Building; (xvii) any smoke detection alarm system, telephone system and cable television system servicing only the Residential Units; (xviii) all security monitors and equipment and other security facilities servicing only the Residential Units; and (xix) all passages, corridors, storage rooms, mechanical and other rooms, areas and spaces (including their respective floors, ceilings and enclosing walls) located in the Building which serve only the Residential Units, except to the extent same are part of a Unit.

c. Residential Limited Common Elements

The Residential Limited Common Elements consist of those portions of the Property which serve or benefit exclusively one Residential Unit or Residential Unit Owner. The Residential Limited Common Elements include, without limitation, any Terrace and/or Balcony or Storage Closet either appurtenant or designated to a Residential Unit (although the benefitted Residential Unit Owner shall have the responsibilities with respect thereto as are set forth in the By-Laws).

8. Available Services and Facilities

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

a. Building Standard Services and Facilities (provided to all Residential Unit Owners at no cost other than the Common Charges payable by Residential Unit Owners):

(i) Residential Amenities: Residential amenities will include a spa at the Cellar, fitness center at the Cellar, resident lounge on Floor 2, outdoor Amenity Terrace on Floor 2, bicycle storage room at the Cellar and residential storage room (and the Storage Closets located therein) at the Cellar.

(ii) Doorman. A doorman will be on duty at the street entrance to the lobby 24 hours per day/seven days per week.

(iii) Elevator Service. The elevators will be automatically operated and therefore will be in service as necessary, 24 hours per day, seven days per week.

(a) Residential Elevators: There will be one (1) automatic passenger elevator servicing the Cellar Level through Floor 10.

(b) Retail Elevator: The retail elevator will be available to the Retail Unit Owner and will service the Cellar Level and Ground Floor level portions of the Retail Unit.

(iv) Mail. Mail will be delivered by the United States Postal Service directly to the mailbox area which consists of locked mailboxes located in the residential lobby at the Ground Floor of the Building.

(v) Maintenance Personnel. Building personnel will include a building superintendent and porters as may be necessary for the proper maintenance and cleaning of the Building.

(vi) Refuse Disposal. Each residential floor has access to a central trash chute that leads to a compactor room located at the Cellar. Recycling bins on each residential floor will be emptied as necessary by Building staff. Building staff will transfer the refuse and recyclables to the sidewalk as needed pending collection by the City of New York Department of Sanitation. The Retail Unit Owner, at its sole cost and expense, will be responsible for storing and disposing of refuse in a manner that complies with all applicable Legal Requirements. Further, the Retail Unit Owner will be solely responsible for any violations issued by the City of New York in connection with the storage and disposal of refuse on the sidewalks located in front of its Unit.

(vii) Communications Facilities. Each Residential Unit will be pre-wired for telephone, broadband and cable television. Each Residential Unit will have access to the intercom system through smart phone connection or direct phone line. This system will enable occupants to communicate directly with the front desk regarding the admission of guests, visitors and, in the case of Building personnel, prior notice of their imminent arrival.

(viii) Other Service Contracts. Certain additional services covered by third-party contracts, such as elevator maintenance are included in Building standard services.

(ix) Security Procedures. All residential entrances to the Building will be equipped with intercom door station with video interface and door control devices. Additional monitoring control panels will be provided at the doorman station and the service entrance. No representation or warranty is made and no assurance is given that the security systems and procedures of the Building will prevent personal injury or damage to or loss of personal property.

(x) Carbon Monoxide Detectors. Each Unit will contain a carbon monoxide detector and smoke detector.

(xi) Laundry. Each Residential Unit will contain a laundry closet that contains a washer and dryer. (See Exhibit 4 in Part II of the Plan for further detail.)

(xii) Fitness Center. The fitness center at the Cellar will be a Residential Common Element, limited to use by residents of the Residential Units and will contain the following equipment: a treadmill, elliptical, kinetic and free weights system.

(xiii) Resident Lounge. The recreation/resident lounge located on Floor 2 will be a Residential Common Element available for the use of the residents.

(xiv) Spa. The spa at the Cellar will be a Residential Common Element, limited to use by residents of the Residential Units and will consist of a sauna, steam room, hot tub, plunge pool and changing room.

(xv) Cable Television. Cable television service will be available for all Residential Units and will be provided by Time Warner or other service provider. All charges for cable television service (including installation and subscription charges for individual Residential Units) will be paid by each Residential Unit Owner who subscribes directly with the cable television service provider.

(xvi) Bicycle Storage. A resident bicycle storage space will be available at the Cellar of the Building. Such bicycle storage space will be made available only to residents of the Residential Units, on a first-come, first-served basis, subject to such Rules and Regulations as the Board may adapt in its discretion, including, without limitation, the right to implement monthly fees in the event demand among residents for usage of the bicycle storage exceeds available spaces.

b. General Provisions Concerning Services and Facilities

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

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

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

Purchasers are advised that until twelve (12) months after the First Closing, some of the services and facilities described in the Plan (such as some of the elevators, or a full staff of building personnel) may not be available. Although Sponsor anticipates that the Building may be fully staffed as of the First Closing, Sponsor reserves the right to limit the number of staffing for a period ending upon the earlier of 50% occupancy or twelve (12) months from the First Closing,

at which point the Building will be fully staffed as set forth in the Budget. The interim level of staffing will at all times during this period be commensurate with the levels of occupancy from time to time and adequate to properly maintain the Building. Additionally, it is anticipated that at all times after the First Closing, the lobby will be attended 24 hours a day, seven days a week, and there will be at least one elevator servicing every occupied Residential Unit. All Legal Requirements with respect thereto will be complied with, including the Administrative Code of the City of New York, Section 27-2050, et seq, either by providing for janitorial services to be performed on a twenty-four-hour-a-day basis or by having a janitor reside in or within a distance of one block or two hundred feet of, whichever is greater, the Building.

Purchasers are further advised construction in general is a complicated process which requires the coordination of numerous concurrent tasks, contractors and suppliers and the balancing of complex mechanical, electrical, plumbing and other systems, all of which is subject to unanticipated delays and difficulties and necessarily involves noise, disruption and inconvenience. Thus, for a period of time following the First Closing (through, including and beyond the closing of title to any particular purchaser's Unit), work should be expected to be undertaken and continue by or on behalf of: (i) Sponsor to complete the balance of the Building; (ii) individual Residential Unit Owners within their Residential Units (to perform custom renovations, etc.); and the Retail Unit Owner to complete construction, build-out, furnishing and equipping the Retail Unit. During at least the First Year of Condominium Operation, construction workers and related personnel of Sponsor and others will be at the Property from time to time performing construction work, making adjustments and performing various other tasks related to the completion of construction, fitting out of, and moving into, the Residential Units and other portions of the Building. Various systems, including, but not limited to, water supply, air conditioning, heating, cooling, gas, electric, ventilating and other systems, and elevators may require more than a year after any particular Unit closing to complete and may be disrupted temporarily and from time to time (systems constituting Common Elements may require more than a year after any particular closing to complete, and may be disrupted temporarily and from time to time (systems constituting Common Elements may require more than a year after any particular closing to complete, but all systems must be completed as a requirement for the issuance of a temporary Certificate of Occupancy covering a Unit will be functioning at the time of closing). Residential elevators and personnel may be taken out of service and diverted to facilitate construction and exterior hoists or scaffolding may be in place during at least the year following the First Closing, and from time to time thereafter, as needed, in connection with construction being performed in Units by the Sponsor or other Unit Owners thereof. Various other adjustments, to windows and elevators and other systems, may require eighteen (18) months or more after the First Closing to complete. Sponsor may not fully complete the decoration or finishing of the lobby, corridors, elevator finishes and other portions of the Building, including, but not limited to, installing light fixtures, painting, hanging wall coverings or laying carpeting or stone, until that particular floor is fully occupied by Unit Owners or, if additional construction within a Unit is anticipated, for some period thereafter. All of the foregoing work and conditions may create a noisy and otherwise disruptive condition in the Building during the period such work is being performed. Certain portions of the Common Elements may be completed before or after completion of any particular Purchaser's Unit. As a result, certain amenities and benefits anticipated to be available to Residential Unit Owners (specifically, storage closets, full staff of building personnel, outdoor Amenity Terrace, fitness center, resident lounge, spa and bicycle storage) may not be available until such other portions of

the Building are completed and fully operational. Sponsor shall have no liability whatsoever in the event these services are delayed or disrupted. Further, the Board and/or Sponsor may refuse to permit a Residential Unit Owner to perform alterations in a Residential Unit until such time as the Building has been completed and permanent certificate(s) of occupancy have been obtained therefor. Even where such alterations are permitted, the Board and/or Sponsor may impose conditions and deadlines upon the planning, performing and completion of such work. No assurance can be given with regard to the accuracy of any projected schedules or completion dates set forth herein or with respect to the duration of any interim service period or periods of potential disruption to the Residential Unit Owners and their tenants or occupants, all such dates and timetables, to the extent provided, being only good faith estimates.

Sponsor and its designee(s) shall have the right, until the tenth (10th) anniversary of the First Closing, to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events, promotional functions (e.g., with respect to any sales programs for Unsold Units) or otherwise.

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C. LOCATION AND AREA INFORMATION

1. Location and Services

The Condominium is situated at 24 Second Avenue, New York, New York, on the east side of Second Avenue between East 1st Street and East 2nd Street.

New York City is one of the leading cultural centers of the world, with many of the finest universities, museums, theaters and cultural institutions, attracting millions of national and international tourists. New York City is the nation's center for communications, publishing, advertising, the stock market and other financial services, visual and performing arts and the fashion industry.

There are a wide variety of parks in the vicinity, including Sara D. Roosevelt Park, Tompkins Square Park, Washington Square Park and Union Square Park, all of which are within walking distance of the Building.

The Building is nearby many of the Manhattan's world class retailers and restaurants. Major shopping destinations nearby include John Varvatos, Billy Reid, Prada, Intermix, Calypso and Bloomingdale's. Notable nearby dining options include Katz's Delicatessen, Balthazar, Bond Street and La Esquina.

New York City is served by three major airports -- LaGuardia Airport, John F. Kennedy International Airport and Newark International Airport. Passenger railroad service is provided from Pennsylvania Station, located at Seventh Avenue and 33rd Street, and from Grand Central Terminal, located at Lexington Avenue and 42nd Street. Transportation to and from the Building, and throughout New York City, is readily available by taxi, limousine, private automobile, subway or bus. A number of commercial retail garages are located nearby. Public transportation via subways and buses is also readily available. The "F" train is accessible at a stop located at East Houston Street between 1st and 2nd Avenue, the "J" and "Z" trains are accessible at a stop located at Bowery and Delancey Street; the "4" and "6" trains are accessible at stops located at Lafayette Street and Bleecker Street and at Cleveland Place and Spring Street; and the "B", "D", "F", and "M" trains are accessible at stops located at East Houston Street and Crosby Street. In addition, the area is serviced by the following bus lines: 9, 14A, 14D, and 21.

These services are provided by the City of New York and all charges (except water) are financed through real estate taxes paid by Unit Owners to the City of New York. The Property is located in the 9th Police Precinct with the station located at 321 East 5th Street. Fire protection is provided from the Division 1, Ladder 20 fire station located at 253 Lafayette Street.

The area is served by numerous hospitals and medical facilities located within an approximate two-mile radius of the Property, including the New York Eye and Ear Infirmary at 310 East 14th Street; Hospital For Joint Diseases at 301 East 17th Street; Beth Israel Hospital at 1st Avenue at 16th Street; New York University Medical Center at 560 First Avenue; and Bellevue Hospital at 462 First Avenue.

Numerous private schools, public schools and parochial schools are easily accessible from the Property. The public schools in the area include Broome Street Academy

Charter School (M522) at 121 Avenue of the Americas; Cascades High School (M650) at 198 Forsyth Street; Chelsea Career and Technical Education High School (M615) at 131 Avenue of the Americas; Collaborative Academy of Science, Technology & Language Arts Education (M345) at 220 Henry Street; Earth School (M364) at 600 East 6th Street; East Side Community School (M450) at 420 East 12th Street; Emma Lazarus High School (M394) at 100 Hester Street; Essex Street Academy (M294) at 350 Grand Street; and Harvey Milk High School (M586) at 2-10 Astor Place. Certain public school programs require that parents apply for admission for their children. Private schools in the area include Immaculate Conception School at 419 East 13th Street; Gateway School at 236 2nd Avenue; Girls Prep Charter School at 442 East Houston Street; Grace Church School at 86 4th Avenue; Friends Seminary at 222 East 16th Street; St. Georges Catholic School at 215 East 6th Street; Satellite Academy at 198 Forsyth Street; and LaSalle Academy at 44 East 2nd Street. SPONSOR MAKES NO REPRESENTATION AS TO WHICH PUBLIC OR PRIVATE SCHOOL THE CHILDREN WHO LIVE IN THE BUILDING WILL BE ELIGIBLE TO ATTEND.

Many religious faiths have congregations within walking distance of the Property.

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

2. Zoning

The Condominium is located in an area zoned C6-2A and R8-B under the New York City Zoning Resolution. This zoning designation permits, among other things, commercial and residential use. The intended use of the Building as described in accordance with the provision of this Plan will be in compliance with the current requirements of the Zoning Resolution. Copies of the zoning regulations and variances with respect to the Project are on file at Sponsor's office.

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D. SCHEDULE A

32 East 1st Street Condominium
24 Second Avenue, New York, NY 10003
Schedule of Purchase Prices and Other Financial Details
For Each Unit For September 1, 2017 – August 31, 2018
The Projected First Year of Condominium Operation (1)

(The notes to Schedule A are an integral part of Schedule A and should be read in connection herewith.)

32 East 1st Street Condominium
24 Second Avenue
New York, New York 10003

SCHEDULE A

Unit	Number of Bedrooms & Bathrooms	Approx. Interior Unit Area (Sq. Ft)	Approx. Retail Area (Sq. Ft)	Balcony / Terrace Approximate Area (sq.ft.)	Offering Price	Percentage Interest in Common Elements	Percentage Interest in Residential Common Elements	Projected Monthly Common Charges	Projected Annual Common Charges	Projected Monthly Real Estate Taxes	Projected Annual R.E. Taxes	Projected Total Monthly Common Charges & Real Estate Taxes	Projected Total Annual Common Charges & Real Estate Taxes
	(2)	(2)	(2)	(2)	(3)	(4)	(4)	(5)	(5)	(6)	(6)	(7)	(7)
Apt 2A	2 | 2	1,234		493	$ 2,900,000.00	2.87%	3.31%	$ 1,646.43	$ 19,757.16	$ 1,253.49	$ 15,041.85	$ 2,899.92	$ 34,799.01
Apt 2B	1 | 1	582		-	$ 1,375,000.00	1.23%	1.42%	$ 706.00	$ 8,472.03	$ 537.51	$ 6,450.07	$ 1,243.51	$ 14,922.10
Apt 2C	3 | 3	1,497		-	$ 3,625,000.00	3.17%	3.65%	$ 1,815.96	$ 21,791.46	$ 1,382.55	$ 16,590.64	$ 3,198.51	$ 38,382.11
Apt 2D	2 | 2	1,083		-	$ 2,550,000.00	2.29%	2.64%	$ 1,313.75	$ 15,764.97	$ 1,000.20	$ 12,002.45	$ 2,313.95	$ 27,767.42
Apt 3A	2 | 2	1,238		222	$ 2,900,000.00	2.82%	3.25%	$ 1,616.79	$ 19,401.54	$ 1,230.93	$ 14,771.10	$ 2,847.72	$ 34,172.64
Apt 3B	1 |1	582		-	$ 1,425,000.00	1.27%	1.46%	$ 727.18	$ 8,726.19	$ 553.63	$ 6,643.57	$ 1,280.81	$ 15,369.76
Apt 3C	3 | 3	1,511		-	$ 3,700,000.00	3.30%	3.80%	$ 1,887.93	$ 22,655.12	$ 1,437.35	$ 17,248.17	$ 3,325.27	$ 39,903.29
Apt 3D	2 | 2	1,089		-	$ 2,625,000.00	2.38%	2.74%	$ 1,360.66	$ 16,327.88	$ 1,035.92	$ 12,431.01	$ 2,396.57	$ 28,758.89
Apt 3E	1 | 1	484		-	$ 1,125,000.00	1.06%	1.22%	$ 604.74	$ 7,256.83	$ 460.41	$ 5,524.89	$ 1,065.14	$ 12,781.73
Apt 4A	2 | 2	1,238		222	$ 2,975,000.00	2.90%	3.35%	$ 1,663.89	$ 19,966.63	$ 1,266.78	$ 15,201.33	$ 2,930.66	$ 35,167.96
Apt 4B	1 | 1	582		-	$ 1,475,000.00	1.31%	1.51%	$ 748.36	$ 8,980.35	$ 569.76	$ 6,837.07	$ 1,318.12	$ 15,817.43
Apt 4C	3 | 3	1,511		-	$ 3,775,000.00	3.39%	3.91%	$ 1,942.91	$ 23,314.98	$ 1,479.21	$ 17,750.55	$ 3,422.13	$ 41,065.52
Apt 4D	2 | 2	1,089		-	$ 2,700,000.00	2.44%	2.82%	$ 1,400.29	$ 16,803.45	$ 1,066.09	$ 12,793.08	$ 2,466.38	$ 29,596.53
Apt 4E	1 | 1	484		-	$ 1,175,000.00	1.09%	1.25%	$ 622.35	$ 7,468.20	$ 473.82	$ 5,685.81	$ 1,096.17	$ 13,154.01
Apt 5A	2 | 2	1,238		222	$ 3,050,000.00	2.99%	3.44%	$ 1,710.98	$ 20,531.72	$ 1,302.63	$ 15,631.55	$ 3,013.61	$ 36,163.28
Apt 5B	1 | 1	582		-	$ 1,525,000.00	1.34%	1.55%	$ 769.54	$ 9,234.52	$ 585.88	$ 7,030.58	$ 1,355.42	$ 16,265.09
Apt 5C	3 | 3	1,511		-	$ 3,885,000.00	3.49%	4.02%	$ 1,997.90	$ 23,974.83	$ 1,521.08	$ 18,252.92	$ 3,518.98	$ 42,227.75
Apt 5D	2 | 2	1,089		-	$ 2,800,000.00	2.51%	2.90%	$ 1,439.92	$ 17,279.02	$ 1,096.26	$ 13,155.15	$ 2,536.18	$ 30,434.16
Apt 5E	1 | 1	484		-	$ 1,225,000.00	1.12%	1.29%	$ 639.96	$ 7,679.56	$ 487.23	$ 5,846.73	$ 1,127.19	$ 13,526.30
Apt 6A	1 | 1.5	1,010		451	$ 2,750,000.00	2.66%	3.07%	$ 1,525.40	$ 18,304.83	$ 1,161.34	$ 13,936.14	$ 2,686.75	$ 32,240.97
Apt 6B	1 | 1	582		-	$ 1,600,000.00	1.38%	1.59%	$ 790.72	$ 9,488.68	$ 602.01	$ 7,224.08	$ 1,392.73	$ 16,712.75
Apt 6C	3 | 3	1,511		-	$ 4,050,000.00	3.58%	4.13%	$ 2,052.89	$ 24,634.69	$ 1,562.94	$ 18,755.29	$ 3,615.83	$ 43,389.98
Apt 6D	2 | 2	1,089		-	$ 2,900,000.00	2.58%	2.98%	$ 1,479.55	$ 17,754.59	$ 1,126.43	$ 13,517.22	$ 2,605.98	$ 31,271.80
Apt 6E	1 | 1	484		-	$ 1,300,000.00	1.15%	1.32%	$ 657.58	$ 7,890.93	$ 500.64	$ 6,007.65	$ 1,158.21	$ 13,898.58
Apt 7A	2 | 2	1,279		538	$ 3,525,000.00	3.44%	3.97%	$ 1,971.86	$ 23,662.37	$ 1,501.25	$ 18,015.03	$ 3,473.12	$ 41,677.40
Apt 7C	3 | 3	1,511		-	$ 4,200,000.00	3.68%	4.24%	$ 2,107.88	$ 25,294.55	$ 1,604.81	$ 19,257.67	$ 3,712.68	$ 44,552.22
Apt 7D	2 | 2	1,089		-	$ 3,000,000.00	2.65%	3.06%	$ 1,519.18	$ 18,230.15	$ 1,156.61	$ 13,879.29	$ 2,675.79	$ 32,109.44
Apt 7E	1 | 1	484		-	$ 1,375,000.00	1.18%	1.36%	$ 675.19	$ 8,102.29	$ 514.05	$ 6,168.57	$ 1,189.24	$ 14,270.86
Penthouse 8A	2 | 2.5	1,982		664	$ 5,850,000.00	5.37%	6.19%	$ 3,074.68	$ 36,896.14	$ 2,340.87	$ 28,090.38	$ 5,415.54	$ 64,986.52
Penthouse 8B	3 | 3	2,766		1,170	$ 8,700,000.00	7.64%	8.81%	$ 4,377.98	$ 52,535.77	$ 3,333.12	$ 39,997.41	$ 7,711.10	$ 92,533.18
Penthouse 10A	4 | 5	2,887		1,970	$ 10,500,000.00	8.44%	9.74%	$ 4,837.47	$ 58,049.58	$ 3,682.94	$ 44,195.28	$ 8,520.40	$ 102,244.86
		35,782		5,952	$ 96,560,000.00	86.73%	100.00%	$ 49,685.92	$ 596,231.00	$ 37,827.71	$ 453,932.54	$ 87,513.63	$ 1,050,163.54
											$ -		$ -
Retail Unit			8,353 *		$ 30,000,000.00	13.27%		$ 4,249.50	$ 50,994.00	$ 5,661.88	$ 67,942.52	$ 9,911.38	$ 118,936.52
TOTAL		35,782	8,353	5,952	$ 126,560,000.00	100.00%	100.00%	$ 53,935.42	$ 647,225.00	$ 43,489.59	$ 521,875.06	$ 97,425.00	$ 1,169,100.06

* Retail Unit is Total of 8,353 SF, which is made up of Cellar is 2,406 SF and Ground Floor 5,947 SF.

NOTES TO SCHEDULE A

(1) Amounts are projected on the assumption that the First Year of Condominium Operation will be the year from September 1, 2017 through August 31, 2018. The actual First Year of Condominium Operation may begin earlier or later than that year.

(2) Any floor plan or sketch or schedule shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit in question. However, any material change (for example a reduction in square footage in excess of five percent (5%)) will be set forth in an amendment to the Plan, and no material adverse change will be made in the size (i.e., decrease), configuration, or layout of a Unit for which an Agreement which has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc. and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's reasonable control, and where no practicable alternative (in the exercise of sound construction management practices) exists). In such event, Sponsor will, in the amendment disclosing such change and delivered to the Purchasers, offer the materially adversely affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Agreements and receive a refund of their Deposits, together with all interest earned thereon. An increase in the size of a room or Unit will not on its own give rise to a right of rescission. A decrease in a Unit's area of five percent (5%) or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a Unit that is diminished by five percent (5%) or less is not material (See the Section entitled "Changes in Prices and Units: Residential Units and Retail Unit" in Part I of the Plan for further discussion concerning and certain limitations applicable to Sponsor's rights with respect to changes in the construction of the Units and the Common Elements.)

The approximate square foot area of each Unit, within reasonable tolerances, has been measured horizontally, from the exterior face of exterior walls to the inside face of interior walls for common stairs and/or corridors (incorporating the full wall thickness within the Unit area) or for Units which share a demising wall, to the centerline of any such shared demising wall. Columns and mechanical pipes and trash chutes, ducts and shafts (whether along the perimeter or within the Unit), were not deducted from the square foot area of the Units. The outdoor floor area of a Terrace and/or Balcony appurtenant to a Unit was not included in the Unit's indoor floor area. Measured vertically, each Unit consists of the area from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling above.[*] All

[*] Each Unit includes, and each Unit Owner shall be responsible for, all fixtures, equipment and other items of personalty, including, without limitation, all plumbing and heating fixtures and equipment and other appliances as may be contained in, affixed, attached or appurtenant to such Unit, other than as may constitute part of the Common Elements. Plumbing and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes attached to fixtures, appliances and equipment and the fixtures, appliances and equipment (footnote continued)

Terrace/Balcony dimensions are measured from the outside of the Building face to the outside face of the Building parapet or outside edge of Building slab. The square foot areas determined using the methodology set forth above, as shown in Schedule A in Part I of the Plan, includes the area of the interior walls of the Unit, and the actual livable area of the Units is less than the area set forth in Schedule A. The stated method of measurement used is applicable to all Units. The room count 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.

(3) Sponsor has reserved the right to change the purchase prices (as well as other terms of sale) of Units not subject to executed Agreements, so Purchasers may pay different prices for similar Units. (See the Section entitled "Changes in Prices and Units: Residential Units and Retail Unit" below for further discussion.) In addition to paying the purchase prices of their Units, purchasers will be responsible for paying certain closing adjustments and closing costs, including, without limitation, the obligation to contribute to the Working Capital Fund. Purchasers are advised to consult with their attorneys as to the exact closing costs they will incur in purchasing their Units. Whether or not included in an amendment, no price change will be effective with respect to any Unit (as against the applicable Purchaser) for which a Purchase Agreement is in effect without the consent of the applicable Purchaser. (See the Section entitled "Unit Closing Costs and Adjustments" in Part I of the Plan for further discussion.)

(4) The Common Interest of each Unit has been determined, pursuant to Section 339-i(1)(iv) of the Condominium Act. In accordance with such method of calculation, the Common Interests have been determined based primarily upon a comparison of the floor areas of the Units, 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 the Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. The aggregate Common Interests of all of the Units equals 100%.

(5) These projections have been based upon the projections contained in "Projected Budget for First Year of Condominium Operation -- Schedule B" (set forth in Section E below), which were made based on the assumption that the First Year of Condominium Operation will be September 1, 2017 through August 31, 2018. The actual first year of operation may be earlier or later. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by six (6) months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the

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to which they are attached, and any special pipes or equipment which a Residential Unit Owner may install within a wall or ceiling, or under the floor, but shall not include water or other pipes, conduits, wiring or ductwork within the walls, ceiling or floors. Except as otherwise expressly set forth herein, each Residential Unit shall also include all lighting and electrical fixtures and appliances within the Residential Unit and any special equipment, fixtures or facilities affixed, attached or appurtenant to the Residential Unit to the extent located within such Residential Unit and serving or benefiting only that Residential Unit.

amended budget exceeds this projected budget by twenty-five percent (25%) or more, Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period, if the Plan has been declared effective) the right to rescind their Agreements within not less than fifteen (15) days after the presentation date of the amendment containing such revised budget, and any Purchasers electing rescission pursuant to such offer will have their Deposit and any interest accrued thereon returned.

As discussed above in the Section entitled "Available Services and Facilities" and entitled "Interim Service Period", the full range of services and facilities described in this Plan may not be provided until move-ins are finished and construction work within the Building is completed.

The amount of the Common Charges necessary to defray the cost of the interim services and facilities described in the preceding paragraph, as well as the manner of allocating such Common Charges among any Unit Owners who are exclusively benefited by any of the same, will be determined by the Board, which will be controlled by Sponsor during such period. However, such allocation will be made in compliance with Section 339-m of the New York State Real Property Law, and in no event will Purchasers be assessed Common Charges during such interim period that are more than the Common Charges listed in Schedule A as the same may theretofore have been amended.

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

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

(b) the cost of electricity and any other utility supplied to the Unit, which will be separately metered and payable as and when billed;

(c) the cost of interior repairs, compliance with Legal Requirements and maintenance, painting and decoration in, to or of, the Unit, including, without limitation, the equipment and appliances contained in the same, and any appurtenant Limited Common Elements;

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

(e) telephone, internet access and cable television charges; and

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

(6) The projection of the real estate taxes that will be payable for each of the Units during the projected First Year of Condominium Operation is based upon a letter dated April 13, 2016 prepared by Aaron Valuation, Sponsor's real estate tax consultant and takes into account the following assumptions and projections:

(a) the First Year of Condominium Operation will be comprised of 10 (10) months of the 2017/2018 tax year and two (2) months of the 2018/2019 tax year;

(b) for the 2017/2018 tax year, a taxable assessment for the Residential Units of $397,506 and for the Retail Unit of $50,191;

(c) for the 2018/2019 tax year, a taxable assessment for the Residential Units of $736,066 and for the Retail Unit of $156,701; and

(d) an assumed tax rate in effect for the 2017/2018 tax year of 13.142% and for the 2018/2019 tax year of 13.273% with respect to the Residential Units and an assumed tax rate in effect for the 2017/2018 tax year of 10.870% and for the 2018/2019 tax year of 10.979% with respect to the Retail Unit, which results in estimated aggregate real estate taxes for the Residential Units for the First Year of Condominium Operation of $453,933 and for the Retail Unit for the First Year of Condominium Operation of $67,943.

After the City of New York assesses each Unit as a separate tax lot and bills each Unit Owner, the Unit Owner will be responsible for paying the real estate taxes and assessments imposed against his or her Unit, and no Unit Owner will be responsible for the payment of, nor will his or her Unit be subjected to any lien arising from the non-payment of, taxes and assessments imposed on other Units.

No warranty, guaranty or assurance is given that:

(i) any projected or estimated amount set forth above (including, without limitation, the estimates of the Property's assessed valuations during the First Year of Condominium Operation, the estimates of the portions of such assessed valuations that will be allocable to the Units and the projection of the average real estate tax rate that will be in effect during such First Year of Condominium Operation and the date of completion of construction of the Building) will approximate the actual amount;

(ii) the New York City Real Estate Tax Assessment Bureau will allocate the Property's aggregate assessed valuation between the Units in accordance with the proportionate Common Interests of the Units, or that such bureau will allocate the aggregate assessed valuation attributable to the Units among the different Units as described above; or

(iii) any of the projections or estimates made above and in Schedule A are accurate.

Until the Units are separately assessed, each Unit Owner will pay to the Board his or her Unit's pro rata share of the Property's real estate taxes for the period in question in accordance with respective percentage of Common Interest. This proration will be made by allocating the Property's taxes among the Units on basis of proportionate Common Interest. The Board will pay such real estate taxes to the Department of Finance of The City of New York or directly to Sponsor if Sponsor has paid such real estate taxes. If any

Unit Owner fails to pay his or her pro rata share as set forth above, the Board will be entitled to assess late charges and/or place a lien on such Unit as if such unpaid share were Common Charges. (See the Section entitled "Collection and Lien for Non-Payment of Common Charges" in Part I of the Plan for further discussion.)

Upon determination of individual tax lots and individual assessments for such Unit, the New York City tax authorities may allocate taxes among the Units on some other basis rather than its relative Common Interest, and, if so, Units having the same or similar Common Interest may pay different real estate taxes and/or taxes may differ from those set forth on Schedule A. In addition, the New York City tax authorities may assess taxes against the Building in a different manner and in a different amount than that assumed by Sponsor's real estate tax consultant and, if so, Unit Owners may pay significantly different real estate taxes than those set forth on Schedule A.

There is no assurance that the proration of taxes described in the paragraph above will equal the actual amount or allocation of real estate taxes which will be assessed against the Units, and the actual amounts may vary considerably from the method set forth above. Sponsor will amend the Plan to disclose the actual amount of real estate taxes assessed against the Units promptly after the same are assessed.

(7) This column represents the aggregate projected monthly Common Charges and Real Estate Taxes paid by each Unit Owner.

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E. SCHEDULE "B"

32 East 1st Street Condominium
Projected Budget for First Year of Condominium Operation
September 1, 2017 to August 31, 2018

ESTIMATED INCOME

Common Charges	$ 647,225
Residential Units (2)	$ 596,231
Retail Unit (2)	$ 50,994
Total Estimated Income	$ 647,225

	Residential Units	Retail Unit
ESTIMATED EXPENSES		
(3) Payroll	$245,984	$36,756
(4) Gas, Heat & Hot Water	$29,419	$0
(5) Electricity	$104,674	$0
(6) Water and Sewer	$39,532	$0
(7) Repair and Maintenance	$18,000	$0
(8) Service and Supplies	$63,340	$0
(9) Insurance	$40,864	$6,106
(10) Management Fee	$26,100	$3,900
(11) Legal, Accounting & Audits	$17,400	$2,600
(12) Administration	$6,568	$982
(13) Operating Reserve		
(14) Contingency	$4,350	$650
(15) Total Projected Expenses	$596,231	$50,994

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

* The Operating Reserve for the First Year of Condominium Operation will be fully funded by Sponsor as of the First Closing. See the Notes to Schedule B below for additional information.

(1) Amounts are projected on the assumption that the First Year of Condominium Operation will be the year from September 1, 2017 to August 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 projects. 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 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

These amounts represent the total Common Charges to be levied against and collected from the Residential Units and the Retail Unit during the projected First Year of Condominium Operation. The Common Charges will be utilized by the Board of Managers for the operation of the Condominium. Generally, Common Expenses have been allocated among the Units on the basis of percentage interest in the Common Elements. Where the allocation of Common Expenses is not based on percentage interest in the Common Elements, it has been based on usage as more fully described in the remaining Notes to Schedule B included below.

(3) Salaries, Wages, Payroll Taxes & Benefits

The budgeted amount includes base wages, worker's compensation, disability insurance, payroll taxes for six (6) personnel as follows: one (1) Full-Time Superintendent, four (4) Full-Time Doormen (24 hours per day, 7 days per week, on shift rotations), and one (1) Full-Time Porter (8 hours per day, 5 days per week). The projected level of staffing for the Building complies with all applicable housing and labor laws. It is anticipated that each employee will work 40 hours per week from Monday through Sunday and not be a union member. The Condominium will not cover health insurance or vacation time, but will cover sick leave as required by law.

Purchasers are advised that there will be no resident manager living at the Building. Notwithstanding the Building will comply with all Legal Requirements with respect thereto by providing for a full-time Superintendent to service the Building on a twenty-four-hour-a-day basis. See Special Risk No. 35 for further details.

Employers with five (5) or more employees who work more than 80 hours per calendar year must provide paid sick leave. This potential additional cost is accounted for in the Contingency line item to Schedule B.

The Department of Sanitation schedule designates refuse pick-up on Tuesday, Thursday and Saturday mornings. The full-time Porter must work on those days and will have Wednesdays and Sundays off every week.

Rates	**4 Doormen (All)**	**Super**	**Porter**
Hourly	$16/Hr	$24/Hr	$19/Hr
Weekly	$2,688 (@168 Hrs/Wk)	$962(@40 Hrs/Wk)	$769 (@40 Hrs/Wk)
Annual @ 52 Wks/Yr	$139,776	$50,000	$40,000

Total Labor = $229,776

Benefits	**4 Doormen/Porters (All)**	**Super**	**Porter**
FICA @ 7.65% of Base Wages	$10,693	$3,825	$3,060
Worker's Compensation & Disability @ 6% of Base Wages	$8,387	$3,000	$2,400
UI @ 6% Base Wages	$8,387	$3,000	$2,400
NYS UI @ 3.4%	$4,752	$1,700	$1,360
Totals	$32,219	$11,525	$9,220

Total Benefits = $52,964

TOTAL WAGES, TAXES & BENEFITS = $282,740

(4) Gas, Heat and Hot Water

The gas and heat and hot water consumption for the First Year of Condominium Operation for the Common Elements is based upon the Utility and Energy Use estimates provided by Plus Group Consulting Engineering PLLC. Heat and hot water will be separately metered to the Residential Units and the Retail Unit and Gas will be separately metered to the Residential Units. As such, Unit Owners will pay these charges directly and they will not be a cost of the Condominium. There is no gas service for the Retail Unit.

The estimated cost for natural gas consumption is based on current rate of $1.65 per therm.

Use Description	**Consumption (Therms)**	**Cost $/yr**
Domestic Hot Water	7,682	$ 13,309
Rooftop Units	2,520	$ 4,366
Cooking	5,425	$ 9,399
Clothes Dryer	930	$ 1,611
Hot Tub & Spa Heating	424	$ 734
Totals	16,981	$ 29,419

(5) Electricity

The electricity consumption for the First Year of Condominium Operation for the Common Elements is based upon estimates provided by Plus Group Consulting Engineering PLLC. The estimated cost of electricity consumption is based on current flat residential average of $0.23 per KWH (Con Edison Rates SC 9-1) for an annual cost of $104,674. This estimate includes costs for the common ventilation and air conditioning, lighting, passenger elevators, spa ventilation and dehumidification (for the hot tub and spa area) and equipment. The total cost of electricity charges is $104,674.

The Residential Unit Owners will be separately metered for electric usage and are responsible for such charges.

Below are estimates for common electric consumption provided by Plus Ground Consulting Engineering PLLC:

Description	**Consumption (kWhr /yr)**	**Cost $/yr**
Common Area • Ventilation and Air-Conditioning • Lighting • Passenger Elevators	296,710	$71,656
Hot Tub & Spa Area • Ventilation and Dehumidification • Equipment • Lighting	136,722	$33,018
Totals	433,432	$104,674

(6) Water & Sewer

The Building will have a main water meter to measure actual water usage. Based upon a letter, dated April 18, 2016 from Plus Group Consulting Engineering PLLC, water and sewer charges are based on current combined rate of $9.87 per 100 cubic feet. The total cost of water and sewer charges is $42,189.

Water and Sewer charges will be sub-metered from the main meter for the Retail Unit.

Description	Consumption Cu.ft/yr	Cost $/yr
Use of water and sewage for common areas (include recreation room, lobby area, cellar) at 0.05 gals/sq.ft./ day	23,288	$ 2,413
Total water and sewer charges for the apartment units • 1 bedroom apartment 180 gals/day • 2 bedroom apartment 235 gals/day • 3 bedroom apartment 290 gals/day • 4 bedroom apartment 345 gals/day	348,482	$ 36,107
Use of water and sewage for hot tube & spa	35,402	$ 1,012
Totals	407,172	$ 39,532

(7) Repairs & Maintenance

The budgeted figure for this item includes the cost or normal maintenance and repairs to the Common Elements of the Building which are the responsibility of the Condominium . This estimate is based upon expenses of Livingston Management Services, LLC, experienced in the management and operation of similar buildings. Each Unit Owner will be responsible for the cost of interior maintenance, repairs, decoration and painting of their respective Units, including the appliances, incremental heating/air-conditioning units and any Residential Limited Common Elements appurtenant to a Residential Unit. Anticipated repair and maintenance expenses have been allocated as follows:

	Total
General Maintenance & Repairs	$3,000
Boiler/Heating Repairs	$1,500
Doors, Locks & Windows	$1,500
Permits/Inspections	$1,000
Electrical	$1,000
Painting/Plastering	$5,000
Plumbing	$5,000
Total	**$18,000**

The cost for elevator repairs and maintenance represents items not covered by service contracts as set forth in Note 7.

Permits and Inspections include permits, inspections and back flow prevents.

(8) Service & Supplies

This budgeted amount includes the cost of cleaning equipment and miscellaneous supplies for Common Elements, as well as the anticipated cost of service contracts during the First Year of Condominium Operation.

It is projected that the Condominium will enter into maintenance agreements for the following services:

	Total
Elevator Maintenance	$7,560
Exterminator	$2,400
HVAC (Service Contract)	$15,500
Intercom/Security	$2,500
Meter Readings	$400
Sprinkler System/Fire Protective Alarm System	$5,000
Supplies	$15,000
Pools, Sauna & Spa	$15,000
Total Service & Supplies	**$63,340**

The full time superintendent will be responsible for the cleaning and maintenance of the General Common Elements.

(9) Insurance

Based upon the proposal by The Trayner Group LTD., having an office at 66 Bowman Avenue, Rye Brook, NY 10573, the following insurance coverage will be obtained for the Building for the First Year of Condominium Operation based on a fire resistive sprinkled building with 31 Residential Units and 1 Retail Unit:

COVERAGES:	
Building	$23,000,000
Replacement Cost/Agreed Amount	Included
Co-Insurance	Waived
Deductible	$10,000
Maintenance Fee (increased cost due to compliance)	$500,000
Earthquake/Flood ($25,000 deductible)	$1,000,000

LIABILITY:	
General Aggregate	$2,000,000
Each Occurrence	$1,000,000
Personal & Advertising Injury	$
Equipment Breakdown	$1,200
Fire & Casualty	$29,000
General Liability	$6,000
Water Damage Deductible	$3,000/claim
Identity Theft	INCLUDED
Directors and Officers	$2,300
Umbrella	$2,900
Boiler & Machinery	Building Limit

The Annual Estimated Premium is $46,970

The annual premium for the above mentioned insurance portfolio is estimated to be $46,970 which includes a 10% inflation factor.

The insurance costs are for the entire Condominium and will be allocated to the Residential Units and Retail Unit based upon each Unit's respective Percentage of Common Interest.

Coverages are subject to the terms and Conditions set forth by the insurance company. The insurance market is extremely volatile and rates can change substantially. The above preliminary quote can be significantly higher or lower depending on market conditions at the time of the First Closing.

The above insurance will meet the requirements of any mortgage lender procured by Sponsor. Sponsor's Insurance Expert anticipates that $23,000,000 is sufficient to cover the full building replacement value. The fire, casualty and general liability insurance will be provided on the following terms: (i) each Unit Owner is an additional insured; (ii) there will be no cancellation without notice to the Board of Managers; (iii) a waiver of subrogation; (iv) a waiver of invalidity because of the acts of the insured and Unit Owners; (v) and a waiver of pro-rate reduction if Unit Owners obtain additional coverage.

Each individual Unit Owner will be required to obtain additional insurance at its own cost for the following coverage, which is not included in the above:

1. Fire or casualty losses to the contents of a Unit including replacements, additions, upgraded fixtures and improvements therein; and
2.
3. Liability for personal injury or property damage as a result of occurrences in a Unit, including water damage legal liability to cover damage arising from leaks or other conditions within the limit.

(10) Management Fee

At or prior to the first closing, the Condominium will enter into a management agreement with Livingston Management Services, LLC having an office address at 225 West 35th Street, 15th Floor, New York, NY 10001. The agreement will be for an initial term of one (1) year. Thereafter, the agreement will be automatically renewed from year to year, but may be cancelled by either party without cause, upon not less than sixty (60) days prior written notice by the Board and not less than ninety (90) days prior written notice by the Managing Agent. The Managing Agent is not affiliated with the Sponsor.

The Managing Agent will receive an annual fee of $30,000 payable in equal monthly installment of $2,500. The Managing Agent‘s fee for the First Year of Condominium Operation is comparable to the "going rate" for similar services in comparable buildings.

See the section of the Plan entitled "Agreements Binding on the Condominium" for further details.

(11) Legal, Accounting & Audits

The Condominium will engage a law firm to act as the attorney for the Condominium. The estimated cost for these services for the Condominium's First Year of Operation is $20,000.

It is anticipated that the Condominium will engage Weiser Mazars LLP, Certified Public Accountants, having offices at 60 Crossways Park Drive West, Suite 301, Woodbury, NY 11797 to provide auditing, tax return preparation and financial statement preparation services for the Condominium.

(12) Administration

The budgeted amount includes anticipated expenses for telephone, postage, printing, miscellaneous office supplies, payroll processing costs, cable, permits and fees and corporate taxes.

Internet & Phone	$1,200
Static IP (2)	$250
Miscellaneous Office Supplies	$500
Payroll Processing Costs	$4,000
Printing	$500
Postage	$500
Permits, Fees & Corporate Taxes	$600

(13) Operating Reserve

Based on a Reserve Fund study conducted on April 26, 2016 by Strategic Inspections, with an office at 777 Westchester Avenue, Suite 101, White Plains, New York 10604, a Reserve Fund will be provided in the amount of $35,733 for the First Year of Condominium Operation. For the First Year of Condominium Operation, the Reserve Fund will be funded by Sponsor at or prior to the First Closing.

(14) Contingency

This item is included in the budget to provide funds for unforeseen increases in Residential Common Expenses and General Common Expenses before or after the First Closing or to cover expenses not included in this budget. This sum is exclusive of other capital funds available to the Condominium, as set forth in the Plan.

(15) Total Projected Expenses

The projections set forth in this budget assume that the first year of Condominium operation will cover the period from September 1, 2017 through August 31, 2018.

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F. SCHEDULE C

Projected Annual Electricity Cost

By letter dated April 18, 2016, PLUS Group Consulting Engineering PLLC, provided the following estimate of annual electric energy costs for lighting, typical electrical appliances and heating and air conditioning within each Residential Unit.

The projections were based upon current flat residential average rate of $0.23 per KWH. For 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.

Apartment	Average Sq. Ft	Average Annual KWH	Average Annual Cost
Unit 2-5A	1,238	18,282	$ 4,415
Unit 6A	1,010	17,230	$ 4,161
Unit 7A	1,279	18,519	$ 4,472
Unit 2-6B	581	15,714	$ 3,795
Unit 2-7C	1,514	20,237	$ 4,887
Unit 2-7D	1,085	17,052	$ 4,118
Unit 3-7E	484	15,081	$ 3,642
PH 8A	1,984	23,269	$ 5,620
PH 8B	2,773	28,474	$ 6,876
PH 10A	2,881	28,151	$ 6,798

G. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i)

Livingston
Management Services

225 West 35th St, 15th Floor
New York, NY 10001
Phone: 646-214-0333 Fax: 212-810-4162

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i)

August 3, 2016

24 Second Avenue Owner LLC
c/o AORE Holdings, LLC
49 Bleecker Street, Suite 301
New York, New York 10012

Re: 32 East 1st Street Condominium (the "Condominium")
32 East 1st Street, New York, New York

To Whom It May Concern:

Livingston Management Services, LLC is a licensed real estate management firm and has been engaged in the management of over 50 condominium, cooperative and residential rental properties over the past 8 years.

The undersigned has reviewed the allocation of common interests as shown on the Schedule A to be included in the Offering Plan for the subject condominium.

The common interests among the Units have been allocated based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use and the overall dimensions of the particular Unit, in accordance with Section 339-i(1)(iv) of the New York State Real Property Law. This allocation utilizes measurements and calculations made by RSVP Architecture Studio PLLC.

Very truly yours,

Livingston Management Services, LLC

By: _____
Name: Joel N. Krieger
Title: Managing Agent

H. CHANGES IN PRICES AND UNITS: RESIDENTIAL UNITS AND RETAIL UNIT

The purchase prices set forth in Schedule A and other terms of payment (but not other terms of sale) with respect to a particular Unit are negotiable and may be changed by Sponsor at any time and from time to time, both before and after the recording of the Declaration, without prior notice and without the consent of the Board, any Unit Owner or mortgagee. However, no such change with respect to any Unit (as against the applicable Purchaser) for which an Agreement is then in effect may be made without the consent of the Purchaser thereunder, and no Agreement will be modified to waive any of the Purchaser's rights or abrogating any of Sponsor's obligations, under this Plan or Article 23-A of the New York General Business Law.

The Plan will be amended to disclose: (a) any increase (but not any decrease) in the purchase price of an offered Unit; (b) any changes in either purchase prices (whether increases or decreases) or other financial terms of sale that are across-the-board changes affecting one (1) or more lines or types of Units; or (c) any changes in either purchase prices or other financial terms of sale that are to be advertised. Other than the changes described in (a) through (c) above, purchase prices and other terms of sale of one or more Units which are not subject to executed Agreements may be changed without either notice or amendment of the Plan.

If Sponsor changes the purchase price of a Unit, the Purchaser affected thereby may pay more or less than other Purchasers under the Plan for similar Units, but this will not affect any prior or subsequent sales, nor will the Common Interest of any Unit be altered as a result of a price change for such Unit.

In order to meet the possible varying demand for number and type of different Units, or to meet particular requirements of prospective Purchasers, or for any other reason, Sponsor and its designees reserve the right (except to the extent prohibited by applicable Legal Requirements) at any time and from time to time, before and after the recording of the Declaration, without prior notice and without the consent of the Board, any Unit Owner or mortgagee, to: (i) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon any Unsold Unit; (ii) change the layout of, or number of rooms in, any Unsold Unit; (iii) change the size and/or number of Unsold Units by subdividing one or more such Units into two or more separate Units, combining separate Unsold Units (including those resulting from a subdivision or combination or otherwise) into one or more Units, altering any boundary walls between any Unsold Units, and/or incorporating within any Unsold Unit the use of any portion of the Common Elements adjacent thereto (but only to the extent that such Common Elements are not required to be maintained as Common Elements based upon such alterations); (iv) if appropriate, reapportion among the Unsold Units affected by such change, their Common Interests, provided, however, that after the recording of the Declaration, no change in any Unit's Common Interest will be made without obtaining the prior consent of all Unit Owners affected by such change; (v) change the permitted use of some or all of the Unsold Units; (vi) increase the number of Units contained within the Building; and (vii) reclassify a Common Element as a Unit and vice versa. Sponsor also reserves the right to convert all or any portion of the Retail to Unsold Residential Units and vice versa. Any such change described in subsections (ii) through (vii) in the immediately preceding paragraph and additionally any material adverse change in the size or quality of any of the Common Elements shall be disclosed by Sponsor in a duly filed amendment to the Plan and,

when applicable, to the Declaration. In the event of any such change after the Declaration is recorded, the Declaration and Floor Plans shall each be amended and such amendments duly recorded and disclosed in a duly filed amendment to the Plan. As more particularly provided in the Declaration, Sponsor or its designee will have the right to (or to cause the Board to) so amend the Declaration and Floor Plans, to the extent required, in order to reflect any such change affecting Unsold Units. None of the foregoing changes will be made if the same would materially and adversely affect any Unit for which an Agreement has been countersigned by Sponsor and returned to Purchaser unless: (a) the applicable Purchaser consents or is in default; (b) such change has been dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc.) and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's reasonable control, and where no practicable alternative (in the exercise of sound construction management practices) exists, and in such event, Sponsor will, in the amendment disclosing such material adverse change, offer the affected Purchaser(s) the right for at least fifteen (15) days to rescind their Agreement(s) and receive a refund of their Deposit(s), together with all interest earned thereon, and the Purchaser elects not to exercise such right of rescission. Notwithstanding the foregoing, so long as the layout and dimensions of a Unit conform substantially to the Plans and Specifications, a Purchaser will not be excused from purchasing such Unit by reason of such minor, non-material deviation or change and will not have any claim against Sponsor as a result thereof.

Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to a credit, offset or reduction in the purchase price for his or her Unit or otherwise be relieved of any obligations under the Agreement, by virtue of a minor inaccuracy or error in the Floor Plans. With regard to size, note that there is a rebuttable presumption that a reduction in Unit size of or less is not material.

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I. INTERIM LEASES

Sponsor will endeavor in good faith to sell, but nevertheless reserves the unconditional right, prior to the date of closing title to a Unit, to rent or lease, rather than sell, such Unit to Purchasers and others. As a result, a Purchaser of a Unit may be acquiring a Unit that has been previously occupied, but, unless otherwise specifically agreed to in writing by Sponsor and such Purchaser, such Unit will be delivered at the closing vacant and free and clear of all leases, tenancies and rights of occupancy. However, once an Agreement for a Unit is fully executed and for so long as the Agreement is in effect, such Unit may only be leased to its Purchaser. No Purchaser shall have the right to occupy or use any Unit prior to the closing unless Sponsor agrees to permit such occupancy under an interim lease or other written rental agreement.

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

If Sponsor agrees to lease a vacant Unit, the lease will be for a rent and upon such other terms and conditions as may be agreed upon by Sponsor and the tenant; provided, however, that in the case of an interim lease to a Purchaser, such lease will provide that an uncured default by the Purchaser under the Agreement (that is, a default not cured within thirty (30) days after the sending of written notice thereof) will constitute a default under the lease entitling the landlord (i.e., Sponsor), at its sole option, to immediately terminate such lease, whereupon the lessee must vacate the Unit within ten (10) days thereafter. The Agreement will contain a similar provision entitling Sponsor to terminate the Agreement and retain the Deposit (and any interest thereon) as liquidated damages, and not as a penalty, in the event the Purchaser fails to cure a default under such Purchaser's lease, if any, within the applicable grace period (if any) and either: (a) Sponsor has obtained an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser or (b) the Purchaser has vacated the Unit.

No portion of the rental paid under any lease will be credited towards the purchase price of a Unit unless the lease and the Agreement therefor expressly so provide.

In the event of any amendment to the Plan that discloses a material adverse change to the Plan and offers the Purchaser a right to rescind, if a Purchaser who is a tenant under an interim lease duly elects to rescind, Purchaser's Deposit hereunder will be returned subject to the terms of the Plan and the interim lease made with such Purchaser shall be cancelled and possession of the Unit must be surrendered within thirty (30) days thereafter free of all occupants and in broom clean condition. A Purchaser shall be liable to Sponsor for any and all damages, costs and expenses incurred by Sponsor by reason of any failure to vacate within said thirty (30) day period or of damage caused by Purchaser to the Unit. If such failure to timely vacate occurs prior to the First Closing, the Purchaser shall be liable for use and occupancy in an amount equal to twice the rent under the interim lease. If such failure to timely vacate occurs after the First Closing, the Purchaser shall be liable for twice the costs of carrying the Unit (such as Common Charges, real estate taxes and the allocable portion, based on such Unit's Common Interest, of debt service on any loan covering the Unsold Units) as calculated by Sponsor or twice the rent under the interim lease, whichever is higher. In addition, irrespective

of when such failure to timely vacate occurs, such Purchaser shall be liable to Sponsor for loss of profit and all costs and expenses incurred by Sponsor to obtain possession of the Unit, including the cost of litigation and reasonable attorneys' fees and expenses.

In the event the Plan is abandoned, a Purchaser who has entered into an interim lease will have no right to remain in occupancy as a tenant after the abandonment of the Plan.

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J. PROCEDURE TO PURCHASE

1. Execution of Documents

Any party desiring to purchase a Unit will be required to execute four (4) original counterparts of an Agreement, in the form set forth as Exhibit 1 in Part II of the Plan, for each such Unit desired. The Agreement sets forth in detail the terms of sale with respect to the Units offered hereunder and should be read carefully by each prospective Purchaser. In the event of any conflict or ambiguity between the Plan and the Agreement, the provisions of the Plan shall control.

No signed Agreement will be accepted from a prospective Purchaser for three (3) business days following such Purchaser's receipt of a copy of the Plan, including all amendments thereto. For the convenience of some Purchasers, however, Sponsor will have the right, at its sole option, to accept an Agreement prior to the expiration of such period of three (3) business days; and in such event, and only in such instance, such Purchaser will have the right to rescind such Agreement by written notice sent to Sponsor by certified or registered mail, return receipt requested, or by personal delivery within seven (7) days of such Purchaser's submission of the Agreement, whereupon Sponsor will refund, without interest (notwithstanding any provision of this Plan regarding interest to the contrary), the Deposit received by Sponsor from such Purchaser in connection with such Agreement.

A Purchaser shall deliver to Selling Agent, together with the four (4) signed original counterparts of the completed Agreement, the following: three completed and signed copies of either Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), as applicable, in the form required by law (the forms currently required by law are reproduced as Exhibits 1A and 1B in Part II of this Plan); and a payment as set forth below.

Agreements will not be binding on Sponsor until approved and executed by Sponsor. Sponsor will have thirty (30) days after delivery by the Purchaser of an executed Agreement, together with the amounts and other items described above within which to accept or reject such Agreement. Sponsor reserves the right to request thorough identification and financial information concerning any prospective Purchaser, subject to any limitations and requirements imposed by law. Each Purchaser shall in all events be deemed to represent and warrant that the Deposit and all sums deposited by Purchaser pursuant to the Agreement are such Purchaser's own funds and that no other party has any right thereto. If an Agreement is not accepted by Sponsor within such thirty (30) day period, the Agreement shall be deemed to have been rejected and cancelled and all sums deposited by such prospective Purchaser in connection therewith shall be promptly returned, together with any accrued interest. Sponsor reserves the right to reject any prospective Purchaser without cause or explanation, provided that such rejection is not based on race, creed, color, age, gender, sexual orientation, disability, marital status, national origin, ancestry, or any other ground proscribed by law, and to refuse to execute an Agreement for any Unit, or an Agreement or Agreements, as the case may be, for more than one Unit to any one person or entity.

2. Deposits/Escrow

(a) General

As set forth above, a prospective Purchaser shall deliver to Selling Agent, together with the four (4) signed original counterparts of the completed Agreement, a payment (any of the following amounts, the "Initial Deposit") in an amount equal to: (a) ten percent (10%) of the purchase price; or (b) fifty percent (50%) of the purchase price if the Purchaser 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). A prospective Purchaser who, in accordance with the previous sentence, was only required to make an Initial Deposit equal to ten percent (10%) of the purchase price will be required to make, in addition to the Initial Deposit, an additional payment equal to five percent (5%) of the purchase price of such Purchaser's Unit (the "Additional Deposit") due and payable no later than the earlier to occur of: (a) four (4) months after the date of the Agreement; or (b) fifteen (15) days after Sponsor serves Purchaser with written notice of an amendment to the Offering Plan declaring the same effective, but in no event later than the closing of title to the Unit; provided however, that with respect to Purchase Agreements entered into after the Offering Plan has been declared effective, Sponsor reserves the right to require both the Initial Deposit and the Additional Deposit due and payable upon execution of the Agreement. The term "Deposit", as used in herein, refers to both the Initial Deposit and, if the same has been paid at the time in question, the Additional Deposit. All such payments shall be made by unendorsed check drawn only on a member bank of the New York Clearing House Association made payable to "Kramer Levin Naftalis & Frankel LLP, as escrow agent." All such checks shall be subject to collection and if any such check is returned for insufficient funds or for any other reason, Sponsor shall have the right, among other things, to deem such Agreement to be cancelled and of no further force or effect, and to retain any Deposit and other amounts previously deposited. At Sponsor's option, Sponsor may require that the Deposit and the Balance be made by Purchaser by wire transfer to an account designated by Sponsor provided that the Deposit must, at all times, be made into a segregated escrow account subject to the terms hereof.

With respect to any check or other instrument that is dishonored or fails on collection, the Escrow Agent is authorized to deliver to Sponsor the dishonored or uncollected instrument and Sponsor will have the choice of remedies set forth in the Plan and in the Agreement with respect to an Event of Default (which includes suing on such dishonored or uncollected instrument or (at Sponsor's option) canceling the Agreement and returning the instrument to Purchaser without affording Purchaser a grace period to cure such default). Notwithstanding the foregoing, Purchasers are advised that, in the event any check or other instrument with respect to the Initial Deposit is dishonored or fails on collection, and Purchaser cures within any afforded grace period, Purchaser shall not be afforded a grace period with respect to payment of the Additional Deposit.

All Deposits, down payments, or advance made by Purchasers prior to closing of each individual transaction shall be held pursuant to a written agreement entered into between Sponsor, the Purchaser and the Escrow Agent (as hereinafter defined). Sponsor will comply with the escrow and trust fund requirements of New York General Business Law Sections 352-e(2-b), 352-h, NYCRR Title 13, Part 20 and the provisions of Lien Law Section 71-a(3) and all funds

paid by Purchasers shall be handled in accordance with these statutes and regulations, as applicable.

(b) The Escrow Agent

The law firm of Kramer Levin Naftalis & Frankel LLP, with an address at 1177 Avenue of the Americas, New York, New York 10022, telephone number 212-715-9100, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Jonathan H. Canter, Jay A. Neveloff, Neil R. Tucker, James P. Godman and Tzvi Rokeach. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

(c) The Escrow Account

The Escrow Agent has established the escrow account at Citibank, located at 153 East 53rd Street, 23rd Floor, New York, New York 10022 ("Bank"), a bank authorized to do business in the State of New York. Each escrow account is entitled "32 East 1st Street Escrow Account" or similar name (each the "Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit (the FDIC limit in effect as of the filing date hereof). Any deposit in excess of $250,000 (or the FDIC limit in effect from time to time) will not be insured.

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

The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts, which is fixed by the Bank (as defined above) and which will vary from time to time. As of May 3, 2016, such rate was 0.1%. The actual initial interest rate for the Escrow Account with respect to any particular Purchaser's Deposit shall be set forth in the notice to be sent to Purchaser (as described below). As noted, the interest rate on such accounts will fluctuate and neither Sponsor nor Escrow Agent makes any representation regarding the rates that will be in effect from time to time or the actual rate of interest on, or the interest that may accrue for any particular account or for any particular Purchaser, from time to time. Interest, if any, shall begin to accrue upon placing the Deposit into the Escrow Account, however, no interest will be earned until the Deposit check is deposited with and collected by the Bank and provided that the Purchaser has delivered the required number of completed and signed Form W-9 (Request for Taxpayer Identification Number) in the form reproduced as Exhibit 1A in Part II of the Plan or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding) in the form reproduced as Exhibit 1B in Part II of the Plan, as applicable, to Sponsor or Selling Agent at the time Purchaser tenders the Deposit and the Agreement. If a Purchaser does not deliver the Form W-9 or Form W-8BEN, as applicable, the Deposit will be deposited in a non-interest-bearing escrow account at the aforesaid bank until the Form W-9 or Form W-8BEN has been delivered, and neither Sponsor, Selling Agent, the Escrow Agent nor the Bank shall be liable for interest for the period prior to the delivery of such form. Interest will not be earned after a withdrawal is made from the Escrow Account in anticipation of

the closing. All interest earned on a Purchaser's Deposit shall be paid to or credited to the Purchaser at closing unless Purchaser has defaulted and Sponsor is entitled to retain the Deposit. No fees of any kind may be deducted from the Escrow Account, and Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

(d) The Agreement

The Agreement is attached hereto as Exhibit 1 in Part II of the Plan. The relevant escrow trust fund provisions are included in a Rider to the Agreement, which must be executed by the Escrow Agent. Purchaser and Sponsor must also each execute such Rider which when fully executed shall constitute a tri-party agreement related to the Deposit.

(e) Notification to Purchaser

Within five (5) business days after the Agreement has been tendered (as defined below) to Escrow Agent along with the Deposit and countersigned by Sponsor, Escrow Agent shall sign the Agreement and place the Deposit into the Escrow Account. Within ten (10) business days of placing the Deposit into the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor. As used in this Section of the Plan, "tender" or "tendered" means the date delivered by hand or five (5) business days after being sent by mail or courier. If any Deposit check is received by Sponsor or Selling Agent, it will be delivered promptly to Escrow Agent in order that the notice confirming such Deposit may timely be sent to Purchaser.

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

(f) Release of Funds

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

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of an

amendment following the First Closing by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

The Escrow Agent shall release the Deposit if so directed:

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

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

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

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

Sponsor shall not object to the release of the Deposit to:

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

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

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

(g) Waiver Void

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

(h) Other

Sponsor or Escrow Agent will submit a Form 1099-INT to the Internal Revenue Service reporting interest earned on the Deposit, if any. Purchaser will be taxed accordingly on such interest, whether or not Purchaser ultimately receives the interest in accordance with the terms of its Agreement or the Plan. Before funds are transferred to a new Escrow Account, or if the Escrow Agent is replaced, the Plan must be amended to provide the same full disclosure with respect to the new account, the escrow agent and the applicable escrow agreement as was originally provided. A bond, letter of credit or other security may be substituted for the Escrow Account only after the Attorney General approves in writing the use of such alternate form of security.

Sponsor has agreed to indemnify and hold Escrow Agent harmless from any and all losses, damages, claims, liabilities, judgments and other costs and expenses which may be claimed against or incurred by Escrow Agent by reason of its acceptance of, and/or its performance under, the escrow agreement and/or Agreement (other than those ultimately determined to have arisen out of the willful misconduct or gross negligence of Escrow Agent), including, without limitation, reasonable attorneys' fees either paid to retained attorneys or amounts representing the fair value of legal services rendered to itself.

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

Purchasers are advised that Escrow Agent is also acting as counsel to Sponsor; and Escrow Agent shall be permitted to act as counsel to Sponsor in any dispute as to the disbursement of the Deposit or any other dispute between Sponsor and a Purchaser whether or not the Escrow Agent is in possession of the Deposit and continues to act as the Escrow Agent.

3. Date of the First Closing

In the event the actual or anticipated commencement date of the projected First Year of Condominium Operation is to be delayed by six (6) months or more, Sponsor will amend the Plan to include a revised budget with current projections therefor, and if: (i) such amended budget exceeds the projected budget set forth herein by twenty-five percent (25%) or more; or (ii) the First Closing does not occur within twelve (12) months after September 1, 2017, the date set forth in Schedule B – "Projected Budget for First Year of Condominium Operation" as the commencement date for the projected First Year of Condominium Operation, then in either case Sponsor will offer all Purchasers (other than Purchasers who are then in default under their Agreements, if the Plan has been declared effective) the right to rescind their Agreements within not less than fifteen (15) days after the presentation date of the amendment containing such revised budget or such twelve (12) month period, as the case may be, and any Purchasers electing rescission pursuant to such offer will have their Deposits and any interest accrued thereon returned. Purchasers' rights as described in the preceding sentence are in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of which shall be deemed to have been waived by all Purchasers.

4. Default

In the event that a Purchaser fails to close title on the date set for closing or otherwise fails to perform any other obligation under his or her Agreement, and such default is

not cured within thirty (30) days after Sponsor gives written notice to such Purchaser of the default, Sponsor, at its option, may cancel such Agreement and retain as liquidated damages the Deposit made by the Purchaser, together with all interest earned thereon, it being acknowledged and agreed by Sponsor and each Purchaser that it would be impractical and/or extremely difficult to fix or establish the actual damage sustained by Sponsor as a result of such a default by a prospective Purchaser, and that the Deposit (including all interest) shall constitute and be deemed to be the reasonable and agreed upon liquidated damages of Sponsor in respect of the possible loss of a timely closing, the possible fluctuation of values, additional carrying costs of the Unit and other expenses that may be incurred, including, without limitation, attorneys' fees, and shall be paid by Purchaser to Sponsor as Sponsor's sole and exclusive remedy. In such case, all rights, obligations and liabilities of Sponsor and the Purchaser to each other shall cease and terminate and Purchaser shall have no further liability to Sponsor in respect of the Agreement (except for those matters expressly specified therein or herein to survive the termination thereof); however, such Purchaser shall not have any right whatsoever to the return of all or any portion of its Deposit (or any interest thereon). The payment of the Deposit (including all interest) as liquidated damages is not intended to be a forfeiture or penalty, but is intended to constitute liquidated damages to Sponsor. For the avoidance of doubt, no statutory interest will accrue during any period of time during which there is a dispute over the Deposit being held in escrow. (See the subsection entitled "Deposits/Escrow" above within this Section of the Plan for further discussion.)

Purchasers are advised that notwithstanding the foregoing, nothing herein shall be deemed to grant Purchaser any right of rescission and/or right to the return of all or any portion of a Deposit except as expressly set forth in the Plan. In the event Sponsor elects not to cancel the Agreement as a result of the failure of the Purchaser to close on the date specified by Sponsor, or if Sponsor approves a request from the Purchaser to adjourn the closing date, then Sponsor may require that: (a) the Purchaser pay Sponsor interest at a rate of 0.04% per day (or such lower daily rate which is the legal limit, if 0.04% per day exceeds the legal limit) on the total purchase price, computed from the original closing date until the transaction is actually closed; and (b) all apportionments between Sponsor and the Purchaser be made as of the original closing date; in addition, the Purchaser shall reimburse Sponsor for any additional costs incurred by Sponsor as a result of the Purchaser's delay.

TIME IS OF THE ESSENCE with respect to the Purchaser's obligation to close title on the date set for closing and to pay, perform or observe all of his or her other obligations under the Agreement, and to cure a default within thirty (30) days after Sponsor gives notice to the Purchaser of such default. Therefore, a Purchaser who defaults under his or her Agreement and who does not cure such default within such thirty (30) day period may not be permitted any additional time to cure such default.

As provided in the form of Agreement, which is set forth as Exhibit 1 in Part II of the Plan, the following occurrences, without limitation of any other term or provision thereof or of the Plan, shall constitute an event of default under a Purchaser's Agreement: (a) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; (b) the appointment of a non-bankruptcy trustee or receiver over Purchaser or Purchaser's property, or the filing of an involuntary petition in bankruptcy against Purchaser; or (c) the filing of a judgment or tax lien against Purchaser which Purchaser does not pay or bond within thirty (30) days after the filing thereof.

5. Risk of Loss

The risk of loss to any Unit by fire or other casualty until the closing of title to such Unit (or an earlier taking of possession by the Purchaser) is assumed by Sponsor, but Sponsor has no obligation or liability to repair or restore any Unit. If a Unit is damaged or destroyed by fire or other casualty prior to the closing of title, but after the signing of an Agreement, and Sponsor gives written notice to the Purchaser of Sponsor's election to repair or restore the Unit, then the Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the purchase price. Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights, if any, of the Board, and other Unit Owners, belong entirely to Sponsor.

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

6. Financing

Although a Purchaser may obtain financing from any lending institution or any other source, the Purchaser's obligation pursuant to an Agreement to purchase a Unit shall not be contingent on the Purchaser obtaining a commitment for financing or actually obtaining financing for such purchase. In other words, a Purchaser shall remain obligated under an Agreement to purchase his or her Unit whether or not he or she is able to obtain financing. Neither Sponsor nor Selling Agent makes any representations as to the terms or availability of any mortgage financing. Prospective Purchasers are, therefore, advised to finalize their financing arrangements before signing an Agreement. However, prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be limited, and it could expire before the closing date, and Sponsor shall have no liability as a result of any scheduling or adjournment of closing beyond the expiration of a loan commitment.

7. Transfer (and Mansion) Taxes

As described more fully in the Section entitled "Terms of Sale" in Part I below, Purchasers shall be obligated (as is customary in condominium offerings) to pay at the closing of title to their Unit(s) the New York City Real Property Transfer Tax ("NYC RPTT") and New York State Real Estate Transfer Tax ("NYS RETT", and together with NYC RPTT, collectively "transfer taxes"), notwithstanding the fact that these taxes are by law the primary obligation of the seller. For purposes of calculating the transfer taxes payable, the amounts of such taxes will be included in the consideration subject to such tax. Currently (as of the date of the filing of this

Plan), for the purchase of a single Residential Unit, the NYC RPTT is one percent (1%) of the consideration paid for a Unit if such consideration is $500,000 or less and 1.425% of the consideration if such consideration is more than $500,000; and the NYS RETT is currently $2 for each $500 (or fractional part thereof) of the consideration paid for a Residential Unit. Purchasers shall also be obligated to pay the New York State Additional Tax pursuant to Article 31 of the New York State Tax Law, commonly referred to as the "Mansion Tax," currently one percent (1%) of the total consideration paid when such consideration is $1,000,000 or more, which tax by law is the primary obligation of the Purchaser (and thus, not includable in the consideration subject to such tax).

In addition to transfer taxes and the Mansion Tax, Purchasers shall also be obligated to pay at closing any tax on the transfer of a Residential Unit enacted after the date of this Plan (any such tax, an "Additional Tax"), regardless of whether such Additional Tax is by law the primary obligation of the seller or Purchaser. For example (and without limitation), if New York City were to impose a modified version of the Mansion Tax or other supplemental tax on the sale of residential condominium units exceeding a certain purchase price, such a tax will be payable by Purchasers. Sponsor will amend the Plan to disclose the enactment of any Additional Tax; provided, however, that Purchasers shall be required to pay such Additional Tax at closing regardless of whether the Plan amendment disclosing the same has been accepted for filing by the date of such closing. The enactment of an Additional Tax and any amendment of the Plan to provide for the inclusion thereof shall not give rise to any right of rescission or recourse of any kind.

The purchase price, together with transfer taxes and any other consideration or amounts payable by Purchasers which are the obligation of Sponsor, will be added together by the New York State Department of Taxation and Finance and the New York City Department of Finance (collectively, the "taxing authorities") to arrive at the total consideration for transfer tax and Mansion Tax purposes. However, Sponsor makes no representation regarding the calculation of such taxes or of the "consideration" upon which the taxing authorities may base such taxes and shall have no liability with respect thereto. Purchasers should consult with their own counsel and/or tax advisors.

Under the New York City Department of Finance's current policies, where a Purchaser purchases two or more Residential Units that have not been physically combined into a single residence before the transfer (a "bulk sale"), the NYC RPTT will be imposed at higher non-residential rates, i.e., where the consideration paid for a Unit is $500,000 or less, the rate will be 1.425%, and where the consideration exceeds $500,000, the rate will be 2.625%. This may be the case even if the Residential Units are transferred to the Purchaser pursuant to separate sales contracts with separate closing dates. Thus, in connection with a bulk sale or otherwise, it is possible that a Purchaser could be required to pay these higher non-residential rates for purposes of the NYC RPTT and also pay the Mansion Tax. Sponsor makes no representation as to which transfer tax rates will apply at the time of closing of a particular Residential Unit.

8. Foreign Missions; Required Notification and Waiver of Diplomatic or Sovereign Immunity

Any Purchaser that is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. 4305, must notify the United States Department of State prior to

purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor will not be bound under any Agreement with a foreign mission unless and until the earlier to occur of: (i) receipt of a notification of approval from the Department of State; or (ii) sixty (60) days after receipt of such Purchaser's notice by the Department of State.

Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) shall expressly and voluntarily waive such immunity and consent to any suit action or proceeding arising out of or relating to the Agreement being brought in any state or Federal court in the State of New York. Any such Purchaser shall designate C.T. Corporation System, having its offices, at the date hereof, at 111 Eighth Avenue, 13th Floor, New York, New York 10011 as its duly authorized and lawful agent to receive process for and on behalf of Purchaser in any state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Agreement.

9. Notice of Effectiveness

After the Plan has been declared effective, Sponsor will from time to time set the date for closing for all Units as to which Agreements have been executed by serving thirty (30) days written notice to said Purchaser(s) of said closing. Sponsor, in its sole discretion, may permit Purchasers to waive said thirty (30) day notice.

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K. ASSIGNMENT OF AGREEMENTS

An Agreement may not be assigned by the Purchaser thereunder. If a Purchaser desires to assign its rights under an Agreement or to take title in the name of an affiliate of, or entity related to, or controlled by, the Purchaser that differs from the name on the Agreement, or to add, delete or substitute the name of a member of the Purchaser's family, then, if such assignment, alteration, addition, deletion or substitution is permitted by Sponsor (in Sponsor's sole discretion), the Purchaser will be required to deliver to Selling Agent or Sponsor's Counsel, four (4) signed assignments of the Agreement (to be prepared by Sponsor's Counsel at Purchaser's expense and in form and content acceptable to Sponsor, in its sole discretion), as well as three (3) completed and signed copies of either Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), or other appropriate Form W-8, as applicable, in the form required by law. Upon each assignment or other change permitted by Sponsor (in its sole discretion), the assignments and Forms W-9 Forms W-8BEN, or other appropriate Form W-8, as applicable, must be delivered to the Selling Agent or Sponsor's Counsel, together with a personal certified check, or an official bank or cashier's check, in the amount of $1,500 made payable to "Kramer Levin Naftalis & Frankel LLP" (for services rendered in connection with the assignment), not less than twenty (20) days prior to the date scheduled for the Purchaser's closing. In no event will the Purchaser (or its assignee or any added or substituted party) have the right to adjourn or postpone the closing as a result of such change or assignment. Sponsor is not obligated to consent to any such change or assignment and, if Sponsor refuses to consent, the Purchaser will not be excused from his or her obligations under the Agreement; and the prohibition against advertising or listing such Unit(s) for sale or resale with any broker or otherwise advertising, promoting or publicizing the availability of such Unit(s) for sale prior to closing shall remain in effect.

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

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L. EFFECTIVE DATE

The offering by Sponsor of the Units offered hereunder is contingent upon the Plan being declared effective and upon compliance with the relevant conditions and time periods set forth in the Plan.

The Plan may be declared effective, at Sponsor's option, when bona fide Agreements (including those executed by investors) have been executed and are in effect with respect to not less than five (5) Units, representing fifteen percent (15%) of the Units offered hereby. The Plan must, however, be declared effective when bona fide Agreements have been executed and are in effect with respect to at least twenty-five (25) Units representing eighty percent (80%) or more of such Units.

The Plan will not be declared effective based on an Agreement: (i) signed by a Purchaser who has been granted a right of rescission that has not yet expired or been waived; (ii)subject to the immediately preceding clause "(i)", signed by a Purchaser not afforded the three (3) business day period to review the Plan (prior to executing an Agreement) provided for in the Section entitled "Procedure to Purchase" above in Part I of the Plan; or (iii) entered into with a Purchaser who is Sponsor, Selling Agent or the Managing Agent, or who is a principal of any of the foregoing or who is related to any of the foregoing or any principal thereof by blood, marriage or adoption or as a business associate, employee, shareholder or limited partner, except that such a Purchaser (other than Sponsor or a principal of Sponsor) may be included if Sponsor submits proof satisfactory to the Department of Law establishing that such Purchaser is bona fide. Except as otherwise limited by this Section of the Plan, all thirty-one (31) Units shall be counted toward declaring the Plan effective.

The Plan will be declared effective either by: (i) an amendment to the Plan; or (ii) mailing or delivering personally to each Offeree a written notice to such effect, in which event Sponsor will submit an amendment to the Plan to the Department of Law confirming that the Plan was declared effective on a specified date within five (5) days after such mailing or delivery. The First Closing will not occur until the Plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

The Plan may be withdrawn or abandoned by Sponsor, at its option, for any reason whatsoever at any time prior to its being declared effective. Once the Plan has been declared effective, it may not be abandoned or withdrawn, except that prior to the First Closing, the Plan may be abandoned at the option of Sponsor in the event of: (i) the existence of one or more defects in title (including violations of record or work orders of an insurance carrier) affecting any one or more Units and/or the Common Elements which cannot be cured, removed or complied with except through litigation or the expenditure of more than one-half of one percent (0.5%) of the total initial offering amount; (ii) substantial damage to or destruction of the Building (or any portion thereof) by fire or other casualty which cannot be cured or repaired for an amount which is less than one-half of one percent (0.5%) of the total initial offering amount; or (iii) a taking of all or a material portion of the Property by condemnation or eminent domain. In calculating the costs referred to in clauses (i) and (ii) above, any defects in title (including violations or work orders) that existed on the date the Units were initially offered for sale under the Plan, and were either known to Sponsor or were a matter of public record, and attorneys' fees, shall be excluded.

In the event of a withdrawal or abandonment of the Plan, Sponsor will promptly submit an amendment to the Department of Law to such effect, together with such forms as may be required by law. Purchasers will be notified in writing of a withdrawal or abandonment of the Plan. All Deposits, together with any interest earned thereon, will be returned to Purchasers within twenty (20) days following such withdrawal or abandonment, except that after the Plan has been declared effective, Sponsor may retain the Deposit, together with interest earned thereon, of any Purchaser who is then in default under his or her Agreement beyond the applicable grace period or whose Agreement has been cancelled due to such Purchaser's default, provided, however, that any requisite notice has been given to the Purchaser. Upon the return or retention of the Deposit, together with interest earned thereon, the Agreement pursuant to which such Deposit was given will be null and void and Sponsor will have no further obligation or liability to the Purchaser under the Plan or such Agreement.

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M. TERMS OF SALE

1. Prerequisites to Closing of Title

The terms "closing" or "closing of title" as used in this Plan refer to Sponsor's conveyance of title to a Unit to a Purchaser by the delivery of a deed, upon payment by the Purchaser to Sponsor of the balance of the purchase price for such Unit. The closing of title to each Unit shall take place only after or concurrently with the satisfaction of the following prerequisites:

(a) the Plan has been declared effective in accordance with its terms and the amendment to the Plan disclosing same has been accepted;

(b) a temporary or permanent certificate of occupancy for the Unit is in effect;

(c) the Declaration, By-Laws, Floor Plans and such other documents as may be required by law have been filed or recorded in the New York County office of the Register of The City of New York in accordance with the New York Condominium Act or applicable state and local law, as the case may be, or have been submitted to Sponsor's title insurance company for filing or recording;

(d) at least thirty (30) days' prior written notice of the initial time and place of the closing of title has been given to the Purchaser (unless a Purchaser chooses to waive such thirty (30) day notice);

(e) the Purchaser or Purchaser's designee has been given an opportunity to examine the Unit within the week prior to the closing; and

(f) the Unit and its appurtenant interest in the Common Elements have been released from the lien of all mortgages encumbering the Property.

2. Closing of Title; Payment of Balance of Purchase Price

At the closing of title to each Unit, Sponsor shall execute and deliver to the Purchaser a bargain and sale deed with covenant against grantor's acts, substantially in the form of the Unit Deed set forth as Exhibit 3 in Part II of the Plan, conveying title to the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances. The Purchaser shall also sign the Unit Deed.

Simultaneously with the delivery of the Unit Deed, the Purchaser shall pay the balance of the purchase price and the closing apportionments and costs described in the Section entitled "Unit Closing Costs and Adjustments". Payments shall be by official bank or cashier's check or unendorsed certified check drawn on or issued by a bank or trust company which is a member of the New York Clearing House Association, payable to the direct order of Sponsor or to such other party or parties as Sponsor notifies the Purchaser prior to the closing. Purchasers are advised that uncertified attorney escrow checks and other non-conforming checks may not be accepted by Sponsor. Any delay in closing occasioned by the presentation of such checks shall be deemed to have been caused by Purchaser and may, at the option of Sponsor, constitute a default under the Agreement and/or give rise to additional costs or expenses to be borne by

Purchaser. At Sponsor's option, Sponsor may require that the balance and closing apportionments and costs described in "Unit Closing Costs and Adjustments" in Part I below be made by Purchaser by wire transfer to an account designated by Sponsor provided that the Deposit must, at all times, be made into a segregated escrow account subject to the terms hereof.

All personal property located within the Unit on the date of execution of the Purchase Agreement or located within the Common Elements on the date of filing or recording of the Declaration in the New York County office of the Register of The City of New York, owned by Sponsor, shall be included in the conveyance at the time thereof.

3. Tax Returns and Power of Attorney

Each Purchaser will also be required to execute and deliver at the closing: (i) a New York City Real Property Transfer Tax Return and New York State Real Estate Transfer Tax Return and Credit Line Mortgage Certificate, in the forms required to be filed by law; and (ii) a Unit Owner Power of Attorney substantially in the form set forth as Exhibit 2 in Part II of the Plan to the persons who shall from time to time constitute the Board, designating such Board as the Purchaser's attorney-in-fact, for the purpose of acquiring or leasing in the name of the Board or its designee on behalf of all Unit Owners any Unit and to otherwise deal with the Condominium and the Common Elements all in accordance with the provisions of the Declaration and the By-Laws; and after any such acquisition or leasing of any Unit, to manage, convey, sell, lease, sublease, mortgage or otherwise deal with any such Unit so acquired or leased, as the case may be, all in accordance with the provisions of the Declaration and By-Laws.

4. Tax-Deferred Exchanges

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

5. Risk of Loss

The risk of loss to any Purchaser's Unit by fire or other casualty until the closing of title to such Unit (or an earlier taking of possession by the Purchaser) is assumed by Sponsor, but Sponsor has no obligation or liability to repair or restore any such Unit. If a Unit is damaged or destroyed by fire or other casualty prior to the closing of title, but after the signing of a Purchase Agreement, and Sponsor gives written notice to Purchaser of Sponsor's election to repair or restore the Unit, then the Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the purchase price. Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance, or in satisfaction of any claim or action in connection with such loss shall, subject to the rights, if any, of the Board and other Unit Owners, belong entirely to Sponsor.

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

6. Sponsor's Loan

Sponsor has obtained a construction loan (the "Construction Loan") for the project from Bank of the Ozarks (hereinafter "Sponsor's Lender") in the aggregate amount of $50,465,000. The Loan has a maturity date of February 7, 2019. Payments are of interest and principal on a monthly basis based on the outstanding amount of said loan from time to time. Since Sponsor's Construction Loan will not be satisfied at or prior to the First Closing, Sponsor's Lender will either (i) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Units; or (ii) subordinate the lien of its mortgage to the Condominium Declaration and, at each applicable closing, after payment of the minimum release price set forth in the Sponsor's Construction Loan, release its lien on the Unit being conveyed and its interest in the Common Elements. There are no restrictions in Sponsor's Construction Loan on the number of Units which Sponsor may lease, rather than sell, or on the number of Units which Sponsor must sell in order to declare the plan effective.

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N. UNIT CLOSING COSTS AND ADJUSTMENTS

As more particularly set forth in the Agreement, in addition to the Purchaser's own legal fees, the Purchaser will pay the following closing costs at the time of the closing of title of such Purchaser's Unit:

1. Title Insurance: If the Purchaser elects to obtain fee title insurance, the Purchaser will pay the premium therefor, which premium will vary depending upon the amount of insurance purchased. Purchasers may obtain title insurance from the Title Company or, without incurring additional fees from Sponsor, from any other title company of Purchaser's choosing. As of the filing of this Plan, the rate for fee title insurance from the Title Company will be $342 for the first $35,000.00 of fee insurance plus $5.67 for each $1,000.00 of additional fee insurance up to $50,000.00. For additional rates for purchase prices under $1,000,000, please refer to the schedule below. Please note that these and any rates are subject to change from time to time.

FEE AMOUNT	PREMIUM
$35,000.00	$342
$50,000.00	$427
$100,000.00	$658
$500,000.00	$2,142

For additional rates for purchase prices over $1,000,000 please refer to the schedule below.

FEE AMOUNT	PREMIUM	
$35,000.00	$402	
$50,000.00	$502	
$100,000.00	$774	
$500,000.00	$2,518	
$1,000,000.00	$4,508	
$5,000,000.00	$19,148	
$10,000,000.00	$35,398	
$15,000,000.00	$50,748	per thousand up to purchase price

Purchasers are advised that Purchasers may be entitled to a seventy percent (70%) rate (bulk rate) on the fee owner's title insurance since the Condominium has ten (10) or more units.

As of the filing of this Plan, if Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance from the Title Company, the premium for the mortgage title insurance will be at a simultaneous rate.

LOAN AMOUNT	PREMIUM			
$35,000.00	$344	+.5.55	per thousand up to	$50,000.00
$50,000.00	$427	+4.54	per thousand up to	$100,000.00
$100,000.00	$654	+3.64	per thousand up to	$500,000.00
$500,000.00	$2,110	+3.31	per thousand up to	$1,000,000.00
$1,000,000.00	$3,765	+3.05	per thousand up to	$5,000,000.00
$5,000,000.00	$15,965	+2.71	per thousand up to	$10,000,000.00
$10,000,000.00	$29,515	+2.55	per thousand up to	$15,000,000.00
$15,000,000.00	$42,748	+2.31	and up per thousand up to amount of mortgage amount	

Sponsor makes no representation or warranty regarding the terms of any such insurance.

2. Recording Charges: The fees charged by the City Register's Office for recording the Unit Deed, Unit Owner Power of Attorney and mortgage (if any), in the amount of $42.00 for each document, plus $5.00 per page (including the cover page), shall be payable by Purchaser, plus the $125.00 filing fee, if any, for the RP-5217 form shall be payable by the Purchaser. In addition, a Purchaser's title insurance company may charge various fees and service charges in connection with such recordings and filings, which shall be payable by Purchaser.

3. Transfer Taxes and Mansion Tax: The New York City Real Property Transfer Tax ("NYC RPTT") is currently, for the purchase of a single Residential Unit, one percent (1%) of the consideration paid for a Residential Unit if such consideration is $500,000 or less and 1.425% of the consideration if such consideration is more than $500,000; and the New York State Real Estate Transfer Tax ("NYS RETT", and together with NYC RPTT, collectively "transfer taxes") is currently $2 for each $500 (or fractional part thereof) of the consideration. For purposes of calculating the transfer taxes payable, the amounts of such taxes that are the primary obligation of the seller but are paid by Purchaser will be included in the consideration subject to tax. Therefore, the steps to compute the taxes payable are:

(i) compute the tentative NYC RPTT by multiplying the original consideration (i.e., the purchase price together with any other consideration or amounts payable by Purchaser that are the obligation of Sponsor (other than transfer taxes)) by the NYC RPTT rate;

(ii) compute the tentative NYS RETT by multiplying the original consideration by the NYS RETT rate;

(iii) compute the taxable consideration by adding (i), the tentative NYC RPTT and (ii), the tentative NYS RETT to the original consideration;

(iv) multiply (iii), the taxable consideration, by the NYC RPTT rate to determine the actual NYC RPTT payable; and

(v) multiply (iii), the taxable consideration, by the NYS RETT rate to determine the actual NYS RETT payable.

As an example, in respect of Residential Unit 4C, purchased with the consideration in the amount of $3,775,000 (which, in addition to the purchase price, would include any other consideration or amounts payable by Purchaser which are the obligation of Sponsor (other than transfer taxes)), the transfer tax calculation is as follows: (i) $3,775,000 x 1.425% = $53,793.75; (ii) $3,775,00/$500 x $2 = $15,100; (iii) $3,775,000 + $53,793.75 + $15,100 = $3,843,893.75; (iv) $3,843,893.75 x 1.425% = $54,775.49; (v) $3,843,893.75/$500 x $2 = $15,375.58. Mansion Tax (described below) in the amount of $38,438.94 ($3,843,893.75 x 1%) would also be payable. All the foregoing is subject to increase in respect of additional "consideration," including, without limitation, the fee paid to Sponsor's Closing Counsel, as described below.

If the purchase price together with other consideration paid for a Residential Unit is $1,000,000 or more, the Purchaser will also pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax," which is currently (as of the filing of this Plan) one percent (1%) of the consideration (the computation of which shall include transfer taxes, as described above). For example, the Purchaser of a Residential Unit with a purchase price of $990,000, with respect to which the Purchaser pays transfer taxes and other consideration, would be liable for the Mansion Tax because the aggregate consideration would be $1,000,000 or more.

The purchase price, together with transfer taxes and any other consideration or amounts payable by Purchasers which are the obligation of Sponsor, will be added together by the New York State Department of Taxation and Finance and the New York City Department of Finance (collectively, the "taxing authorities") to arrive at the total taxable consideration for transfer tax and Mansion Tax purposes. However, Sponsor makes no representation regarding the calculation of such taxes or of the "consideration" upon which the taxing authorities may base such taxes and shall have no liability with respect thereto. Purchasers should consult with their own counsel and/or tax advisors.

In addition to the NYC RPTT, NYS RETT and Mansion Tax, Purchasers shall also be obligated to pay at closing any tax on the transfer of a Residential Unit enacted after the date of this Plan (any such tax, an "Additional Tax"), regardless of whether such Additional Tax is by law the primary obligation of the seller or the Purchaser. For example (and without limitation), if New York City were to impose a modified version of the Mansion Tax or other supplemental tax on the sale of residential condominium units exceeding a certain purchase price, such a tax will be payable by Purchasers. Sponsor will amend the Plan to disclose the enactment of any Additional Tax; provided, however, that Purchasers shall be required to pay such Additional Tax at closing regardless of whether the Plan amendment disclosing the same has been accepted for filing by the date of such closing. The enactment of an Additional Tax and any amendment of

the Plan to provide for the inclusion thereof shall not give rise to any right of rescission or recourse of any kind.

Under the current policies of the New York City Department of Finance (the "Department of Finance"), where a Purchaser purchases two or more Residential Units that have not been physically combined into a single residence before the transfer (a "bulk sale"), the NYC RPTT will be imposed at higher non-residential rates, i.e., where the consideration is $500,000 or less, the rate will be 1.425%, and where the consideration exceeds $500,000, the rate will be 2.625%. This may be the case even if the Residential Units are transferred to the Purchaser pursuant to separate sales contracts with separate closing dates. The Department of Finance has taken the position that the consideration for the transfer of each Residential Unit under a deed in a bulk sale is not aggregated with the consideration for the other such deeded transfers in the same bulk sale for purposes of determining the rate to be applied to each Residential Unit transfer (i.e., the 1.425% rate or the 2.625% rate). The Department of Finance has stated that application of the bulk sale rules are made on a case-by-case basis depending on the particular facts and circumstances and there is no guarantee that the Department of Finance will not change its position with respect to the foregoing. Thus, in connection with a bulk sale or otherwise, it is possible that a Purchaser could be required to pay these higher non-residential rates for purposes of the NYC RPTT and also pay the Mansion Tax. Consideration is also not aggregated for Mansion Tax purposes. Purchasers will be required to pay the Mansion Tax on each Residential Unit in a bulk sale if the total consideration attributable to such Unit is $1,000,000 or more.

4. Mortgage Tax Credit. In order to reimburse Sponsor for the mortgage recording tax previously paid in connection with any existing mortgage(s), if the Purchaser: (a) obtains a mortgage loan, the Purchaser will pay to Sponsor an amount equal to the partial mortgage tax credit which may be available pursuant to Section 339-ee(2) of the New York State Condominium Act; or (b) assumes or consents to the continuation of a mortgage lien encumbering only such Purchaser's Unit and as a result is entitled to an exemption of all or a portion of the mortgage tax otherwise payable, the Purchaser will pay to Sponsor an amount equal to such exemption, but in no event will the amount payable by the Purchaser to Sponsor exceed the amount of mortgage tax which would have been payable by the Purchaser to the taxing authority if such mortgage tax credit or exemption had not been available to the Purchaser.

5. Mortgage and Related Costs: If the Purchaser obtains a mortgage loan, the Purchaser will be responsible for the payment of all mortgage recording taxes (taking into account however any payments made pursuant to subparagraph (4) above) and closing costs and expenses in connection therewith, in amounts determined by the Purchaser's lender, which closing costs may include, but are not limited to, the fees of such lender's counsel, recording charges and mortgage title insurance. Currently, the New York State and New York City mortgage recording tax levied on individual residential condominium units located in New York City is $2.05 for each $100 (and each remaining major fraction thereof) with respect to mortgages of less than $500,000, and $2.175 for each $100 (and each remaining major fraction thereof) with respect to mortgages in the amount of $500,000 or more (less, in each case, a $30.00 credit). The two mortgage recording tax rates described in the previous sentence are comprised of the New York City mortgage recording tax ($1.00, or $1.125 in the case of individual residential condominium unit mortgages in the amount of $500,000 or more); and the New York State Basic ($.50), Additional ($.30); and Special Additional ($.25) mortgage

recording taxes. Mortgage lenders may require borrowers to pay mortgage recording taxes. However, with respect to individual residential condominium units, mortgage lenders may not require borrowers to pay, subject to certain statutory exceptions, the Special Additional mortgage recording tax, which accounts for $.25 of the New York State mortgage recording tax rate (as previously described in this paragraph 5).

Under the current policies of the Department of Finance, where a Purchaser engages in a bulk sale, the New York City mortgage recording tax will be levied at the higher non-residential rate, i.e., where the consideration is $500,000 or more, the rate will be $1.75 for each $100 (and each remaining major fraction thereof) for a total combined New York State and New York City mortgage recording tax rate of $2.80 for each $100 (and each remaining major fraction thereof). This may be the case even if the Residential Units are transferred to the Purchaser pursuant to separate sales contracts with separate closing dates. The Department of Finance has stated that application of the bulk sale rules are made on a case-by-case basis depending on the particular facts and circumstances and there is no guarantee that the Department of Finance will not change its position with respect to the foregoing. Thus, in connection with a bulk sale or otherwise, it is possible that a Purchaser (and/or Purchaser's lender) could be required to pay the higher non-residential rate for purposes of the New York City mortgage recording tax. Sponsor makes no representation as to which mortgage recording tax rate will apply at the time of closing of a particular Residential Unit and shall have no liability with respect thereto.

Mortgage lenders also may require borrowers to pay deposits for Common Charges, real estate taxes, fire and casualty insurance premiums, assessments and water charges and sewer rents. No representation or warranty is made with respect to the amounts of such closing costs and expenses or the availability or cost of mortgage financing from any sources. As previously stated in subparagraph 4 above, if a mortgage tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, such credit will inure solely to the benefit of Sponsor and such Purchaser will cooperate with Sponsor in obtaining such credit. Accordingly, at Closing, each Purchaser utilizing mortgage financing will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed and Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

6. Closing Fees: Purchaser shall also be responsible for payment of the following fees to Sponsor's Counsel in connection with the closing of title to such Purchaser's Unit: (i) the sum of $3,750 per Unit base closing fee; (ii) $250 for the preparation of ACRIS transfer documents required by the City of New York; (iii) if the Purchaser requests the closing to occur other than at the offices of Sponsor's Counsel (or such other place as Sponsor may designate in its closing notice) and Sponsor consents to such change (in its sole discretion), an attendance fee of $500 (closings may not be scheduled to occur outside Manhattan); (iv) if the closing is adjourned through no fault of Sponsor, an additional fee of $700 for each such adjournment to prepare and coordinate the new closing; (v) if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Agreement, or for the addition, deletion or substitution of names on the Agreement, a fee of $1,500, payable in advance; (vi) if Purchaser obtains mortgage financing, an additional fee of $700 to Sponsor's Counsel; and (vii) Purchaser shall pay Sponsor's Counsel the sum of $600 in connection with the consideration, review and processing of any agreement of exchange or the like which Sponsor is requested to execute in

connection with any tax deferred exchange under §1031 of the Internal Revenue Code. Other additional charges may apply. At Sponsor's option (in its sole discretion), any one or more of the foregoing fees to be paid to Sponsor's Counsel shall be paid by Purchaser prior to closing upon notice to Purchaser.

7. Working Capital: A contribution to the Working Capital Fund in an amount equal to two (2) months' Common Charges then in effect for the Unit pursuant to the budget in accordance with Schedule A hereto, as the same may be amended from time to time.

8. Common Charges: In addition to the contribution to the Working Capital Fund as described in paragraph 7 above, Purchaser will pay to the Board the Common Charges for the Unit for the first full month following the month in which title closes. If Purchaser 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), such Purchaser shall pay to the Board an amount equal to the Common Charges for such Unit for a period of two (2) years as security for the faithful observance by such Unit Owner of the terms, provisions and conditions of the By-Laws. In the event that such Unit Owner defaults in respect of the terms, provisions and conditions of the By-Laws, the Board may use, apply, or retain the whole or any part of the security so paid in advance to the extent required for the payment of any Common Charges or any other sum as to which such Unit Owner is in default; and such Unit Owner shall, within thirty (30) days after notice from the Board, deposit with such Board the amount so applied or retained so that at the option of the Board, such Board shall have the full amount of said security on hand at all times.

10. Projected Closing Costs Table. The following table illustrates the projected amounts of the costs set forth in this section of the Offering Plan for a typical Unit purchased by a Purchaser for a purchase price of $3,775,000 assuming such Purchaser finances eighty percent (80%) (i.e., $3,020,000) of the purchase price:

Fee Title Insurance (if purchased simultaneously with mortgage title insurance) & Municipal Search Fee	$10,265.00
Fee for recording Unit Deed (6 pages), Unit Owner's Power of Attorney (6 pages) and RP-5217	$325.00
Mortgage Loan Closing Costs	
- recording mortgage (assuming 20 pages)	$225
- Purchaser's mortgage recording tax (at 2.175% of $3,020,000.00 less $30 credit and 0.25% to be paid by lending institution) (Purchaser may be required to pay a portion of such tax directly to Sponsor)	$58,105.00
-mortgage title insurance (if purchased simultaneously with fee insurance)	$2,085.00

- other bank charges ("assuming points" of 1% of mortgage amount, an appraisal fee of $400 and legal fees of $500 and assuming further that the lender does not require Purchaser to deposit funds to establish a real estate tax escrow)	$31,100.00
New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax	$70,151.07
New York State Mansion Tax	$38,438.94
Working Capital Payment	$3,885.82
First Month's Common Charges	$1,942.91
Closing Fee (assuming the closing occurs at the offices of Sponsor's Counsel) and, other than in respect of a mortgage, Purchaser has not incurred any additional fees as set forth above)	$3,750
ACRIS Transfer Document Preparation Fee	$250.00
Mortgage Closing Coordination Fee	$700
TOTAL	$221,223.74

The projected closing costs referred to above are approximate and are not guaranteed. The mortgage loan closing costs vary widely among different lenders and also will vary depending on the loan program chosen.

At the closing, adjustments will be made between Sponsor and the Purchaser with respect to: (a) real estate taxes and assessments, if any (including water charges and sewer rents if separately assessed) on the basis of the period for which assessed; (b) Common Charges for the month in which title closes; and (c) accrued rent and any other charges pursuant to any interim lease or occupancy or other rental agreement affecting the Unit, if the Purchaser had been allowed to lease, occupy or rent such Unit prior to the closing. Real estate taxes will be adjusted at closing between Sponsor and each Purchaser based on the period for which real estate taxes have been prepaid by Sponsor either directly to the taxing authority or as part of the Common Charges to the Board. If real estate taxes have been separately assessed to each Unit as of the closing, then the adjustment shall be based on the Unit's actual taxes for such period. If the real estate taxes have not been separately assessed against each Unit as of the closing, then the adjustment shall be determined by allocating to the Unit a prorated portion of the actual taxes for the entire Property for such period determined as provided in the By-Laws.

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O. RIGHTS AND OBLIGATIONS OF SPONSOR

1. Sponsor's Obligations

a. Construction

Sponsor will perform such work and supply such materials, or will cause the same to be performed and supplied, as is necessary in order to complete the construction of the Building with a quality of construction comparable to the currently prevailing local standards and in accordance with the Plans and Specifications for the work filed with the Department of Buildings of The City of New York and other appropriate governmental authorities.

Based upon Sponsor's construction schedule anticipated as of the initial filing date of this Plan, Sponsor contemplates, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery and/or the inability to obtain on a timely basis or otherwise, materials or equipment, governmental restrictions, acts of god or other events beyond its reasonable control, Sponsor's construction work at the Building will be sufficiently completed to permit closings of title to Units to begin on or about September 1, 2017. Prospective Purchasers should note, however, that the Units will be completed at differing times over a period that may begin prior to and/or extend significantly beyond such date. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the purchase price for his or her Unit or otherwise be relieved from any obligations under the Agreement, in the event that the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to such Purchaser's Unit is accelerated, delayed or postponed by Sponsor, provided, however, that in the event the actual or anticipated commencement date of the projected First Year of Condominium Operation is to be delayed by six (6) months or more, Sponsor will amend the Plan to include a revised budget with current projections and if: (i) the amended budget exceeds the projected budget set forth herein by twenty-five percent (25%) or more; or (ii) the First Closing does not occur within twelve (12) months after September 1, 2017, the date set forth in Schedule B – "Projected Budget for First Year of Condominium Operation" as the commencement date for the projected First Year of Condominium Operation, then in either case Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period under their Agreements, if the Plan has been declared effective) the right to rescind their Agreements within not less than fifteen (15) days after the presentation date of the amendment containing such revised budget or after such twelve (12) month period, as the case may be, and any Purchasers, electing rescission pursuant to such offer will have their Deposit and any interest accrued thereon returned. Purchasers' rights as described in the preceding sentence are in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of which shall be deemed to have been waived by all Purchasers. As set forth in the Section entitled "Effective Date" in Part I of the Plan no closing of title to any Unit offered hereunder will take place prior to the Plan being declared effective.

Sponsor reserves the right, without prior notice to Purchasers or amendment of this Plan (but subject to obtaining any required approval(s) of any governmental authorities having jurisdiction), to: (a) amend from time to time any of the Plans and Specifications (including changes in layouts and designs and changes affecting the materials, appliances, equipment, fixtures and other construction details); and/or (b) substitute materials, appliances,

equipment and fixtures that are of equivalent or better quality and design in place of those described in the Plans and Specifications. For purposes hereof, equal or better quality shall mean comparable or better quality as recognized by industry standards for performance, efficiency, longevity and/or classifications, as applicable. Any such change, if material (for example, variations in square footage in excess of five percent (5%)), shall be disclosed by Sponsor in a duly filed amendment to the Plan and, when applicable, to the Declaration. A decrease in a Unit's area of five percent (5%) or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a Unit size that is diminished by five percent (5%) or less is not material. No such change will be made if the same would materially adversely affect any Purchaser under an Agreement which has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc. and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's reasonable control, and where no practicable alternative (in the exercise of sound construction management practices) exists, and in such event, Sponsor will, in the amendment disclosing such material adverse change, offer the affected Purchaser(s) the right, for at least fifteen (15) days from the presentation date of such amendment, to rescind their Agreement(s) and receive a refund of their Deposit(s), together with all interest earned thereon. However, as long as the layout and dimensions of a Unit conform substantially to the Plans and Specifications, a Purchaser will not be excused from purchasing a Unit by reason of a minor, non-material deviation or change and will not have any claim against Sponsor as a result thereof. Notwithstanding the foregoing, Sponsor may not change the size, location of the Building or Units, other improvements or Common Elements if such a change affects the percentage Common Interest or adversely affects the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change.

The issuance of a temporary or permanent Certificate of Occupancy for all or any portion of the Building shall be deemed presumptive evidence that the construction of the Building or such portion and its appurtenances and all of the Units has been substantially completed in accordance with this Plan and the Plans and Specifications. However, notwithstanding the foregoing, Sponsor or its representatives will correct, repair or replace all defects in the construction of the Building and its appurtenances and the Units offered hereby, or in the installation or operation of any appliances, fixtures or equipment in the same, or will cause the same to be corrected, repaired or replaced, but only if such defects are due to improper workmanship or material substantially at variance with the Plans and Specifications, and Sponsor is notified by the Board or the affected Unit Owner in writing of such defect: (i) as to the Common Elements, within one (1) year from the earlier of the issuance of a temporary Certificate of Occupancy for the portion of the Building subject to such defect or the date of substantial completion of the portion(s) of the Common Elements which is claimed to be defective; or (ii) as to any Unit, on or prior to the date of closing for such Unit, except that if any such defect in a Unit can be detected only by occupancy of the Unit, Sponsor will correct such defect if notified in writing by the Unit Owner within one (1) year from the earlier of the closing of title to such Unit or the commencement date of an interim lease for such Unit. Notwithstanding the foregoing, Sponsor will not be responsible for correcting any defects in the construction or installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors,

materialmen or others are assigned to the Board or Unit Owners; or for any condition resulting from normal wear and tear or natural deterioration or from normal settling or shifting of the Building, or for defects of an insubstantial nature, such as, without limitation, partial or total demise of any landscape improvements, nail pops, ridging on gypsum board or sheet rock walls, lumber shrinkage, doors or windows sticking due to weather, door warpage, grouting cracks, scratches in formica or porcelain or other surfaces, bath and kitchen tile grouting cracks, adjustment of any bi-fold doors, walls not square, electrical plates not straight, discolorations or shrinkages, normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, ceiling imperfections, slight separation in joints of kitchen tile or wood flooring, warping, cupping or creaking of wood flooring or any nicks, scratches, gouges, imperfections or discolorations thereof, floors out of level, variations in width, length or tone of wood floor strips or other flooring or floor finishes, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, ceiling imperfections, painting defects, alignment of bathroom finishes, air infiltration from windows, any consequential damage resulting from settling (including, without limitation, concrete or drywall cracks which do not impair the structural soundness of the Building), existence of mold (as more particularly described above in the subsection entitled "Features of Condominium Ownership" in the Section entitled "Introduction"), normal plumbing, heating and air conditioning noises, or carpet discoloring and stretching; or for paint touch-ups or for repair of chips, mars, breaks or other defects in windows, and window sashes, sliding glass doors, lighting fixtures and globes, interior painted surfaces, sinks, tubs, bowls, shower doors, kitchen cabinets, counter tops, vanity tops and bases, medicine cabinets, doors, mirrors, saddles, appliances, woodwork, doors, hardware, flooring and appliance cabinets, salting, or color variation in exterior colored mortar and deep colored brick, ponding and/or controlled drainage on the roof surface, or cracks in any pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped stone, formica and porcelain surfaces, which repair shall be made by filling the stone or formica or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, formica or porcelain surfaces. Except as expressly set forth herein, Sponsor has no obligation to make any repairs of any kind. In no event shall Sponsor be liable for special or consequential damages (whether based on negligence, breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligations under the Plan shall be to repair or, at Sponsor's option, replace any defective item of construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the Plans and Specifications), subject to the terms and conditions set forth in this paragraph, provided, however, that nothing contained herein is intended to relieve Sponsor of liability for actual damages resulting from property damage or personal injury arising as a result of negligence of Sponsor or its authorized agents or employees in connection with the transactions contemplated in the Plan.

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

complete construction in accordance with all applicable laws and codes and substantial in accordance with filed building Plans and Specifications. Sponsor shall deliver a set of "as-built" plans to the Board of Managers upon completion of construction of the Building.

Each Unit offered hereby and the fixtures and personal property contained therein, are being sold and delivered "AS IS," as described in the Plan at the time of transfer of title to such Unit, unless Sponsor and the Purchaser of such Unit otherwise agree in writing. The Purchaser of a Unit shall inspect such Unit prior to the closing date and shall execute at such time an inspection statement acknowledging the Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan. However, if a Purchaser finds that Sponsor's improvements as described in the Plan or in the Agreement for such Unit or other writing duly executed and delivered by Sponsor, have not been fully completed, although such improvements have been substantially completed, then Sponsor or its designated representative and the Purchaser will at the time of such execution agree upon and set forth in the inspection statement a list of the incomplete work to be completed in the Unit by Sponsor following the closing for such Unit. Sponsor reserves the right to limit the number of individuals who may accompany Purchaser(s) in its inspection of the Unit.

The Housing Merchant Implied Warranty Law (New York State General Business Law Article 36-B) does not apply to this offering. Notwithstanding anything contained herein, Sponsor is obligated to construct the Units and Common Elements in accordance with all applicable building codes and in accordance with the filed Plans and specifications.

b. Real Property Law §339-kk

Section 339-kk of the Real Property Law ("RPL"), a copy of which is set forth as Exhibit 9 in Part II of the Plan, applies to all condominiums in the State of New York, and provides additional financial protection for a condominium association if the sponsor or other non-occupant Unit Owner of a Unit fails to make monthly payments for common charges, assessments and late fees due in connection with such owner's Units.

With respect to Unsold Units of a condominium owned by a sponsor or by any other non-occupant Unit Owner and occupied by a tenant, RPL §339-kk provides as follows:

> (a) If payment of common charges, assessments or late fees by any non-occupant Unit Owner is more than sixty (60) days late after the expiration of any grace period within which they are due, payments from a tenant of such Unit may become directly payable to the Condominium upon written notice by the Condominium to the tenant and the non-occupant Unit Owner. Where a majority of the Condominium Board has been elected by Unit Owners who are in occupancy of their respective Units, the Condominium Board may elect not to require that the rental payments be paid to the Condominium. Once the common charges, assessments and late fees of the non-occupant Unit Owner have been brought current, the Condominium Board must notify the non-occupant Unit Owners and tenant within three (3) business days and thereafter the rental payments will be payable to the non-occupant Unit Owner or a designated agent.
>
> (b) Payment by a tenant of rent or the amount required pursuant to the tenant's lease or statutory tenancy to the condominium pursuant to the RPL

§339-kk, relieves the tenant from the obligation to pay rent to the non-occupying Unit Owner.

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

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

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

In addition, Sponsor makes no representation as to (i) RPL §339-kk's effect on the lien priority of a loan heretofore or hereafter made to a non-occupant Unit Owner and secured by a Unit, or whether RPL §339-kk's enactment or compliance therewith by a tenant constitutes a default by the Unit Owner under said loan, (ii) RPL 339-kk's effect on assignments of leases and rents given by a non-occupant Unit Owner to mortgagee in connection with purchase-money financing or otherwise, (iii) the Condominium's remedies if a tenant fails or refuses to make rental payments to the Board after notice from the Board (in accordance with RPL §339-kk) to do so, (iv) the consequence of the Board's failure to give notice to a tenant, or (v) who is responsible for designating an agent to whom rental payments are to be made after the non-occupant Unit Owner is brought current in payment of Common Charges, assessments and late fees.

No representation is made about the tax effects of RPL §339-kk.

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

c. Payment of Expenses

All costs and expenses in connection with the construction of the Building and its appurtenances (including all sums properly due to contractors, subcontractors, suppliers and all others involved in such construction for work performed and fixtures, material and equipment supplied or installed) will be paid by Sponsor. Sponsor will cause all mechanics' liens arising out of the construction of the Building to be bonded or discharged promptly after Sponsor receives notice of the filing of the same. Alternatively, Sponsor will cause the Title Company or the title insurance company insuring a Purchaser's title to a Unit to affirmatively insure against collection of such liens out of, or enforcement of the same against, such Unit by posting a bond or bonds or escrowing a sum of money. However, if a Purchaser's title insurance company refuses to grant such affirmative insurance and the Title Company or any other title or abstract company which is a member of the New York State Land Title Association, Inc. would have been willing to grant the same at its regular rates without additional premium, neither such lack of affirmative insurance nor the existence of the liens in question will constitute a valid objection to title.

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

d. Assignment of Warranties

Upon the recording of the Declaration, Sponsor will deliver, assign or otherwise grant to the Board, on behalf of all Unit Owners, the right to proceed under any assignable warranties and other undertakings received by Sponsor from its contractors, suppliers or others in connection with the construction and equipping of the Building, such delivery, assignment or grant to the Board to occur as of the later of the date of recording of the Declaration or the date on which Sponsor receives such assignable warranties and other undertakings of the Building, except that warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in any Unit shall be assigned to the Purchaser of such Unit on the date of closing of title thereto. Certain warranties with respect to the Building will be held by the Board on behalf of all Unit Owners as to whose Units such warranties pertain.

e. Certificate of Occupancy

If, as of the First Closing, only a temporary Certificate of Occupancy has been issued for the Building, or a portion thereof, Sponsor will use all reasonable diligence to cause the New York City Department of Buildings to continuously renew the temporary Certificate of Occupancy until a permanent Certificate of Occupancy for all of the Units has been issued. Sponsor will, at its sole expense, do and perform, or cause to be done and performed, all such work (subject to events and circumstances beyond Sponsor's reasonable control, e.g., casualty, strikes, governmental restrictions, acts of god, etc.), and will supply, or cause to be supplied, all such materials, and will submit or cause to be submitted all such documentation, and shall pay all applicable fees required by the New York City Department of Buildings that shall be necessary in order to cause the temporary Certificate of Occupancy to be continuously renewed until a permanent Certificate of Occupancy for the Building has been issued, as well as to obtain any requisite certificates or permits relative to the electrical work, plumbing, heating and air-conditioning facilities and elevators at the Building. Prospective Purchasers are advised that permanent Certificates of Occupancy are required for permanent use of the Building, and that a temporary Certificate of Occupancy may be renewed only for a total of two (2) years from the first date of issuance. Sponsor projects, but cannot assure, that a permanent Certificate of Occupancy for the Building will be obtained within two (2) years after the First Closing.

In the event that a permanent Certificate of Occupancy has not been issued for the Building as of the First Closing, Sponsor is required to maintain all Deposits and funds paid on account of purchase prices (but not any payments given for special work ordered by Purchasers) in the special escrow account required by General Business Law Section 352-e(2)(b), unless Sponsor's engineer, architect, construction manager or other qualified expert certifies that a lesser amount will be reasonably necessary to complete the work remaining to be done by Sponsor in order to obtain such permanent Certificate of Occupancy, in which case the sum exceeding the amount so certified by Sponsor's engineer, architect, construction manager or other qualified expert may be released from the special escrow account. Alternatively, Sponsor may place in escrow with Escrow Agent an unconditional irrevocable letter of credit, a surety bond from an institutional lender or recognized bonding company acceptable to the Department

of Law, or cash, in each case in an amount that when added to the Deposits being maintained in the special escrow account, will equal not less than the amount so certified. Sponsor may also use as collateral to similarly secure its obligation to obtain a permanent Certificate of Occupancy, the unfunded portion of a construction loan (if any) or other collateral acceptable to the Department of Law and disclosed in an Amendment to this Plan. If Sponsor has placed cash in escrow, such funds will be held by Sponsor's Counsel in escrow in a separate bank account. All interest and income on such escrowed funds will be paid to Sponsor, as and when earned and collected.

As the work progresses, Deposits held for Units conveyed to Purchasers may be released to Sponsor by Sponsor's Counsel, as the case may be, from time to time, provided the remaining Deposits maintained in the special escrow account, together with said unfunded construction loan (if any) or other acceptable collateral, shall be not less than the amount then so certified to be reasonably necessary to complete all remaining work in order to obtain a permanent Certificate of Occupancy. Sponsor's Counsel will rely entirely upon such certificate in releasing such funds or other collateral and will not make any independent inquiry or evaluation. Any remaining balance of the escrow funds and/or other collateral will be released to Sponsor upon the issuance of a permanent Certificate of Occupancy for the Building. If Sponsor has deposited a letter of credit or surety bond, it will be subject to periodic reduction in amount upon the same terms as described above for the reduction and release of a cash deposit.

Following the issuance of a permanent Certificate of Occupancy for the Building, Sponsor will deliver to the Board a complete set of architectural drawings and a complete set of mechanical, electrical, plumbing and sprinkler "as-built" drawings for the entire Building.

f. Architect's Certification

In accordance with Section 339-p of the New York Condominium Act, a registered architect or licensed professional engineer shall, simultaneously with the recording of the Declaration, certify within reasonable tolerances that the Floor Plans are an accurate copy of portions of the plans of the Building as filed with appropriate governmental authorities.

g. Payment of Common Charges and Real Estate Taxes

Sponsor will pay all Common Charges, real estate taxes and special assessments attributable to the Unsold Units in accordance with the provisions of the By-Laws. Sponsor expects to have the financial resources to meet the aforesaid obligations with respect to Unsold Units and 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 has been posted by Sponsor to secure its obligation to pay Common Charges, special assessments or real estate taxes with respect to Unsold Units.

h. Insurance

Sponsor will initially procure on behalf of the Board, to take effect on or before the date of the First Closing, the insurance relating to the Condominium which is required to be maintained by the Board in accordance with the provisions of the By-Laws (see the Section entitled "Rights and Obligations of the Unit Owners and the Board of Managers" in Part I of the Plan). Such required coverage(s) may be satisfied by any so-called builder's risk policy obtained

in connection with the construction of the Building, provided the limits and terms of coverage set forth in Schedule B are provided under such policy. To the extent any such policy obtained and paid for by Sponsor shall satisfy the insurance requirements of the Board for the Condominium in respect of any period following the First Closing, the Board shall reimburse Sponsor for its prorated share of the cost of such coverage. (See the Section entitled "Rights and Obligations of the Unit Owners and the Board of Managers" in Part I of the Plan for further discussion.)

For the avoidance of doubt, each Unit includes, and each Unit Owner shall be responsible for (maintaining, insuring, repairing, replacing, etc.), all fixtures, equipment and other items of personalty, including, without limitation, front entrance door and any other entrance doors to such Unit, flooring and subflooring, wallcoverings, non-load bearing interior walls and partitions and sheet rock and plaster wall covering, smoke detectors, all plumbing, gas and heating fixtures and equipment such as heating, ventilating and air conditioning units (including the fans inside the units), as may be affixed, attached or appurtenant to such Unit and serving such Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors. Each Unit shall also include (i) all lighting and electrical fixtures, cabinets, including, without limitation kitchen and bathroom cabinetry, countertops, and appliances and appliances within the Unit, and (ii) any equipment, fixtures or facilities (as defined in the Declaration) affixed, attached or appurtenant to the Unit, to the extent located within a Unit and serving or benefiting only that Unit.

i. Right of Access

Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan, performing certain alterations and repairs in or about the Unsold Units and exercising its other rights or performing its other obligations under the Plan. Sponsor will repair any damage caused as a result of such access and will use reasonable efforts to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes.

j. Dissolution

In the event of the dissolution or liquidation of Sponsor, or the transfer of ten (10) or more units or twenty percent (20%) or more of the total number of units in the Condominium, whichever is less, to a single Purchaser, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Units under the Plan and applicable Legal Requirements (including, without limitation, Sponsor's representation that will endeavor in good faith to sell the Units offered hereunder but subject to the reservation of the unconditional right to rent or lease, rather than sell, such Units).

k. General

Sponsor's representations, warranties and covenants under this Section of the Plan will survive the delivery of the deeds to the respective Units only for the time periods set forth in this Plan. Additionally, Sponsor's obligations elsewhere under this Plan and under the New York State General Business Law, as applicable, will survive delivery of the deed to the respective Units, only to the extent such obligations require performance subsequent to the closing of title to such Unit. The obligations of Sponsor to pay Common Charges and to perform its other duties as a Unit Owner with respect to any Unsold Units will survive for as long as Sponsor owns the same.

Sponsor agrees to indemnify the Condominium Board and the Residential Unit Owners against, hold them harmless from and defend on their behalf any suits, proceedings, or claims arising out of any acts or omissions by Sponsor or any default by Sponsor in performing its obligations under this Plan or any breach of any representation expressly made by Sponsor in this Plan, and resulting: (a) as to any Unit, from any occurrence taking place prior to the closing of title to such Unit; or (b) as to the Common Elements, from any occurrence taking place prior to the First Closing. However, Sponsor will not be liable for, or obligated to defend, any suits, proceedings or claims arising out of any occurrence taking place from and after the respective dates set forth above, except those arising out of any negligence or violation of Article 23A of the New York State General Business Law or of acts or omissions by Sponsor or as explicitly stated in this Plan.

The obligations of Sponsor hereunder shall be enforceable by the Board on behalf of all Unit Owners. Obligations of Sponsor shall be enforceable by individual Unit Owners if either: (i) the Board fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of notice of such claim by any Unit Owner to the Board; or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Board will expire during the aforesaid ninety (90) day period.

Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. Sponsor's ability to perform its obligations under the Plan will depend on its financial condition from time to time. No warranty is made that Sponsor will be financially able to perform all or any of such obligations.

l. Use of Unsold Units

Sponsor and its designee reserve the right to use or occupy or to rent, hire or lease any Unsold Unit to any Purchaser or non-purchasers at any time, both before and after the First Closing (provided that a permanent or temporary Certificate of Occupancy covering each such Unit has been obtained). Sponsor will endeavor in good faith to sell, but nevertheless, reserves the unconditional right, to rent or lease such Unit to Purchasers and others after consummation of the Plan. There are no limitations of any kind on Sponsor's right to rent rather than sell Units. As a result, Purchaser may be acquiring a Unit that has been previously occupied, but, unless otherwise specifically agreed to in writing by Sponsor and such Purchaser, such Unit will be delivered at closing free and clear of all leases and tenancies and rights of occupancy. Moreover, once an Agreement is signed for a Unit, and for so long as such Agreement is in effect, such Unit may be leased only to the Purchaser listed on the Agreement.

Notwithstanding the foregoing or anything contained herein, in the Declaration, By-Laws or the Rules and Regulations to the contrary, Sponsor or its designee may, without the permission of the Board use or grant permission for the use of any Unsold Unit for any purpose, including, but not limited to, the use of any Unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to compliance with applicable governmental laws and regulations as to any such use.

m. Alterations of Unsold Units

Sponsor shall have the right, pursuant (and subject) to the terms of the Declaration and the By-Laws, as the same may be amended from time to time, without the approval of the Board or any other Unit Owner or any Permitted Mortgagee, to make any alterations, additions, improvements or repairs in or to any Unsold Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary (including, without limitation, the right to combine two or more Unsold Units, or to add more Units by subdividing Unsold Units or to change the number of rooms in, as well as the size, layout and square foot area of any Unsold Unit). An initial purchaser of an Unsold Unit shall have the right, without the approval of the Board, but subject to By-Laws provisions regarding the same, to make any alterations, additions, improvements or repairs in or to such Unit, provided that such Purchaser obtains all necessary approvals required by law and that Sponsor has consented to the same in writing at or prior to the closing of title to such Unit, which consent Sponsor may withhold or condition in its sole and absolute discretion. Absent Sponsor's consent thereto, Purchasers shall have rights in respect of alterations as are set forth in Article 6 of the By-Laws and described generally in the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Board" below.

n. Casualty

As discussed in the section of the Plan entitled "Procedure to Purchase", the risk of loss to any Unit by fire or other casualty until the closing of title to such Unit is assumed by Sponsor, but Sponsor has no obligation or liability to repair or restore any Unit. If a Unit is damaged or destroyed by fire or other casualty prior to the closing of title, but after the signing of an Agreement, and Sponsor gives written notice to the Purchaser of Sponsor's election to repair or restore the Unit, then the Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the purchase price. Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights, if any, of the Board, and other Unit Owners, belong entirely to Sponsor.

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

o. Roof Rights/Easements

Sponsor has, with respect to the roof of the Building, the exclusive right (and such easements as shall be required) at any time and from time to time at its sole cost and expense, to exclusively erect, use, maintain, repair, replace, relocate and operate for Permitted Roof Platform Purposes, as hereinafter defined, one or more platforms, supports or structures on any portion of the roof (other than those portions of the roof which are Residential Limited Common Elements for the exclusive use of a particular Unit Owner) for the purpose of erecting, using, maintaining, repairing, replacing, relocating and operating for Permitted Roof Platform Purposes, antennae, satellite dishes and other communications equipment thereon (including, without limitation, the running of conduit wiring and/or cabling throughout the Building as necessary); provided, however, that the Sponsor shall give prior notice to the Board for information purposes only of the type and location of any such equipment before installation. Such easement shall also include the right of the Sponsor to use, lease and license such equipment, and to retain any profits therefrom. All of the foregoing shall at all times be used, installed and maintained in compliance with all Laws and Insurance Requirements. The word "equipment" as used in this Section shall be deemed to include fiber optic cable and other communications lines, wires, risers, cables and conduits, as well as any other ancillary equipment, based upon all current and future technologies, needed for the proper operation of the communications installations. Each easement and other right granted under this Section O must be exercised, and all such platforms, supports, structures, installations and equipment must be used in such a way so as to minimize, to the extent reasonably practicable, interference with the exercise of the other easements and other rights granted under this Section. As used herein, "Permitted Roof Platform Purposes" shall mean all businesses, operations and activities of the Sponsor and its affiliates, including the business of renting out or otherwise providing satellite dishes and/or other communications equipment, services and/or space for satellite dishes and/or other communications equipment or services to third parties, and any operations or activities in connection with such business.

p. Miscellaneous

Sponsor and its designee(s) shall have the right, until the tenth (10th) anniversary of the First Closing (or until no Unsold Units remain, if earlier), to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events, promotional functions (e.g., with respect to any sales programs for Unsold Units or otherwise).

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P. CONTROL BY SPONSOR

Until the first annual meeting of the Unit Owners (the "First Annual Meeting"), the Board shall consist of four (4) members whom shall be designated by Sponsor. Sponsor anticipates designating the following persons as the initial Board members (all of whom are experienced in real estate matters and familiar with the Property): Yan Ouaknine, Moshe Azogui, Robert Perelman and Aaron Welsh. Yan Ouaknine and Moshe Azogui are principals of Sponsor. Sponsor will amend the Plan prior to the First Closing in the event such four persons shall not constitute the initial Board members. At the First Annual Meeting, the incumbent four-member Board designated by Sponsor will resign and a new 5-member Board will be elected and/or designated, as the case may be, as described below. The First Annual Meeting shall be held within thirty (30) days following the second anniversary of the First Closing. However, because Sponsor reserves the unconditional right to rent or lease the Units, there is no commitment to sell more Units than the fifteen percent (15%) necessary to declare this Plan effective, and as such, the First Annual Meeting may never occur.

From and after the First Annual Meeting, the Board will consist of five members elected and/or designated as follows: (i) four (4) members elected by the Residential Unit Owners (including Sponsor), subject to Sponsor's right to designate members (as described below), and; (ii) one (1) member designated by the Retail Unit Owner.

As a result of the foregoing, there is no provision in the By-Laws that assures a majority of the Board will be Unit Owners, Unit occupants or members of a Unit Owner or Unit occupant's household who are unrelated to Sponsor and its principal within two years after the First Closing. In addition, because Sponsor has the unconditional right to rent or lease the Units, there is no commitment to sell more Units than the 15 percent of Units necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium.

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

At meetings of the Unit Owners, Sponsor will, at all times, have the right to vote all of the Common Interests appurtenant to the Units owned by Sponsor as it sees fit, regardless of whether Sponsor has also designated members of the Board as set forth herein. Until the expiration of the Initial Control Period: (i) three (3) of the four (4) members of the Board otherwise to be elected by the Residential Unit Owners (including Sponsor), shall instead be designated by Sponsor and/or its designee (or other Unsold Unit Owner) which members may be related to or affiliated with Sponsor, Sponsor's designee or other Unsold Unit Owner(s) and the fourth such member, who shall not be related to or affiliated with Sponsor, Sponsor's designee or other Unsold Unit Owner(s), shall be elected by the Residential Unit Owners (including

Sponsor). The Retail Unit Owner shall at all times have the right to designate its one Board member as aforesaid (even if Sponsor or its designee owns such Unit). Therefore, until the expiration of the Initial Control Period, (i) if Sponsor owns the Retail Unit, Sponsor shall have

the right to designate four (4) members of the five (5) member Board, including three (3) of the four (4) members of the Board otherwise to be elected by the Residential Unit Owners (including Sponsor) and one (1) member to be designated by the Retail Unit Owner, all of whom may be related to or affiliated with Sponsor, Sponsor's designee or other Unsold Unit Owner(s), and the Residential Unit Owners (including Sponsor) shall have the right to elect the remaining Board member; and (ii) if Sponsor no longer owns the Retail Unit, at such time, Sponsor shall no longer have the right to designate the member of the Board to be appointed by the Retail Unit Owner, but Sponsor shall have the right to designate three (3) of the four (4) members of the Board otherwise to be elected by the Residential Unit Owners (including Sponsor), all of whom may be related to or affiliated with Sponsor, Sponsor's designee or other Unsold Unit Owner(s), and the Residential Unit Owners (including Sponsor) shall have the right to elect the remaining Board member.

The Initial Control Period is the period ending upon the later to occur of: (a) the fifth anniversary of the First Closing; or (b) the closing of title to Residential Units representing more than 90%, both in number and in aggregate Common Interests, of all Residential Units, but in either event no later than the closing of title to all Residential Units in the Condominium.

In addition, at elections of members to the Board held after the expiration of the Initial Control Period but while Sponsor and/or its designee still owns at least one (1) Residential Unit, Sponsor and/or its designee shall have the right to designate one (1) of the four members of the Board otherwise to be elected by the Residential Unit Owners, including Sponsor (in addition to any member Sponsor may appoint as the owner of the Retail Unit), who may be a person related to or affiliated with Sponsor, Sponsor's designee or other Unsold Unit Owner; and the Residential Unit Owners (including Sponsor) shall have the right to elect the remaining three members of the Board to be elected by the Residential Unit Owners, who shall be persons not related to or affiliated with Sponsor, Sponsor's designee or other Unsold Unit Owner. The Retail Unit Owner shall at all times have the right to designate one member of the Board.

Accordingly, from and after the expiration of the Initial Control Period, at least three (3) of the five (5) members of the Board shall not be designated by Sponsor or its designee. There is no restriction on the right of Sponsor and/or its designee(s) or other Unsold Unit Owner(s) to vote for members of the Board who are not related to or affiliated with Sponsor or such designee or such Unsold Unit Owner(s). The number of members of the Board may not be increased without the consent of the owner(s) of the Unsold Units, for so long as there remains at least one (1) Unsold Unit.

Until Sponsor no longer designates a majority of the members of the Board, Sponsor will, through its control of the Board, be able to control the maintenance and operation of, and the services to be provided by, the Condominium, and also the determination of Common Charges to be paid by all Unit Owners, provided that maintenance and operation of, and the services to be provided by, the Condominium, shall at all times be substantially consistent with the maintenance and operation of and the services to be provided by the Condominium as budgeted for in Schedule B herein. Prospective Purchasers should be advised that Unit Owners, Unit occupants and non-resident Unit Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., for use as a home as opposed to as an investment.

Moreover, during the Initial Control Period, the Board may not, without the prior written consent of Sponsor: (i) make any addition, alteration or improvement to the Common Elements or any Unit (unless required by any applicable Legal Requirements); (ii) assess any Common Charges for the creation of, addition to or replacement of all or any reserve, contingency or surplus fund; (iii) increase or decrease the number of, or change the kind of, employees initially hired for the Building, as provided for in Schedule B "Projected Budget for First Year of Condominium Operation" set forth in the Plan; (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Offering Plan, except as is required to reflect normal annual increases in operating services; (v) borrow money on behalf of the Condominium; or (vi) exercise any right of first refusal to lease or purchase a Residential Unit. However, the Board may perform any function or take any action enumerated in subsections (i) through (vi) hereinabove without the consent of Sponsor if, and only if, the performance of such function or the carrying out of such action is necessary, and no other alternative is available, either to enable the Board to comply with any Legal Requirements, or to remedy any notice of violation entered against the Condominium, or to comply with any proper work order by an insurer of the Building, or for the health and safety (but not the general comfort or welfare) of the occupants of the Building.

Sponsor may not exercise veto power over expenses described in Schedule B – "Projected Budget for First Year of Condominium Operation", or over expenses required to comply with any Legal Requirements applicable to the Building, or to remedy any notice of violation entered against the Building or to comply with any proper work order by an insurer of the Building. Sponsor may, however, exercise veto power over expenses other than those described in the preceding sentence, to the extent provided in the Plan, for a period ending not more than five (5) years after the First Closing or whenever the Unsold Units constitute less than twenty-five percent (25%) of the Common Interest, whichever is sooner.

Sponsor shall have the right, in its sole and absolute discretion, to waive the collection of Common Charges from Purchasers under the Plan for a period of time prior to full occupancy of the Building (the "Waiver Period"); provided, however, that Sponsor shall be solely responsible for payment of all remaining expenses to operate the Building during the Waiver Period (the "Operating Expenses"). In connection with the Waiver Period, (i) Sponsor will disclose the implementation of such Waiver Period in the amendment to the Plan disclosing the occurrence of the First Closing; (ii) Sponsor shall notify all Unit Owners in writing of the expiration of the Waiver Period at least thirty (30) days prior to such expiration and will disclose such fact in the following amendment to the Plan; (iii) that during any such Waiver Period, Sponsor will timely pay all expenses of the Condominium, including but not limited to, insurance premiums and any reserve fund payments required by lenders to the extent otherwise included in Schedule B - "Projected Budget for First Year of Condominium Operation"; (iv) upon the commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium; and (v) Sponsor shall remain obligated to update the budget for the Condominium, as provided in the Condominium Documents.

All Operating Expenses paid by Sponsor during the Waiver Period are based on the actual cost of operating the Building and not on estimates set forth in Schedule B – "Projected Budget for First Year of Condominium Operation". Purchasers should note that

Schedule B will not be in effect until the expiration of the Waiver Period. Notwithstanding anything to the contrary set forth above, the Operating Expenses shall not include real estate taxes regardless of whether the Unit has been separately assessed. In all instances the Unit Owners will remain responsible for the payment of the real estate taxes. Sponsor, in its sole and absolute discretion, may upon thirty (30) days prior written notice to Unit Owners terminate the Waiver Period.

Therefore, during the Initial Control Period, Sponsor will be able to control the maintenance and operation of, and services to be provided to, the Condominium; provided, however that any changes made by Sponsor to Schedule B – "Projected Budget for First Year of Condominium Operation" set forth in the Plan must provide for the same level of services disclosed in Schedule B – "Projected Budget for First Year of Condominium Operation." Sponsor will be able to control the determination of the Common Charges to be paid by all Unit Owners.

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Q. THE CONDOMINIUM BOARD

1. General

The affairs of the Condominium shall be governed by the Board. The Board shall initially consist of four members designated by Sponsor until the First Annual Meeting of Unit Owners, at which time the incumbent Board will resign and a new Board, consisting of five (5) members, will be elected and/or designated by the Unit Owners and Sponsor, as the case may be. Sponsor anticipates designating the following persons as the initial Board members (all of whom are experienced in real estate matters and familiar with the Property): Yan Ouaknine, Moshe Azogui, Robert Perelman and Aaron Welsh. Yan Ouaknine and Moshe Azogui are principals of Sponsor. From and after the First Annual Meeting, the Board will consist of: (i) four (4) members elected by the Residential Unit Owners (including Sponsor), subject to Sponsor's right to designate members, and; (ii) one (1) member designated by the Retail Unit Owner (which may be Sponsor). See the Section immediately above entitled "Control By Sponsor" for more detail.

The First Annual Meeting shall be held within thirty (30) days following the second anniversary of the First Closing. (See the Section entitled "Control By Sponsor" above). As a result of the foregoing, there is no provision in the By-Laws that assures a majority of the Board will be Unit Owners, Unit occupants or members of a Unit Owner or Unit occupant's household who are unrelated to Sponsor and its principal within two (2) years after the First Closing. In addition, because Sponsor has the unconditional right to rent or lease the Units, there is no commitment to sell more Units than the fifteen percent (15%) of Units necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. (See "Meetings and Votes of Unit Owners" in this Section below and "Control by Sponsor" immediately above).

The term of office of each of the five (5) members comprising the Board elected or designated at the First Annual Meeting shall be fixed at such meeting as follows: (a) two (2) of such members will serve for a term of approximately three (3) years; (b) two (2) of such members will serve for a term of approximately two (2) years; and (c) one (1) of such members will serve for a term of approximately one (1) year. Those members of the first five-member Board who receive the highest number of votes will serve for the longest terms of office, but except as set forth in the By-Laws, any members designated by Sponsor or its designee as the owner of Unsold Units and by the Retail Unit Owner shall serve for the shortest terms of office. At each annual meeting of Unit Owners subsequent to the first such meeting, the Residential Unit Owners shall elect (or in the case of Sponsor or the Retail Unit Owner, designate) Board members to replace the Board members whose terms of office are then expiring, each to serve a term of office fixed at three (3) years. Notwithstanding the expiration of the term of office of a member of the Board or anything contained herein to the contrary, each member of the Board (including any member designated by Sponsor or its designee as the owner of Unsold Units) shall serve until a successor has been elected and qualified. Subject to the requirements described in the Section of the Plan entitled "Control by Sponsor", there shall be no limit on the number of terms of office, successive or otherwise, that a Board member may serve.

Except for Board members elected or designated by Sponsor or its designee or by the Retail Unit Owner, all members of the Board shall be: (i) individual Residential Unit Owners or Permitted Mortgagees of Residential Units; (ii) partners or employees of a partnership

owning, or holding a mortgage encumbering, a Residential Unit; (iii) officers, directors, stockholders or employees of corporate owners or corporate Permitted Mortgagees of Residential Units; (iv) members or employees of a limited liability company owning, or holding a Permitted Mortgage encumbering a Residential Unit; (v) fiduciaries or their beneficiaries who are owners or Permitted Mortgagees of Residential Units (or officers, directors, employees or stockholders of corporate fiduciaries or partners or employees of partnership fiduciaries); (vi) adult family members or spouses of any of the foregoing individuals; or (vii) individuals designated by a sovereign government, consulate or other similar entity that is a Residential Unit Owner or a mortgagee of a Residential Unit. Other than Board members elected or designated by Sponsor or its designee or by the Retail Unit Owner, no Board member shall continue to serve after he or she ceases to be qualified as set forth above.

No person who is a convicted felon in any jurisdiction shall be permitted to serve on the Board at any time. Should a Board member be convicted of any felony while serving on the Board, then such Board member shall be deemed to have resigned from the Board as of the date of any such conviction; and his/her successor shall be designated or elected according to By-Law provisions governing the replacement of Board members who resign or who are otherwise removed from the Board.

Prospective Purchasers are advised that Unit Owners, Unit occupants and non-resident Unit Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing (i.e., for use as a home as opposed to as an investment).

The Board member designated by the Retail Unit Owner shall not be permitted to vote on any matter coming before the Board which pertains to and/or affects only the Residential Units in the Building.

In no event shall any Unit Owner (or its proxy) or another interested party be eligible for election to the Board, and any such Unit Owner (or its proxy) or other party may be removed as a Board member by a majority vote of the other Board members, if such Unit Owner is then in arrears, beyond any applicable grace period, in the payment of Common Charges or any other amounts required by the Board to be paid. In addition, no member of the Board (or his or her proxy) may continue to participate as a member thereof after the Board has perfected a lien against his or her Unit, for so long as such lien remains unsatisfied.

Members of the Board shall serve without compensation. All officers, Board members and employees of the Building will be covered by crime insurance or fidelity bonds (or similar insurance) at all times from and after the First Closing. The cost of the same has been provided for in the estimate of the Common Charges contained in Schedule B in Part I of the Plan above.

2. Powers and Duties of and Determinations by Board

The Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium. As more fully set forth in the By-Laws, all determinations required to be made by the Board shall be by majority of the votes cast at any meeting at which a quorum is present, unless otherwise expressly provided in the By-Laws.

3. Meetings and Votes of Unit Owners

After the First Annual Meeting as described above, annual meetings of Unit Owners will be held within approximately four (4) weeks of the anniversary of the First Annual Meeting on a date to be set by the Board. At each such meeting, the Unit Owners shall elect or designate, as the case may be, members to replace those members of the Board whose terms have expired. In addition, special meetings may be held from time to time pursuant to the By-Laws. At all meetings of Unit Owners, the presence in person or by proxy of more than fifty percent (50%) of the Common Interests attributable to all Units shall constitute a quorum and, except as otherwise provided in the By-Laws or Declaration, a majority of votes cast at any such meeting at which a quorum is present or is not required shall be binding on all Unit Owners.

Each Unit Owner, upon obtaining title, will in accordance with Section 339-e of the Real Property Law, automatically have the right to vote at all meetings of the Unit Owners, based upon the Common Interest appurtenant to each of the Unit or Units owned by such Unit Owner, and at all such meetings, each Unit Owner (or his or her proxy) entitled to vote thereat (including Sponsor or its designee with respect to Unsold Units) shall be entitled to cast one (1) vote for each .0001% of interest in the Common Elements appurtenant to his or her Unit or Units.

4. Officers

The principal officers of the Condominium will be the President, Vice-President and Secretary/Treasurer, all of whom shall be elected by the Board. The Board may also appoint additional officers as the Board in its judgment may deem advisable.

None of the officers of the Condominium need be Unit Owners or have any interest therein or be members of the Board; except that, from and after the first organizational meeting of the Board after the First Annual Meeting, the President of the Condominium must be a member of the Board.

Upon the affirmative vote of a majority of the members of the Board, present in person or by proxy at a regular meeting of such Board, or at a special meeting of such Board called for such purpose, at which a quorum is present or is otherwise not required, any officer may be removed, either with or without cause, and his or her successor shall be elected or designated, in the event such Board member was designated by Sponsor or its designee or by the Retail Unit Owner.

5. Liability of the Board and the Unit Owners

To the extent permitted by applicable law, Board members shall have no liability to the Unit Owners, except that a Board member shall be liable for his or her own bad faith, gross negligence or willful misconduct. The Board may contract or effect any other transaction with any Board member, any Unit Owner, Sponsor or its designee, or any affiliate of any of them without incurring any liability for self-dealing, except in cases of bad faith, gross negligence or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Board member against any liability or claim except those arising out of the bad faith, gross negligence or willful misconduct of such member.

R. RIGHTS AND OBLIGATIONS OF THE UNIT OWNERS AND THE BOARD

1. Sales and Leases of Units

Each Residential Unit Owner may sell his or her Unit, or lease such Unit for a minimum term of one (1) year, in each case, provided, such Unit Owner first gives the Board notice of intention to sell or lease such Unit, accompanied by a fully executed copy of the contract of sale or lease, as the case may be. The Board shall then have the right to purchase or lease the 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 set forth in Article 8 of the By-Laws. If the Board does not elect to purchase or lease the Unit within twenty (20) days after receipt of the notice, or waives such election in writing, the Unit Owner will have sixty (60) days thereafter to consummate the transaction set forth in the contract of sale or lease with the prospective Purchaser or lessee, as the case may be, as more particularly set forth in Section 8.1 of the By-Laws. In the event that such sale or lease is not consummated, or if such contract or lease is renegotiated or modified in any way (whether orally, in writing or by a side agreement) to be on terms less favorable to the Unit Owner, the Unit Owner will be required again to offer the same first to the Board. The Board may not exercise its option to purchase any Unit or lease any Unit without prior approval of a majority in interest of Unit Owners present in person or by proxy and voting at a meeting at which a quorum is present. Any such lease shall be in the form and substance then approved by the Board (as the same may be changed from time to time), including provisions such as a prohibition on assignment or subletting. The Board shall have the right to release or waive such option without the prior approval or a vote of the Unit Owners.

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

The Board shall have the authority to impose, in its discretion, from time to time, move-in and/or transfer fees, and other fees and charges (which as to any lease may be a one-time payment or a continuing assessment in the discretion of the Board), in connection with the sale or lease of a Residential Unit, provided no such fees or charges or other conditions of transfer or lease may be imposed upon the Sponsor.

If a Unit Owner is a corporation, any sale, assignment, transfer or other disposition of any of its stock, or if a Unit Owner is a partnership, limited liability company or other entity, any sale, assignment, transfer or other disposition of any interest in such partnership, company or other entity, in each case other than through any recognized national securities exchange or "over-the-counter" market, which results in a change in the majority beneficial or legal ownership of such entity, shall also subject the Unit owned by such entity to the requirement that the Unit first be offered to the Board for purchase or lease, as described above.

Further, in the event that title to a Unit is taken by a corporation, partnership, limited liability company or other entity, the name of a principal of said entity shall be identified to Sponsor.

Notwithstanding the foregoing, without complying with the foregoing restrictions, a Unit Owner may sell, lease or convey his or her Unit, and the owner of any interest in a Unit

Owner which is a corporation, partnership, limited liability company or other entity, may sell, lease or convey such interest, to an affiliate or one (1) or more family members, as hereinafter defined, or convey a Unit or interest in a Unit Owner, as the case may be, by gift, or devise it by will, or have it pass by intestacy. (An "affiliate" is defined for purposes hereof as a person or entity that owns fifty percent (50%) or more of the legal and beneficial interest of such Unit Owner or owner of an interest in a Unit Owner, as the case may be, or an entity with respect to which such Unit Owner or owner of an interest in a Unit Owner owns fifty percent (50%) or more of the legal and beneficial interest, and "family member" is defined for purposes hereof as a spouse, domestic partner, adult child, parent or adult sibling, or a trust for the benefit of any one or more of the foregoing and/or one or more minor children of any of the foregoing.) Article 8 of the By-Laws more specifically describes the right of first refusal and those situations in which a Unit Owner may sell or convey his or her Unit to a related or controlled individual or entity.

The restrictions upon the sale or lease of Units shall not apply to Sponsor or its designee with respect to any Unsold Units, to the Board, or to any Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, or to the Retail Unit or the Retail Unit Owner. Such Units may be sold to anyone without first being offered for sale to the Board.

Each conveyance of a Unit by the Owner thereof shall include as part of the property to be conveyed, such Unit Owner's (i) undivided interest in the Common Elements, (ii) undivided interest in any Unit or Units acquired by the Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit) and (iii) undivided interest in any other asset of the Condominium. No part of a 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 to which such interest appertains or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all affected Unit Owners.

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

2. Use of Units and Storage Closets

A Residential Unit may be used only as a residence and, subject to compliance with the By-Laws, for a lawful home occupation. Each such Unit may only be occupied by: (i) any individual who is a Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Unit Owner or permitted lessee; (iii) any partner or employee of any partnership which is a Unit Owner or permitted lessee; (iv) any member or employee of any limited liability company which is a Unit Owner or permitted lessee; (v) the fiduciary or beneficiary or employee of any fiduciary which is a Unit Owner or permitted lessee; (vi) any principal or employee of any other entity (including, but not limited to, embassies and consulates of foreign governments) which is a Unit Owner or permitted lessee; provided that in each instance in clauses (i) through (vi) above: (A) the individual, designated officer, director, shareholder, partner, member, fiduciary, beneficiary, principal or employee is designated as the primary occupant of the Unit and is not being designated to use the Unit on a transient basis or as

other than the primary occupant; and (B) such use is not, in fact or in effect, part of or in furtherance of an Occupancy Plan; and (vii) family members, domestic partners, domestic employees and/or non-paying guests of any of the foregoing. Subject to the foregoing, Units may only be leased in accordance with the By Laws and the Rules and Regulations. An "Occupancy Plan" means a program, plan, agreement or other arrangement for the use, occupancy, marketing, advertising or promotion of one or more Units under short-term, timeshare, fractional or shared ownership, interval exchange (whether the program is based on direct exchange of occupancy rights, cash payments, reward programs or other point or accrual systems) or other membership plans or arrangements through which a participant in the plan or arrangement acquires a direct or indirect ownership interest in the Unit(s) in question with attendant rights of periodic use and occupancy or acquires contract rights to such periodic use and occupancy of such Unit(s) or a portfolio of accommodations including such Unit(s).

There is no limit on the number of Unit Owners who may purchase a Unit for investment, rather than for personal occupancy, purposes. As such, there may always be a substantial percentage of Unit Owners who are non-residents of the Condominium.

The Storage Closets may only be used for storage purposes and in no event may be used as a dwelling space or for the storage of toxic or inflammable items or Combustibles (as such term is defined in the New York City Building Code). No Materials which pose a health or safety threat or which otherwise create a nuisance may be stored in the Storage Closets. To do so may result in a violation placed against the Building by the Department of Buildings that will be the obligation of the Residential Unit Owner to remove.

Notwithstanding the foregoing, Sponsor or its designee shall have the right to use without charge any Unassigned Storage Closets for any lawful purpose or to change the permitted use of any Unassigned Storage Closets, subject, however, to the provisions of Article 6 of the By-Laws, which provide, among other things, that no use shall be allowed in the Condominium which interferes with the peaceful possession and proper use of the Condominium by its occupants.

Each Residential Unit Owner shall be liable for all damage arising out of such Unit Owner's use or misuse of its Storage Closet. Neither the Sponsor, nor its respective agents or employees shall be liable for any theft or damage to any property stored in the Storage Closets. Each Residential Unit Owner shall indemnify and hold Sponsor and its respective directors, officers, partners, parent and subsidiary and affiliated companies, agents and employees, harmless from and against any and all liabilities, claims, causes of action, damages, lawsuits, penalties, judgments, and liens, together with any related costs and expenses, including but not limited to reasonable legal fees, asserted against or sustained by any of them in connection with any act, omission or negligence of a Residential Unit Owner or a Residential Unit Owner's family, servants, employees, agents, guests and invitees in connection with the use of a Storage Closet.

3. General Provisions with Respect to Use

No portion of a Residential Unit, other than the entire Unit, may be leased. No nuisance or offensive or unlawful use shall be allowed in the Condominium or any portion thereof. Legal Requirements relating to any portion of the Property, shall be complied with at the sole expense of the respective Unit Owners or the Board, whoever shall, pursuant to the

Declaration and/or By-Laws or otherwise, have the obligation to maintain or repair such portion of the Property.

The Rules and Regulations concerning the use of the Units may be amended from time to time by the Board, provided that copies thereof are furnished to each Unit Owner prior to the time that they become effective. Further provisions with respect to the use of the Units are set forth in the By-Laws and the Rules and Regulations. However, no amendment of the Rules and Regulations will apply to Sponsor, the Retail Unit or the Unsold Units, unless agreed to by all the owners of same who are affected by such amendment.

Each Residential Unit Owner shall notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each such Residential Unit Owner shall install, at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove same until permitted by applicable Legal Requirements and in any event, without full knowledge of the Managing Agent.

Effective November 5, 2004, owners of Class A multiple dwellings in New York City, which include condominiums, must install and maintain carbon monoxide detectors. Accordingly, all Unit Owners are required to maintain the carbon monoxide detector located within his or her Unit so that same is, at all times, in working order.

4. Mortgage of Units by Unit Owners

Each Unit Owner (including the Retail Unit Owner) may mortgage his or her Unit, in accordance with the provisions of Article 7 of the By-Laws, which requires that the Board be notified in writing of the making of such mortgage and receive a conformed copy of the note and mortgage and that the Unit Owner first satisfy all unpaid liens against the Unit, other than Permitted Mortgages. The Retail Unit Owner may mortgage the Retail Unit without any restriction or limitation.

5. Common Charges: Determination and Assessment

At least once per year, the Board will prepare or cause to be prepared a budget setting forth its projections of the Common Expenses for the next fiscal year and will allocate and assess the Common Expenses among the Units. The Common Charges payable by each Unit Owner will be in proportion to the Unit's percentage Common Interest compared to the total of all Units. As discussed in the footnotes to Schedule B and in Article 6 of the By-Laws, the Retail Unit Owner's share of Common Expenses will be limited to a share of only certain components of the Common Expenses.

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

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

6. Collection and Lien for Non-Payment of Common Charges

Unit Owners may not exempt themselves from liability for Common Charges by waiving use of any of the Common Elements or by abandoning their Units. No Unit Owner, however, will be liable for the payment for any part of the Common Charges assessed against his or her Unit subsequent to a permissible sale, transfer or other conveyance by him or her of such Unit. In addition, as more specifically set forth in Section 6.2 of the By-Laws, a Unit Owner, by conveying his or her Unit (without consideration) to the Board and provided that such Unit is free and clear of liens and encumbrances other than the statutory lien for unpaid Common Charges (provided no amounts are owing under any such lien) and that no violation of the Declaration, the By-Laws or the Rules and Regulations then exists with respect to such Unit, may be exempt from Common Charges thereafter accruing.

On a resale of any Unit, the purchaser will be liable for the payment of any unpaid Common Charges against such Unit; except that, to the extent then permitted by law, a Permitted Mortgagee acquiring a Unit at a foreclosure sale will not be liable for a lien for the payment of Common Charges assessed against such Unit for the period following the recording of the Permitted Mortgage and prior to such Unit's acquisition by the Permitted Mortgagee. 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. In the event of a foreclosure by the Board of its lien on any Unit for unpaid Common Charges, or otherwise, if the net proceeds of the foreclosure sale are insufficient for the payment of such unpaid charges, or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the original Unit Owner can be sued for the unpaid balance. The Board will also have the right to assess such unpaid balance as a Common Charge among all Unit Owners.

Pursuant to Section 339-z of the Real Property Law and under the provisions of the By-Laws, the Board, on behalf of all Unit Owners, will have a lien on each Unit for unpaid Common Charges together with interest thereon, assessed against such Unit. All such liens, however, except to the extent permitted by applicable Law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit. Pursuant to Section 339-aa of the Real Property Law, any lien for unpaid Common Charges against a Unit will be effective from and after filing of a verified notice thereof in the City Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six (6) year period), whichever shall occur sooner. Such liens may be foreclosed by a suit brought in the name of the Board (acting on behalf of all Unit Owners) in the same manner as the foreclosure of a mortgage on real property, or an action may be brought by the Board to recover unpaid Common Charges without foreclosing such lien. In addition, the Board may assess Unit Owners a late charge of $.04 for each dollar of Common Charges which remains unpaid for more than ten (10) days after the date when due, and interest at the rate of one and one-half percent (1.50%) per month (or such lesser rate as may be the maximum permitted by law) on such unpaid amounts, plus any "late charges" theretofore collected, and plus all expenses

of collection. Sponsor obligates itself to cause any members of the Board related to or affiliated with Sponsor to vote in favor of filing a lien against any Unsold Units owned by Sponsor with respect to which payments of Common Charges have not been made within thirty (30) days after the date when due.

7. Borrowing by Board

The Board may, at any time, borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations, additions or improvements to, or alterations or replacements of, the General Common Elements, Residential Common Elements or Residential Limited Common Elements, respectively; provided, however, that: (A) except as otherwise provided in the By-Laws, the consent of at least sixty-six and two-thirds (66-2/3%) in common interest of all Unit Owners or Residential Unit Owners, as the case may be, shall be required for any borrowings for such purposes with respect to the General Common Elements, Residential Common Elements or Residential Limited Common Elements, respectively, if such borrowings are in excess of $100,000 (subject to increase by the CPI Increase Factor) in total any one fiscal year or $250,000 (subject to increase by the CPI Increase Factor) in the aggregate (including borrowings from prior periods) at any one time; and (B) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements (except to the extent permitted by applicable law) without the prior written consent of the owner of such Unit. Any such debt may be secured by future income and Common Charges in which event the Common Charges shall be deemed trust funds for the purpose of paying such debt. The Board cannot secure such debt by a lien on the Common Elements without the consent of all Unit Owners.

8. Repairs to and Maintenance of Units and Common Elements

Except as may otherwise be provided in the By-Laws, generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, or ordinary or extraordinary: (a) in or to any Unit (other than, in general, to the Common Elements included therein) will be made by the Owner of such Unit at his or her expense; and (b) in or to the General Common Elements will be made by the Board, and the expense thereof will be charged to the Unit Owners as a Common Expense; or (c) in or to the Residential Common Elements will be made by the Board and the expense thereof will be charged to all Residential Unit Owners in the proportion that their respective Common Interests bear to the aggregate Common Interests of all Residential Unit Owners. Without limiting the foregoing, Unit Owners shall be responsible for all maintenance, repairs and replacements of all plumbing, appliances and lighting fixtures, and heating and air conditioning units in their respective Units. Notwithstanding the foregoing, each Residential Unit Owner shall be responsible for all ordinary maintenance and cleaning of each Terrace and/or Balcony or Storage Closet appurtenant to its Residential Unit (including replacement of the Terrace and/or Balcony surface); however, the cost and expense of any repairs or replacements, including those that are structural with respect to each such Terrace and/or Balcony (unless caused by or attributable to the applicable Residential Unit Owner), shall be charged to all Residential Unit Owners as a Residential Common Expense. Each Unit Owner shall promptly comply with all Legal Requirements applicable to his or her Unit. No Unit Owner shall use or permit the use of Hazardous Materials (as defined in the By-Laws) on, about, under, or in his or her Unit or the Property. Each Unit

Owner agrees to indemnify and hold harmless the Board and each other Unit Owner from and against any and all claims or demands, including any action or proceeding brought thereon, and all costs, losses, expenses and liabilities of any kind relating thereto, including, but not limited to, costs of investigation, remedial response, and reasonable attorneys' fees and cost of suit, arising out of or resulting from any Hazardous Material used or permitted to be used by such Unit Owner on, about, under or in his or her Unit or the Property.

The Building does not feature a window washing rig and accordingly the washing and cleaning of the interior glass surfaces of all windows in the Units shall be the responsibility of the respective Unit Owners. All window interiors shall be cleaned a minimum of two (2) times per calendar year. The washing of window exteriors shall be the responsibility of the Board and shall be performed by an insured window washing professional a minimum of two (2) times per calendar year and the cost thereof shall be charged to the Unit Owners as a Common Expense. The Board may from time to time enforce the responsibility of Unit Owners to wash and clean the interior surfaces of windows located in their respective Units and charge the defaulting Unit Owner therefor. Unit Owners are prohibited from cleaning or allowing to be cleaned any window from the outside in violation of Section 202 of the New York State Labor Law, any other applicable Legal Requirements, any insurance policy or requirement or otherwise.

The Board shall have the right, in connection with any window washing and/or cleaning conducted at the Building, to erect scaffolding or attach window washing equipment or other equipment temporarily on any Terrace and/or Balcony. At the request of the Board, any furniture, plantings or other items placed on such Terrace and/or Balcony shall be moved promptly at the expense of the Unit Owners to whose such Unit such Terrace and/or Balcony is appurtenant, to the extent necessary for any window washing and/or cleaning.

If any repairs or replacements to the Common Elements, whether structural or non-structural, ordinary or extraordinary, or any replacement of glass windows in any Unit because of breakage or otherwise, are necessitated by the negligence, misuse or abuse of a Unit Owner or such Unit Owner's agents, workers, guests, etc., such maintenance, repairs or replacements will be made by the Board, and any portion of the cost thereof which is not covered by the insurance maintained by the Board shall be paid by such Unit Owner.

Terraces and/or Balconies are appurtenant to certain Residential Units as identified in Schedule A and the Floor Plans (Exhibit 5 in Part II of the Plan). Terraces and/or Balconies are Residential Limited Common Elements, available for the exclusive use of the Residential Unit Owners of the Residential Units to which such Terrace and/or Balcony is appurtenant, subject to and in accordance with the Declaration, By-Laws and Rules and Regulations as in effect from time to time. Each Residential Unit Owner shall be responsible for all ordinary maintenance and cleaning of each Terrace and/or Balcony appurtenant to its Residential Unit (including replacement of the Terrace and/or Balcony surface) subject to the rights of the Board to regulate its use, and to enter the Residential Unit to access the Terrace and/or Balcony and to access any Common Elements for maintenance, repair and replacement and other uses (including, without limitation, to access any Building mechanical equipment or other Common Elements located on any roof setback adjacent to any Terrace and/or Balcony, or to use any Terrace and/or Balcony as a platform for window washing equipment). Sponsor is not responsible for, can make no guarantees regarding and shall have no liability to Residential Unit

Owners with respect to, the level of noise or vibrations or odors resulting from the operation of Residential Unit Owners on their Terraces and/or Balconies. The costs and expenses of any repairs or replacements to a Terrace and/or Balcony, structural or otherwise (unless caused by or attributable to the Residential Unit Owner) shall be charged to all Residential Unit Owners as a Common Expense. Use of the Terraces and/or Balconies and placement of any personal property thereon will be subject, in all events, to the terms of the Condominium Documents, including the Rules and Regulations which may be adopted by the Condominium Board with respect thereto from time to time.

No Residential Unit Owner with a Terrace and/or Balcony exclusively appurtenant to its Residential Unit shall place or maintain on such Terrace and/or Balcony any items or personal property which may adversely affect the integrity of the roof or other portion of the Building or are otherwise unsafe or which are not consistent with the standard of quality and appearance of the Building (even if previously approved by the Condominium Board, and as determined by the Condominium Board, in its sole discretion). The Condominium Board shall have the right to require a Residential Unit Owner to remove all such items, including but not limited to, plantings, roof surfaces and other installations which have been placed on the Terraces and/or Balconies if the Board determines, in its sole discretion, that the same may adversely affect the integrity of the roof or other portion of the Building or is otherwise unsafe or is not consistent with the standard of quality and appearance of the Building. In addition, the Condominium Board shall have the right, in connection with any construction, repair or maintenance work in the Building, to erect scaffolding temporarily on any Terrace and/or Balcony. In no event shall any Residential Unit Owner of a Residential Unit having a Terrace and/or Balcony be permitted to enclose or erect any structure on such Terrace and/or Balcony. The Board may establish such other rules and regulations it deems necessary to protect the Common Elements and the Residential Units and to insure the integrity of the Building and the health and safety of the occupants.

Moreover, Terraces and/or Balconies that are exposed to the elements must be kept free of snow, ice and accumulation of water to the extent failure to do so could cause damage to the Building and/or other Units therein. In the event a Residential Unit Owner fails to comply with any of its maintenance obligations, the Board may, at the expense of the Residential Unit Owner and without liability to the Board, enter the Residential Unit and perform such acts as are necessary to cure the Residential Unit Owner's default.

In order to promote a consistent appearance of the Building from the outside, unless waived by the Board, each Unit Owner will be required to install and maintain window treatments having a neutral colored backing on the sides facing the windows in his or her Unit, which window treatments and backings must conform to any specifications (including a new color) established from time to time by the Board. Neither the interior nor the exterior glass surfaces of any windows located in any Unit may be altered, colored or painted.

Unless expressly waived by the Board in each case, at least eighty percent (80%) of the floor area of each Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting or equally effective noise reducing material.

The By-Laws provide that each Unit and all portions of the Common Elements shall be kept in a clean and sanitary condition, and in good working order (and all portions

thereof exposed to public view shall be kept in a neat appearance and in first-class condition in accordance with the high quality, character and dignity of the Building), in each case, by the Unit Owner or the Board, whichever is responsible, under the By-Laws, for the maintenance thereof. In the event that any Unit Owner fails to keep his or her Unit in such condition, the Board, at the expense of such Unit Owner, may enter such Unit and perform such acts as are necessary to cure such default. (See subsection entitled "Rights of Access" in this Section below for further discussion.)

Any alteration, addition, improvement or repair in or to a Unit or any Common Elements must comply with all Legal Requirements.

9. Alterations and Improvements of Units

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

As more particularly set forth in Article 6 of the By-Laws, the Retail Unit Owner may make alterations, additions, improvements and repairs in or to its Retail Unit (including any decorations that are compatible with the first class character and location of the Building) without obtaining the approval of the Board, except for Alterations which would affect the structural, mechanical, electrical or plumbing elements of the Building, or the exterior appearance of the Building. In the event that a dispute arises between the Retail Unit Owner and the Board regarding any Alteration which requires the Board's approval, such dispute shall be submitted to arbitration in accordance with the By-Laws.

The Board, at its option, may require a Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made. Any Unit Owner making or permitting an alteration, addition, improvement or repair in its Unit is required by the By-Laws to: (i) obtain such insurance as the Board or the Managing Agent may require; (ii) indemnify the Board, all other Unit Owners and the Managing Agent against any liability arising from the work; (iii) reimburse the Board for its architectural, engineering and legal fees incurred in connection with such work; (iv) employ such architects, engineers, contractors, workers, suppliers and other laborers who are reasonably acceptable to the Board and Managing Agent; and (v) perform such work in a manner which will not interfere with, or cause any labor disturbances or stoppages (which may result from, among other things, the use of non-union labor) in, the work of Sponsor, the Board, or other contractors or subcontractors employed by such parties or otherwise in the Building. In addition, no work or change by or on behalf of a Unit Owner will be permitted without the consent of the Board (which consent may be withheld or conditioned in the sole discretion of such Board) if such work or change would result in a delay in obtaining a temporary or permanent Certificate of Occupancy for the Building, or any amendment to, or extension of, the same if theretofore issued.

The foregoing restrictions affecting Units shall not apply to Sponsor or its designee in respect of the Unsold Units. There are no restrictions on the ability of Sponsor or its designee to alter or improve any Unsold Unit (including, without limitation, dividing, subdividing and combining one or more Unsold Units or portions of same).

Furthermore, an initial Purchaser of an Unsold Unit shall have the right, without the approval of the Board, to make any alterations, additions, improvements or repairs in or to such Unit, provided that such Purchaser obtains all necessary approvals required by law and that Sponsor has consented to the same in writing at or prior to the closing of title to such Unit, which consent Sponsor may withhold or condition in its sole and absolute discretion.

Any alteration, addition, improvement or repair in or to a Unit, or any Common Elements must comply with all Legal Requirements.

10. Alterations and Improvements of Common Elements

Generally, all alterations, additions or improvements in or to the Common Elements will be made by the Board. Except as otherwise provided in the By-Laws, the costs of alterations, additions or improvements to the General Common Elements will be charged to all Unit Owners as a Common Expense; and costs attributable to the Residential Common Elements will be charged to all Residential Unit Owners in the proportion that their respective Common Interests bear to the aggregate Common Interests of all Residential Unit Owners. Whenever, in the judgment of the Board, the Common Elements require additions, alterations, improvements, or repairs which are capital in nature and would cost more than $250,000 (subject to increase by the CPI Increase Factor), in the aggregate, in any calendar year, such additions, alterations, improvements or repairs may not be made unless the same have been approved by the Unit Owners owning a majority of the Common Interests of all Units liable for the cost thereof pursuant to the preceding sentence, including Sponsor, if it then owns any Unit, at a duly constituted meeting of Unit Owners and by the representatives of institutional mortgagees of Units, if any, appointed pursuant to the By-Laws (the "Mortgagee Representatives"), or unless the same is a non-capital repair or necessary to comply with applicable Legal Requirements, to remedy any violation imposed against the Property, to comply with a proper work order of an insurer of the Property, or for the health or safety (but not the general comfort or welfare) of the residents or occupants of the Property. In any such event, the Board may, in its discretion, assess each Unit Owner liable therefor for his or her pro-rata share of the cost of such additions, alterations, or improvements, according to his or her Common Interest, as part of the Common Charges.

Any additions, alterations, or improvements costing $250,000 (subject to increase by the CPI Increase Factor) or less, in the aggregate, in any calendar year or which is a non-capital repair may be made by the Board without the approval of the Unit Owners.

In addition, Sponsor (or its designee or other owner of Unsold Units) and the Retail Unit Owner shall have such rights as are described in the Declaration, to erect, maintain, repair and replace, or permit their tenants to erect, maintain, repair or replace, from time to time, one or more signs on the Property for the purpose of advertising the availability for sale or rental of any Unsold Unit or the operation of any business of Sponsor or the Retail Unit Owner, a tenant, or occupant managing agent including, but not limited to, signs on the facade of the Building. The location and/or placement of signage erected by the Retail Unit Owner shall be

limited to the area described in "Retail Unit Signage Standards", annexed to the By-Laws as Exhibit B, and all costs and expenses associated therewith shall be the sole expense of the Retail Unit Owner. Sponsor (or its designees) and its successors and assigns, or the Board shall also have the right to install plaques and signs and tenant and resident directories in and about the residential lobby of the Building to identify the owners or occupants of the Units, and Sponsor (or its designee) shall have the right to install flap banners on portions of the Building exterior in connection with the marketing and sale of Units in and on any awnings, canopies or other protrusions from the façade of the Building.

11. Rights of Access

As more fully set forth in the Declaration and By-Laws, the Board and any managing agent, manager and other persons authorized by the Board will have a right of access to any Unit for the purposes, among others, of: (a) making inspections of, or removing violations of governmental laws or regulations against, any part of the Property; (b) curing defaults under the By-Laws, Declaration or Rules and Regulations by the owner of such Unit; (c) performing maintenance (including window washing), installations, alterations, repairs or replacements to the mechanical plumbing or electrical systems, or other portions of the Common Elements, located within such Unit or elsewhere in the Building; or (d) correcting any conditions originating in any Unit and threatening another Unit or any Common Element.

In the event that the Board or any Unit Owner fails to maintain or repair parts of the Building required to be maintained or repaired by the Board or Unit Owner, or in the event of any breach of the Declaration, By-Laws or Rules and Regulations, Article 6 of the By-Laws provides for certain specified rights to perform such maintenance or repairs or cure such breach.

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

Each Unit Owner must strictly comply with the provisions of the Declaration, By-Laws and Rules and Regulations. Pursuant to Section 339(j) of the Condominium Act, failure so to comply will be grounds for an action for damages or injunctive relief, or both. The By-Laws, together with the initial form of Rules and Regulations, will be recorded with the Declaration in the City Register's Office.

13. Repair or Reconstruction after Fire or Other Casualty

In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty (unless three-fourths or more of the Building is destroyed or substantially damaged and seventy-five percent (75%) or more of all Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Board will arrange for the prompt repair and restoration thereof (including each Unit, but excluding appliances, fixtures, furniture, improvements, furnishings (including the Unit Furnishings) and other personal property not constituting a part of such Unit).

If the insurance proceeds are insufficient to cover the cost of repairs or restoration, Unit Owners may be assessed for such deficiency. If there is a surplus of insurance proceeds, the surplus shall be paid to Unit Owners in accordance with the following paragraph, except that no payment shall be made to a Unit Owner until there has first been paid out of his or

her share, such amounts as may be necessary to reduce unpaid liens on his or her Unit, other than Permitted Mortgages, in the order of priority of such liens.

If only the Residential Units and/or the Residential Common Elements and/or Residential Limited Common Elements are 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 by all Residential Unit Owners in proportion to their respective Common Interests. If only the Retail Unit is damaged or destroyed by fire or other casualty and the insurance proceeds are insufficient to cover, or exceed, the costs of repairs and restoration, the deficit or surplus, as the case may be, will be borne solely by the Retail Unit Owner. If said damage or destruction by fire or other casualty affects the General Common Elements, or any combination of the Units, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners, or by the Unit Owners of the affected portions of the Building, as appropriate, in proportion to their respective Common Interests.

In the event of a loss for which the proceeds of all policies of physical damage insurance maintained by the Board exceed $1,000,000, the proceeds shall be payable to a New York City bank or trust company designated by the Board as insurance trustee pursuant to the provisions of Sections 6.4.3 and 12.7 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. Sponsor's Construction Lender shall have the right to be the initial insurance trustee and shall have the right to continue to serve as such for so long as the Construction Loan (as hereinafter defined) is outstanding.

Notwithstanding any of the foregoing, if three-fourths or more of the Building is destroyed or substantially damaged and if seventy-five percent (75%) or more of all Unit Owners do not duly resolve within sixty (60) days from the date of such damage or destruction to proceed with the repair or restoration thereof, the Building will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, as if the Building were 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 accordance with their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of his or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens.

14. Insurance

Under Section 6.4 of the By-Laws, the Board is required to obtain and maintain, to the extent obtainable and to the extent determined by the Board to be appropriate, the following insurance: (a) special risk causes of loss property insurance with common coverage extensions insuring the entire Building (including each Unit, but excluding fixtures, furniture, furnishings, decorations, appliances within the Unit or other personal property not constituting a part of such Unit), together with all service machinery contained therein, and covering the interests of the Condominium, the Board and all Unit Owners and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building on a replacement cost basis (exclusive of foundation and footings), without deduction for depreciation. Such insurance shall include coverage for plate glass to the extent if any

determined by the Board, as well as flood (including sewer backup) and earth movement coverage (which may contain a sublimit per occurrence and in the annual aggregate). Such insurance policy shall not include a co-insurance provision; (b) boiler and machinery insurance on a replacement cost basis with limits of not less than Building Limit for all mechanical and electrical equipment against physical damage and rent loss, covering the interests of the Condominium, the Board, Unit Owners and Permitted Mortgagees, as their respective interests may appear. Such insurance policy shall not include a co-insurance provision; (c) commercial general liability insurance against claims for personal injury, death or property damage, including products and completed operations liability coverage, as well as owned, hired and non-owned automobile liability occurring upon, in or about the Property, in such amounts as from time to time are carried by prudent owners of comparable properties in the City of New York, and in such limits as the Board, from time to time, may determine, all covering: (i) the Board, the Managing Agent, each Board member, each officer and employee of the Condominium, and (ii) each Unit Owner and their agents and Permitted Mortgagees, if any, except that such policy will not cover liability of a Unit Owner arising from occurrences within or about its own Unit or within or about the Common Elements, if any, exclusive to its Unit. The Board shall review such limits once each year. Until the first meeting of the Board following the first annual meeting of Unit Owners, such liability insurance shall be at least $1,000,000 with respect to any occurrence and $2,000,000 annual aggregate for this location, with umbrella liability coverage of at least $5,000,000 and at no time and in no event during this time period shall such general liability insurance afford protection to the limit of less than such amounts; (d) workers' compensation and New York State disability benefits insurance as required by applicable law; provided, however, that if the Board does not have any direct employees, such insurance may be purchased if the Board so determines on an "if any" basis; (e) crime or fidelity insurance covering all officers, Board members, directors and employees of the Condominium and of the Managing Agent who handle funds of any of the foregoing with limits of not less than $250,000 and with such deductible as is commercially reasonable and maintained by owners of properties similar in type, location and quality as the Building; (f) directors' and officers' liability coverage with limits of not less than $1,000,000 and with such deductible as is commercially reasonable and maintained by owners of properties similar in type, location and quality as the Building; (g) terrorism coverage; and (h) such other insurance as the Board may determine advisable or necessary from time to time.

Any of the coverages required to be maintained by the Board may be satisfied by any so-called builder's risk policy obtained by Sponsor in connection with the Sponsor's construction work at the Building, provided the limits and terms of coverage set forth in Schedule B are provided under such policy. To the extent any such policy obtained and paid for by Sponsor shall satisfy the insurance requirements of the Board for the Condominium in respect of any period following the First Closing, the Board shall reimburse Sponsor for its prorated share of the cost of such coverage.

The amount of fire insurance and special causes of loss property insurance with common coverage extensions to be maintained with respect to the Condominium (including each Unit, but excluding such items noted in subsection 6.4.1 of the By-Laws to be excluded) until the first Board meeting following the First Annual Meeting of Unit Owners shall be equal to the full replacement cost of the Building.

All such policies of physical damage insurance which the Board is required to maintain shall contain, to the extent obtainable at commercially reasonable premiums, all fire, casualty and general liability insurance policies which the Board is required to maintain must provide that each Unit Owner is an additional insured party, to the extent of their respective interests, and contain waivers of subrogation and waivers of any defense based on: (i) co-insurance; (ii) other insurance; (iii) invalidity arising from any acts of the insured; or (iv) pro rata reduction of liability, and shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees, who have requested the same from the Board in writing. Duplicate originals or certificates of insurance of all policies of insurance and of all renewals thereof, if obtainable, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees who have requested the same from the Board in writing. Renewals shall be obtained at least ten (10) days prior to the expiration of the then current policies.

Any insurance maintained by the Board may provide for such deductible amounts as the Board may determine. The premiums for all insurance referred to above shall be a Common Expense and shall be borne by the Unit Owners in such proportions between them, with consideration of the respective risk, liabilities and replacement values, as are equitable (determined by the insurance carriers) as part of Common Charges.

The Board is not required to obtain or maintain any insurance with respect to any property, additions, improvements and betterments contained in any Unit or any liability with respect to occurrences or operations in or about each Unit or the Common Elements, if any, exclusive and/or appurtenant thereto. Consequently, all Unit Owners are required, at the Unit Owners sole cost and expense, to obtain and maintain in full force and effect: (i) a liability policy insuring against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, on or about such Unit Owner's Unit and the Common Elements, if any, exclusive and/or appurtenant to his or her Unit affording protection of at least $500,000 per occurrence; (ii) umbrella liability coverage of at least $5,000,000; and (iii) "special causes of loss" property insurance in respect of property damage occurring in, upon, to, or from the Unit or any part thereof (including, but not limited to appropriate coverages for additions, alterations, improvements and betterments). The limits of liability set forth in (i) and (ii) above may be increased by the Board from time to time provided that for so long as Sponsor owns at least one (1) Unsold Unit, any change or elimination of the requirements set forth above may only be made upon Sponsor's prior written consent. Unit Owners are urged to obtain property insurance with respect to the fixtures, furnishings and other personal property located within their respective Units at the Property. Further requirements with respect to such insurance are more particularly set forth in the By-Laws. Evidence of such insurance must be provided by the Purchaser at the Closing of title to each Unit and thereafter, whenever requested by the Board or Managing Agent. Purchasers are also advised that the insurance policies to be maintained by or on behalf of the Board will be on a "replacement cost" basis and will not cover losses to the extent that "market value" of a Unit may exceed its insured replacement cost. Further, as a result of current fluctuations in the insurance market, the Board will not be required to obtain or maintain terrorism coverage but may do so, and in such event, the cost thereof shall be a Common Expense as described in the By-Laws. The Board is not required to obtain or maintain any insurance with respect to damage by fire or other casualty to

any element of or property contained in any Unit or any liability with respect to occurrences in or about each Unit or the Common Elements, if any, exclusive and/or appurtenant thereto.

Unit Owners may carry additional insurance, provided that any such policies shall contain waivers of subrogation, if available, and further provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

15. Liability of Board of Managers and Unit Owners Liability of Board of Managers and Unit Owners

Every contract made by the Board, any officer of the Condominium, or the Managing Agent shall state that: (a) it is being executed by such party only as agent for all Unit Owners, and such Board members, officer or Managing Agent 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: (i) such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners; and (ii) to the extent permitted by Legal Requirements or as otherwise determined by the Board in its sole and absolute discretion, such Unit Owner's interest in his or her Unit and its appurtenant Common Interest.

To the extent permitted by applicable Legal Requirements, Board members shall have no liability to Unit Owners, except that a Board member shall be liable for his or her own bad faith or willful misconduct. The Board may contract or effect any other transaction with any Board member, any Unit Owner, Sponsor or its designee, or any affiliate of any of them without incurring any liability for self-dealing, except in cases of bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify, defend and hold harmless each Board member against any liability or claim except those arising out of the bad faith or willful misconduct of such member..

16. Amendments to Condominium Documents

Generally, subject to the provisions contained in the Declaration and By-Laws with respect to amendments, modifications, additions or deletions affecting, among other things, Sponsor (or its designee), any Unsold Units, or the Retail Unit, and provided that required consents of the Residential Mortgagee Representatives, if any, are obtained: (a) any provision of the Declaration, the By-Laws or the Rules and Regulations affecting only the Residential Units or the Residential Unit Owners may be amended, modified, added to or deleted by the affirmative vote of at least 66-2/3% in number and in Common Interest of all Residential Unit Owners; provided, however, that the same shall not be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgagee Representative, if any; (b) any provision of the Declaration, the By-Laws or the Rules and Regulations affecting only the Retail Unit or the Retail Unit Owner may be amended, modified, added to or deleted by the affirmative vote of the Retail Unit Owner (or 51% in Common Interest of the Retail Unit Owners, in the event that the Retail Unit shall at any time be subdivided into more than one Unit); provided, however, that the same shall not be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Retail Unit Mortgagee Representative, if any; (c) any provision of the Declaration, the By-Laws or the Rules

and Regulations affecting the General Common Elements or all Unit Owners, may be amended, modified, added to or deleted by affirmative vote of at least 66-2/3% in number and in Common Interest of all Unit Owners; provided, however, that the same shall not be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgagee Representative, if any, and the Retail Mortgagee Representative, if any; and provided in each of the foregoing cases, however, that the permitted use(s) of a Unit or the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners affected thereby.

Notwithstanding the foregoing and subject to the provisions contained in the By-Laws or in the Declaration with respect to amendments, modifications, additions or deletions affecting Sponsor or its designee, any Unsold Units or Permitted Mortgagees, no amendment, modification, addition or deletion pursuant to the provisions of clause (a) or (c) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgagee Representative(s), if any and no amendment, modification, addition or deletion pursuant to the provisions of clause (b) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Retail Mortgagee Representative, if any.

Notwithstanding any provision contained herein or the Declaration or By-Laws to the contrary, no amendment, modification, addition to or deletion of the Declaration, the By-Laws or the Rules and Regulations shall be effective in any way against: (a) Sponsor or its designee, for so long as Sponsor or its designee is the owner of one of more Units, or any Unsold Unit, unless Sponsor or its designee, as applicable, has given its prior written consent thereto; or (b) the holder of any present or future mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereto.

It is possible that amendments, modifications, additions or deletions of or to the Declaration, By-Laws and Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Retail Unit. In connection therewith, the Retail Unit Owner may, subject to compliance with all applicable Laws, if any, cause the Declaration, By-Laws and Rules and Regulations to be amended, modified, added to or deleted from and the resulting provisions thereof may be similar or dissimilar to those affecting the Units and Unit Owners.

Notwithstanding anything to the contrary contained herein, in the Declaration, the By-Laws, or the Rules and Regulations, if any Unit Owner is notified in writing that its consent to a proposed amendment or modification to the Declaration, the By-Laws or the Rules and Regulations is requested, then, provided that such notice contains a copy of the proposed amendment or modification (and a statement in bold capital letters to the effect that if such Unit Owner does not notify the sending party in writing within ten (10) Business Days after such Unit Owner receives such notice (together with a copy of such amendment or modification), that such Unit Owner disapproves such proposed amendment or modification, then such Unit Owner shall be deemed to have approved such amendment or modification), if such Unit Owner does not notify the sending party in writing within ten (10) Business Days after such Unit Owner receives such notice (together with a copy of such amendment or modification), that such Unit Owner disapproves such proposed amendment or modification, then such Unit Owner shall be deemed to have approved such amendment or modification. The foregoing shall not apply to notices

given to Sponsor or any other holder of Unsold Units requesting the Sponsor's or such holder's consent to a proposed amendment or modification.

17. Termination of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition until: (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws; or (b) such time, as withdrawal of the Property from the provisions of the New York Condominium Act is authorized by a vote of at least eighty percent (80%) both in number and aggregate of the Common Interests of all Unit Owners as set forth in the Declaration and the By-Laws.

Sponsor will not vote its interests appurtenant to Unsold Units in favor of such withdrawal unless at least eighty percent (80%) in number and aggregate Common Interests of all other Unit Owners elect to withdraw, at which time Sponsor may choose to vote its Common Interests either in favor of or against withdrawal from condominium ownership, as it sees fit.

In the event of withdrawal of the Property from condominium ownership, and only to the extent the waiver of the right of partition shall be inapplicable or unenforceable, the Property shall be subject to an action for partition by any Unit Owner or lienor as if the Property were owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests, after first applying the share of the net proceeds of such sale or otherwise payable to any Unit Owner to the payment of any liens on his or her Unit, in the order of priority of such liens.

18. Units Acquired by the Board

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

The purchase of any Unit by the Board or its designee, on behalf of all Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Board by or on behalf of Unit Owners. If the funds in such accounts are insufficient to effectuate any such purchase, the Board may levy an assessment against each Unit in proportion to its respective Common Interest, as a Common Charge, and/or the Board may, in its discretion, finance the acquisition of such Unit, subject to the limitations on borrowing as otherwise set forth herein, and provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its appurtenant interest in the Common Elements.

19. Procedure to Review Real Estate Tax Assessments

The Board, on behalf of and as agent for all Unit Owners will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to the Units owned by such Unit Owners. All such Unit Owners will share, and indemnify the Board as to the costs in connection with such proceedings and the benefits derived therefrom.

In the event any Unit Owner individually seeks to have the assessed valuation of his or her Unit reduced by bringing a separate certiorari proceeding, the Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing such reduction, provided that such Unit Owner indemnifies the Board from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) resulting from such proceedings.

20. Mechanics' Liens

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

21. 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, but not limited to easements in favor of Sponsor, other Unit Owners and the Board. These easements, which are more particularly set forth in Articles 13 and 14 of the Declaration, include an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace Common Elements and, generally, an easement of support and of necessity in favor of all Units and the Common Elements. Additionally, the Board, Sponsor and Sponsor's designee will each have an easement to install and maintain pipes, conduits, wires, ducts, and other facilities in the space between the underside of each such floor slab and the top surface of each Unit's finished ceiling, without any need to obtain the consent of any Unit Owner with respect to the same. These easements shall be exercised in a manner that will not unreasonably interfere with the use of any of the Units or Storage Closets for their permitted purposes.

Among other things, Sponsor shall also have an easement to erect, maintain, repair and replace lights and lighting fixtures and to erect maintain and replace satellite communication equipment and similar equipment, as permitted by law, on the roofs and facade of the Building and elsewhere on the Common Elements which shall entitle Sponsor to utilize such easement for its own account or the account of any licensee of Sponsor for the purpose of servicing the Condominium or any other building or area. In addition, Sponsor and the owner of any Unsold Units shall have an easement to erect, maintain, repair and replace any signs, awnings, marquees, canopies, banners, flags, pennants, aerials, antennas or the like (each a "Sign") permitted by law on the Property (including, without limitation, on its roof and exterior walls) for the purposes of advertising the sale of any Unit, the leasing of space in any Unit and the operation of any business of a tenant or occupant of any Unit.

22. Signage

There will be signs, notices, advertisements and illuminations (collectively "Signage") on various exterior portions of the Building, on or at windows and in interior public spaces of the Building, which may be affixed by Sponsor, and/or the Board and the Retail Unit Owner, all as and to the extent provided in the Declaration and/or By-Laws. Sponsor shall have no liability whatsoever with respect to Purchasers' claims relating to the presence of such Signage at the Building.

23. Use of Condominium Name or Likeness Prohibited

No individual Unit Owner (other than Sponsor or its designee) may use the name or likeness of the Building or the Condominium to promote or in connection with any commercial venture.

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S. REAL ESTATE TAXES

Based upon the real estate tax projection opinion prepared by Aaron Valuation, dated April 13, 2016, it is estimated that the aggregate real estate taxes payable with respect to the Residential Units for the First Year of Condominium Operation will total approximately $453,933, which is comprised of ten (10) months of real estate taxes based upon an estimated 2017/2018 assessment for the Residential Units of $3,486,435, plus two (2) months of real estate taxes based upon an estimated 2018/2019 assessment for the Residential Units of $5,545,590 and a projected tax rate of 13.142% for the 2017/2018 tax year and 13.273% for the 2018/2019 tax year. Additionally, it is estimated that the aggregate real estate taxes payable with respect to the Retail Unit for the First Year of Condominium Operation will total approximately $67,943, which is comprised of ten (10) months of real estate taxes based upon an estimated 2017/2018 assessment for the Retail Unit of $3,486,435, plus two (2) months of real estate taxes based upon an estimated 2018/2019 assessment for the Retail Unit of $1,427,280, and a projected tax rate of 10.870% for the 2017/2018 tax year and 10.979% for the 2018/2019 tax year. The First Year of Condominium Operation is projected to fall within part of the 2016/2017 tax year, prior to completion of construction of the Building.

No guaranty or assurance is given that: (i) any of the assumptions described above will be valid; (ii) any projected or estimated amount set forth above (including, without limitation, the estimates of the Property's assessed valuations during the First Year of Condominium Operation, the estimates of the portions of such assessed valuations that will be allocable to the Units and the projection of the average real estate tax rate that will be in effect during such first year) will approximate the actual amount; (iii) the estimated or actual amount of assessed value of the Property following the projected First Year of Condominium Operation and the taxes payable based upon such assessment (which may be significantly higher to the extent that a portion of the Property is not fully assessed during such First Year); or (iv) the Real Estate Tax Assessment Bureau of the New York City Department of Finance will allocate the Property's aggregate assessed valuation between the Units or classifications of Units in accordance with the values used by Sponsor's real estate tax consultant for such purpose, or that such bureau will allocate the aggregate assessed valuation attributable to the Units among the different Units. Sponsor will amend the Plan promptly to disclose the same if it discovers that any of such assumptions are invalid as well as after the Units have been assessed and the applicable tax rate determined.

Until the Units are separately assessed, each Unit Owner will pay to the Board a share of the Property's real estate taxes for the period in question calculated as follows: the total real estate taxes for the Condominium will be allocated on the basis of proportionate Common Interest. The Board will pay such real estate taxes timely to the Department of Finance of The City of New York, or directly to Sponsor if Sponsor has paid such taxes, so that no lien will be placed on the Property or any Unit. If Sponsor fails to pay real estate taxes attributable to any Unsold Unit in a timely manner and as a result of such failure a lien is placed on the Property and/or any other Unit, Sponsor will immediately cause such lien to be removed at its sole cost and expense. If Unit Owners fail to pay their pro rata share of Real Estate Taxes as set forth above, the Board will be entitled to assess late charges and/or place a lien on their Units as if such unpaid share were Common Charges. (See "Collection and Lien for Non-Payment of Common Charges" in Part I of this Plan for further discussion.) A Unit Owner will not be responsible for the payment of, and will not be subject to any lien arising from the non-payment

of real estate taxes assessed against any other Units. At such time as a Unit is separately assessed and separate tax bills are issued, the Unit Owner will pay such taxes directly to the taxing authority.

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

Real estate taxes will be adjusted between Sponsor and each Purchaser at the closing of title to each Unit based on the period for which real estate taxes have been prepaid by Sponsor either directly to the taxing authority or as part of the Common Charges to the Board. If real estate taxes have been separately assessed to each Unit as of the closing, then the adjustment shall be based on the Unit's actual taxes for such period. If the real estate taxes have not been separately assessed to each Unit as of the closing, then the adjustment shall be determined by allocating to the Unit a prorated portion of the actual taxes for the entire Property for such period determined as provided in the By-Laws.

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T. INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The following discussion of certain income tax consequences of the Plan was prepared by Sponsor based, in part, upon the opinion of Sponsor's Counsel, a copy of which opinion is included herein in the Section of the Plan entitled "Opinions of Counsel." Prospective Purchasers should refer to such opinion letter itself for a more detailed discussion of the tax consequences summarized below.

Prospective Purchasers should note that the opinion letter addresses the tax consequences that would result from the ownership of a Residential Unit by an individual taxpayer who is a resident of New York City for income tax purposes. The opinion letter does not address, among other things, the tax consequences that might result from the ownership or occupancy of a Residential Unit by a taxpayer who is not an individual taxpayer and resident of New York City for income tax purposes, including corporations and other entities, and foreign individuals or foreign entities. It also does not address the tax consequences that might result from the ownership or occupancy of a Unit that is held by an individual taxpayer in connection with his or her trade or business, for investment, or for the production of income. Further, the opinion does not address the tax consequences that might result from the ownership by any person or entity of the Retail Unit or a Storage Closet.

KRAMER LEVIN NAFTALIS & FRANKEL LLP IS COUNSEL TO SPONSOR AND NOT TO ANY PURCHASER UNDER THE PLAN. EACH PURCHASER SHOULD CONSULT WITH HIS OR HER OWN TAX COUNSEL, ACCOUNTANT OR OTHER FINANCIAL ADVISOR AS TO THE TAX CONSEQUENCES OF THE OWNERSHIP OF A UNIT.

1. Deductibility of Real Estate Taxes and Mortgage Interest

Each Residential Unit Owner will own legal (fee simple) title its Residential Unit, together with an undivided interest in the Common Elements. Subject to certain restrictions, each Residential Unit Owner may mortgage its Residential Unit, and thereby become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness. Additionally, each Residential Unit will be a separate tax lot for purposes of New York City real property taxes and assessments. As a result, each Residential Unit Owner will be individually liable for the real property taxes and assessments levied against its Unit.

It is the opinion of Sponsor's Counsel that an individual Residential Unit Owner who is a resident of New York City for income tax purposes and who itemizes his or her deductions generally will, under the income tax laws and regulations in effect as of the date of this Plan and subject to certain limitations and qualifications, be entitled to deduct from his or her Federal, New York State and New York City income:

(a) the state and local real property taxes assessed against its Residential Unit and paid by such Residential Unit Owner; and

(b) "qualified residence interest" paid by such Residential Unit Owner with respect to such Residential Unit.

Qualified residence interest includes interest paid by the Residential Unit Owner on: (i) debt used to acquire, construct or substantially improve any "qualified residence," as defined below, and secured by such residence, up to $1,000,000 in the aggregate ($500,000 in the case of a married individual filing a separate return); and (ii) in general, other indebtedness secured by a qualified residence, which does not exceed such qualified residence's net equity, up to $100,000 in the aggregate ($50,000 in the case of a married individual filing a separate return). Interest on home mortgage indebtedness in excess of these limitations is not deductible.

A "qualified residence" generally means: (i) the "principal residence" of the Residential Unit Owner and (ii) one other residence selected by the Residential Unit Owner, provided that, if such other residence is rented at any time during the taxable year, it will not be a qualified residence unless the taxpayer uses it for personal purposes for a number of days which exceeds the greater of (i) fourteen (14) days or (ii) ten percent (10%) of the number of days during such year for which such unit is rented at a fair value.

Prospective Purchasers should note that, for federal tax purposes, no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (except in the case of "points" paid under certain circumstances), and that the deductions for state and local real property taxes and qualified residence interest may be subject to the overall limitation on the allowance of itemized deductions for federal income tax purposes. No deduction for state and local real property taxes is permitted for purposes of the federal alternative minimum tax and interest deductions may be limited for such purposes.

Each Residential Unit Owner who uses such Residential Unit as a qualified residence generally will be entitled to the same deduction for mortgage interest and real property taxes paid or accrued with respect to such Residential Unit for New York State and New York City income tax purposes as is allowed for Federal (regular) income tax purposes. However, under New York State and New York City income tax law, itemized deductions, such as mortgage interest and real property tax deductions, are subject to reduction by as much as 100% in the case of individuals having income exceeding certain prescribed levels.

2. Taxation of the Condominium

Under the Plan, the Board will, from time to time, assess Common Charges against the Unit Owners, generally in proportion to their respective percentage interests in the Common Elements in order to pay the costs and expenses of operating, repairing, and maintaining all such Common Elements.

In certain circumstances, a condominium board may elect to be treated as a "homeowners association" within the meaning of section 528(c) of the Internal Revenue Code of 1986, as amended (the "Code") and, therefore, could elect to be exempt from Federal income tax on amounts received as membership dues, fees, or assessments from owners of condominium housing units ("exempt function income"). The election must be filed annually. In order for a condominium board to qualify to make such an election each year, Code section 528 and the Treasury Regulations promulgated thereunder require, among other things, that at least eighty-five percent (85%) of the total square footage of all the units within the condominium be used by individuals for residential purposes and that the condominium board meet certain gross income and expenditure tests determined at the close of each taxable year.

It is currently anticipated that more than eighty-five percent (85%) of the total square footage of all the Units in the Condominium will be used by individuals for residential purposes. If such residential use requirement is in fact satisfied, and provided the other requirements of Code section 528 are satisfied, the Board should be eligible to make this election. For any taxable year for which the Board is eligible to and does elect to be treated as a "homeowners association" under Code section 528, the Board will be subject to (i) U.S. federal income tax equal to thirty percent (30%) of its taxable income, which is defined as its non-exempt function income less allowable deductions (computed with certain modifications) directly connected with the production of such income and (ii) any applicable New York State and New York City income taxes.

Absent the application of Code section 528, the status of a condominium board for Federal, New York State, and New York City income tax purposes is not clear. If the Board does not qualify under section 528 or if the Board does qualify but does not elect to be treated as a "homeowners association" under section 528, the present state of the law is uncertain as to the proper reporting and tax treatment of the income of the Board derived from Unit Owners ("membership income") and others ("nonmembership income") in excess of appropriate deductions and credits. It is possible that the Board could be viewed as an agent or conduit for Unit Owners, in which case each Unit Owner would be required to report his or her proportionate share of nonmembership and possibly membership income (and the deductions attributable thereto) directly on his or her own tax return. Alternatively, the Internal Revenue Service may take the position that the Board should be treated as a separate entity. If the Board were to be treated as a separate entity, it is unclear whether it would be taxable as a corporation or treated as a partnership. If the Board is taxable as a corporation, it would be considered a separate taxpayer with respect to income and deductions and return filing requirements and would be subject to Federal corporate income tax, the New York State Corporation Franchise Tax and the New York City General Corporation Tax. If the Board is treated as a partnership, the Unit Owners (but not the Board) would be subject to Federal, New York State and New York City income tax on the taxable income of the Board. In addition, in that instance the Board may be subject to the New York City Unincorporated Business Tax. In determining the taxable income of the Board, the deductions attributable to furnishing services to Unit Owners may be limited to membership income. Certain amounts expended for the benefit of Unit Owners, and possibly rebates, if any, to Unit Owners of excess membership dues, fees or assessments, may be treated as distributions to them.

No representations or warranties are given that the Internal Revenue Service, the New York State Department of Taxation and Finance or the New York City Department of Finance will allow any of the deductions mentioned in this Section of the Plan or that the tax laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which counsel to Sponsor bases its opinion, will not change, possibly with retroactive effect. In addition, no warranties are given by Sponsor, Sponsor's counsel, the Condominium Board, the Selling Agent, the Managing Agent or any other person connected with this offering, with respect to the tax consequences of the Plan or the tax consequences of ownership of any Units offered under the Plan, and no one has been authorized to give any such warranties.

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U. OPINIONS OF COUNSEL

TAX OPINION OF KRAMER LEVIN NAFTALIS & FRANKEL LLP

October 7, 2016

24 Second Avenue Owner LLC
c/o AORE Holdings, LLC
49 Bleecker Street, Suite 301
New York, New York 10012

Re: Condominium Offering Plan for
32 East 1st Street Condominium (the "Condominium")

To Whom it May Concern:

You have requested our opinion concerning (i) the deductibility, for Federal, New York State and New York City income tax purposes, of mortgage interest and state and local real property taxes paid by individual residents of New York City who purchase Residential Units pursuant to the above-referenced Offering Plan (the "Plan"), and (ii) the income tax treatment to the Condominium Board (the "Board") of the assessments payable by Residential Unit Owners to meet common expenses of the Condominium ("Common Charges").

In connection with rendering this opinion, we have reviewed the Plan (including the exhibits thereto), relevant sections of the Internal Revenue Code of 1986, as amended (the "Code"), the New York State Tax Law, the New York City Administrative Code, the Regulations promulgated thereunder and such other material as we deemed relevant. The opinions expressed herein are based upon the assumptions that (1) the Plan is accepted for filing by the New York State Department of Law and is consummated in accordance with its terms, (2) condominium ownership of Residential Units located in the premises known as 32 East 1st Street Condominiums established under applicable law, and (3) the legal consequences of the Plan are as described therein. Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Plan.

The Plan provides for the establishment of condominium ownership of the land and building, and appurtenances thereto, comprising the Condominium, situated on the eastern side of Second Avenue between East 1st Street and East 2nd Street and known by the street address 24 Second Avenue, New York, New York 10003. The Condominium will be comprised of 31 Residential Units, a Retail Unit, 32 Storage Closets and Common Elements. This opinion addresses certain Federal, New York State and New York City income tax consequences that would result from the ownership of a Residential Unit by an individual who is a resident of New York City for income tax purposes. It does not address, among other things, ownership of Residential Units by taxpayers who are not individual residents of New York City for income tax purposes, including corporations and other entities, and foreign individuals or foreign entities; the ownership by any individual or entity of the Retail Unit or a Storage Closet; the tax consequences which may result with respect to any Residential Units held in connection with a trade or business, for investment purposes or for the production of income; or the estate tax consequences of ownership of any Units.

Deductibility of Mortgage Interest and State and Local Real Property Taxes

Each Residential Unit Owner will own his or her Residential Unit and an undivided interest in certain Common Elements in fee simple and, under New York State Law, each Residential Unit (including its undivided interest in the Common Elements) will be taxed as a separate parcel for New York real property tax purposes. Each Residential Unit Owner may mortgage his or her Residential Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness, and will be liable to the local tax authority for the tax assessment with respect to his or her interest in the Residential Unit. Under these circumstances, the Internal Revenue Service has ruled that the owner of a residential condominium unit who itemizes deductions in filing his or her Federal income tax returns may deduct interest paid on his or her mortgage indebtedness and the state and local real property taxes assessed and paid on his or her interest in the property. Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.

Based on the foregoing, and subject to the limitations expressed herein, it is our opinion that each individual Residential Unit Owner who itemizes deductions will be entitled, under current Federal income tax law, to deduct from his or her gross income, the New York real property taxes assessed against his or her Residential Unit and paid by the Residential Unit Owner to the local authority, subject to the Federal overall limitation on itemized deductions as set forth in section 68 of the Code. Further, no deduction for state and local real property taxes is permitted for purposes of the Federal alternative minimum tax. Residential Unit Owners should consult their tax advisers regarding (i) the applicability of the Federal overall limitation on itemized deductions to the deductibility of state and local real property taxes and (ii) the effect of the alternative minimum tax.

A taxpayer is entitled to a deduction, for Federal income tax purposes, for interest paid during the taxable year on "acquisition indebtedness" or "home equity indebtedness" with respect to a "qualified residence" of the taxpayer. A "qualified residence" generally means: (i) the principal residence of the taxpayer and (ii) one other residence selected by such taxpayer, provided that, if such other residence is rented at any time during the taxable year, it will not be a qualified residence unless the taxpayer uses it for personal purposes for a number of days which exceeds the greater of (i) fourteen (14) days or (ii) ten percent (10%) of the number of days during such year for which such unit is rented at a fair value. "Acquisition indebtedness" means any indebtedness which is secured by any qualified residence of the taxpayer and which is incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt). The aggregate amount treated as acquisition indebtedness for any period cannot exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return). "Home equity indebtedness" means any indebtedness (other than acquisition indebtedness) secured by a qualified residence, up to the excess of the fair market value of such qualified residence over the amount of acquisition indebtedness with respect to such residence. The aggregate amount treated as home equity indebtedness for any period cannot exceed $100,000 ($50,000 in the case of a married individual filing a separate return). Accordingly, an owner of a Residential Unit who itemizes deductions and who uses such Residential Unit as a qualified residence will be entitled, under current Federal income tax law, to deduct from his or her gross income, subject to the Federal overall limitation on itemized deductions, interest paid by him or her on (i) acquisition indebtedness incurred with respect to such Residential Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with

respect to a second qualified residence (if any), does not exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return) and (ii) home equity indebtedness with respect to his or her Residential Unit to the extent that such indebtedness, when added to the amount of home equity indebtedness incurred with respect to a second qualified residence (if any), does not exceed $100,000 ($50,000 in the case of a married individual filing a separate return). Further, no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (except in the case of "points" paid under certain circumstances). The rules and limitations regarding the deductibility of home mortgage interest are complex, and thus, Purchasers are urged to consult their tax advisers regarding the application of such rules to them, as well as regarding the deductibility of mortgage interest with respect to their Residential Units for alternative minimum tax purposes (which at present is subject to rules different from those described above for regular tax purposes). Residential Unit Owners should consult their tax advisers regarding (i) the applicability of the Federal overall limitation on itemized deductions to the deductibility of interest paid on mortgage indebtedness and (ii) the effect of the alternative minimum tax.

Each owner of a Residential Unit who uses such Residential Unit as a qualified residence generally will be entitled to the same deduction for mortgage interest and real property taxes paid or accrued with respect to such Residential Unit for New York State and New York City income tax purposes as is allowed for Federal (regular) income tax purposes. However, under New York State and New York City income tax law, itemized deductions, such as mortgage interest and real property tax deductions, are subject to reduction by as much as 100% in the case of individuals having income exceeding certain prescribed levels.

Common Charges

Under the Plan, the Board will, from time to time, assess Common Charges against the Residential Unit Owners, generally in proportion to their respective percentage interests in the Common Elements in order to pay the costs and expenses of operating, repairing, and maintaining all such Common Elements.

In certain circumstances, a condominium board may elect to be treated as a "homeowners association" within the meaning of section 528(c) of the Code and, therefore, could elect to be exempt from Federal income taxes on amounts received as membership dues, fees, or assessments from owners of condominium housing units ("exempt function income"). In order for the Board to qualify to make such an election, Code section 528 and the Treasury Regulations promulgated thereunder require, among other things, that at least eighty-five percent (85%) of the total square footage of all of the Units within the Condominium, be used by individuals for residential purposes and that the Board meet certain gross income and expenditure tests.

It is currently anticipated that more than eighty-five percent (85%) of the total square footage of all of the Units in the Condominium will be used by individuals for residential purposes. If such residential use requirement is in fact satisfied, and provided the other requirements of Code section 528 are satisfied, the Board will be eligible to make this election. For any taxable year for which the Board is eligible to and does so elect to be treated as a homeowners association under Code section 528, the Board will be subject to (i) U.S. federal income tax equal to thirty percent (30%) of its taxable income, which is defined as its non-exempt function income less allowable deductions (computed with certain modifications)

directly connected with the production of such income and (ii) any applicable New York State and New York City income taxes.

Absent the application of Code section 528, the status of a condominium board for Federal, New York State, and New York City income tax purposes is not clear. If the Board does not qualify under Code section 528 or if the Board does so qualify but does not elect to be treated as a "homeowners association" under Code section 528, the present state of the law is uncertain as to the proper reporting and tax treatment of the income of the Board derived from Residential Unit Owners ("membership income") and others ("nonmembership income") in excess of appropriate deductions and credits. It is possible that the Board could be viewed as an agent or conduit for Residential Unit Owners, in which case each Residential Unit Owner would be required to report his or her proportionate share of nonmembership and possibly membership income (and the deductions attributable thereto) directly on his or her own tax return. Alternatively, the Internal Revenue Service may take the position that the Board should be treated as a separate entity. In that case, it is unclear whether the Board would be taxable as a corporation or treated as a partnership. If the Board is taxable as a corporation, it would be considered a separate taxpayer with respect to income and deductions, and return filing requirements and would be subject to Federal corporate income tax, the New York State Corporation Franchise Tax and the New York City General Corporation Tax. If the Board is treated as a partnership, the Residential Unit Owners (but not the Board) would be subject to Federal, New York State, and New York City income tax on their proportionate share of taxable income of the Board. The Board, in such an instance, may be subject to the New York City Unincorporated Business Tax on that portion of Common Charges deemed to constitute gross income, to the extent that such portion (together with any income earned from investments) exceeds allowable deductions. In determining the taxable income of the Board, the Board's deductions attributable to furnishing services to Unit Owners may be limited to their membership income. Certain amounts expended for the benefit of Unit Owners, and possibly rebates, if any, to Unit Owners of excess membership dues, fees or assessments, may be treated as distributions to them.

We express no opinion concerning: (a) any Federal, New York State or New York City tax consequences not explicitly discussed in this opinion, (b) any other aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or (c) the tax status and tax consequences of the Plan, including the ownership of a Residential Unit, under the laws of any state other than New York, local jurisdiction other than New York City, or foreign jurisdiction. Except as explicitly provided herein, this opinion does not address: (i) the tax consequences of the ownership of Residential Units by taxpayers who are not individual residents of New York City for income tax purposes, including corporations and other entities, and foreign individuals and foreign entities; (ii) the ownership by any individual or entity of the Retail Unit or a Storage Closet; (iii) the tax consequences which may result with respect to any Residential Units held in connection with a trade or business, for investment purposes or for the production of income; or (iv) the estate tax consequences of ownership of Residential Units. This opinion also does not discuss the tax consequences which may arise if Residential Units or Common Elements are acquired by the Board or the issue of whether a Residential Unit Owner may be deemed to be a resident of the United States, New York State, or New York City as a result of the ownership of a Residential Unit. We advise, therefore, that each person contemplating the purchase of a Residential Unit consult his or her own tax adviser concerning all such tax matters, as well as with respect to the matters discussed in this opinion.

It should be noted that this opinion is based solely on the facts and documents referred to above and is not binding on the Internal Revenue Service, the New York State Department of Taxation and Finance, or the New York City Department of Finance. Moreover, the Federal, New York State and New York City tax laws and regulations and the rulings and decisions thereunder may change and thereby affect the opinions stated above in whole or in part, possibly with retroactive effect. We undertake no obligation to update, modify or supplement this opinion in the event of any such change in applicable law, although we have advised Sponsor that it is obligated to do so.

This opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which we base this opinion will not change. In no event will we, Sponsor, the Board, the Selling Agent, the Managing Agent or any other person connected with the Plan be liable if there are changes in the facts on which we relied in issuing this opinion or if there are changes in the applicable statutes, regulations, rulings or decisions on which we relied which cause the Residential Unit Owners not to be entitled to the income tax deductions described above or which affect the tax treatment of the Board as described herein.

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

Very truly yours,

Kramer Levin Naftalis & Frankel LLP

Kramer Levin Naftalis & Frankel LLP

KL2 2946853.1

KRAMER LEVIN NAFTALIS & FRANKEL LLP

August 10, 2016

24 Second Avenue Owner LLC
c/o AORE Holdings, LLC
49 Bleecker Street, Suite 301
New York, New York 10012

Re: Condominium Offering Plan for 32 East 1st Street
Condominium (the "Condominium")

To Whom It May Concern:

You have requested our opinion regarding the allocation of common interests to the Units at the Condominium as required by 13 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 Offering Plan (the "Plan") for the Condominium.

In connection with rendering this opinion we have reviewed the allocation of Common Interests as shown on Schedule A of the Plan. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. Our opinion is based upon the factual determinations made by Livingston Management Services, LLC, as set forth in its opinion contained in the Plan as required by NYCRR Section 20.3(i). We have made no independent investigation of the truth or accuracy of the factual determinations of Livingston Management Services, LLC.

Based upon our review of the foregoing, we have determined that Common Interests were allocated pursuant to the method set forth in Real Property Law ("RPL") Section 339-i(1)(iv), i.e., based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit.

Accordingly, based on the foregoing it is our opinion that RPL Section 339-i has been complied with in assigning Common Interests to the Units. This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to Purchasers. In no event will the Sponsor, Kramer Levin Naftalis & Frankel 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.

Very truly yours,

Kramer Levin Naftalis & Frankel LLP

Kramer Levin Naftalis & Frankel LLP

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V. WORKING CAPITAL FUND

The Purchaser of each Unit shall be required to make a contribution at the closing of title to such Unit(s) to or in respect of the working capital fund of the Condominium (the "Working Capital Fund"). Such contribution shall be in an amount equal to two (2) month's Common Charges then in effect for the Unit pursuant to the budget in accordance with Schedule A hereto, as the same may be amended from time to time.

A Reserve Fund is being established by Sponsor for the Condominium and is included as a line item to Schedule B for the purpose of costs and expenses related to capital repairs, replacements and improvements. The Reserve Fund amount was the product of a Reserve Fund study undertaken by Strategic Inspections, with offices at 777 Westchester Avenue, Suite 101, White Plains, New York 10604. For the First Year of Condominium Operation, the Reserve Fund will be funded by Sponsor at or prior to the First Closing. As the Building, upon completion of construction will be new construction, Sponsor does not anticipate a need for major capital repairs, replacements or improvements, however, no assurance or guaranty is given that such need will not arise. Following the First Year of Condominium Operation, it is anticipated that the Unit Owners will be responsible for funding the Reserve Fund as part of their respective Common Charges.

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

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

(2) fees for assignable permits and licenses, if any;

(3) charges for gas, electricity and other utilities;

(4) payments under assignable service, maintenance and concession contracts;

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

(6) cost of fuel and Building supplies on hand, at Sponsor's cost (plus sales tax);

(7) premiums for transferable insurance policies; and

(8) other customary adjustments.

If any of the foregoing items to be apportioned cannot be adjusted at the First Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the First Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. No such adjustments or apportionments are expected to be substantial. Except as herein otherwise expressly provided, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters herein mentioned.

The Working Capital Fund may be held or used for working capital, to make repairs and/or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Board, in its sole discretion and may be augmented by allocations from monthly Common Charges collected by such Board. Other than as provided in the preceding sentence, Sponsor will not separately contribute to the Working Capital Fund. However, while Sponsor controls the Board, the Working Capital Fund will not be used to reduce estimated Common Charges, and in no event shall any portion of the Working Capital Fund be used to pay any Common Charges attributable to Unsold Units.

No representation is made that the Working Capital Fund, together with the Common Charges, will be, or is intended to be, adequate to cover expenses for the first or any subsequent year of Condominium operation, including, without limitation, the cost of any necessary repairs or replacements. If additional funds are required over and above the Working Capital Fund, it may be necessary to increase the Common Charges or to impose special assessments on Unit Owners.

Neither the Department of Law nor any other governmental agency has passed upon the adequacy of the Working Capital Fund.

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W. AGREEMENTS BINDING ON THE CONDOMINIUM

1. Management Agreement

It is presently contemplated that at or prior to the First Closing, the Board will enter into a management agreement with Livingston Management Services, LLC ("Managing Agent"), to act as Managing Agent with respect to the Condominium. Notwithstanding the foregoing, Sponsor reserves the right to cause the Board to engage (or to engage on behalf of the Board) a different managing agent (which may be an affiliate of Sponsor) to serve as Managing Agent. The identity of any different or substitute managing agent to serve as Managing Agent will be disclosed in a duly filed amendment to this Plan.

The Management Agreement will provide for a term of one (1) year commencing on the First Closing. Thereafter, the Agreement will be automatically renewed from year to year, but may be cancelled by the Board without cause, upon not less than sixty (60) days prior written notice and may be cancelled by the Managing Agent without cause, upon not less than ninety (90) days prior written notice. The Managing Agent will receive an annual fee of $30,000 for such first year, payable in equal monthly installments. If either the Managing Agent or the Board materially breaches the Management Agreement, the other party shall have the right to terminate the Management Agreement if such breach is not cured within thirty (30) days of receipt of written notice thereof.

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

(a) Bill, cause to be billed and collect all Common Charges, rents and additional charges and fees due and payable to the Condominium as they become due and to disburse funds as instructed by the Board;

(b) Provide all accounting and maintain balance sheets for the Building and cooperate with the Board's accountant in the preparation of the annual audit of the Condominium;

(c) Maintain separate reserve fund;

(d) Attend meetings of the Board and annual meetings of the Condominium and assist with any elections held at such annual meetings;

(e) Prepare a budget for the operation of the Condominium and deliver it to the Board no later than thirty (30) days prior to the end of the fiscal year of the Condominium;

(f) Cooperate with the Board's legal counsel in connection with all legal actions and proceedings to which the Condominium is a party, including proceedings involving delinquent Common Charges or other sums due to the Board;

(g) Purchase all necessary supplies and establish and maintain accounts for electricity, gas, fuel, water, telephone, window cleaning, garbage collection, pest control and any other utilities and services required for the Condominium's operation;

(h) Make or cause to be made and supervise necessary repairs and alterations of the interior, exterior and landscaping of the Property as directed by the Board. Prior approval of the Board is required for ordinary repairs and alterations in excess of $1,000, with the exception of any repairs deemed immediately necessary by the Managing Agent;

(i) Provide recommendations for vendors and service providers at the Building and obtain and present vendor estimates and quotations to the Board for review and approval;

(j) Supervise all building service employees in order to properly maintain and operate the Building and make all decisions as to hiring, firing, disciplinary actions and the terms and conditions of employment;

(k) At the direction of the Board, process payroll including any withholding for Building employees;

(l) Process Board applications for sales and leases, including, without limitation, credit checks, references and any supporting documents as set forth in the Condominium Documents;

(m) Pay any fees, fines and taxes to New York City as directed by the Board and if applicable, hire an expeditor to appear before any administrative agencies as the Condominium's representative with respect to any outstanding violations;

(n) Maintain records and lease terms relating to the lease of the Retail tenant and review and calculate any additional rent to be charged, if applicable;

(o) Upon request by the Board, secure bids for, place and/or maintain, insurance for the Building;

(p) Supervise the moving in and out of Unit Owners and tenants;

(q) Provide monthly reports showing all income and expenses and reconciled bank statements of the Condominium;

The management fee will be included in Common Expenses as discussed above in Schedule B – "Projected Budget for First Year of Condominium Operation." The Managing Agent will be entitled to additional fees for certain special services performed by it, including, among other:

(a) Unit Sales. In connection with the processing of an application for the sale/transfer of ownership by a Unit Owner, a nonrefundable sum of $500.00 to be paid by the Purchaser;

(b) Unit Leases. In connection with the processing of a lease application on behalf of a Unit Owner, a nonrefundable sum of $300.00 to be paid by the prospective tenant; and

(c) Unit Refinacing. In connection with the refinancing of a Unit by a Unit Owner, a nonrefundable sum of $300.00 to be paid by the Unit Owner.

The Board shall maintain liability insurance naming the Managing Agent as an additional insured. Notwithstanding the foregoing, the Managing Agent will hold the Board harmless from and will defend the Board against claims, charges, debts, demands and lawsuits resulting from the Managing Agent's gross negligence or willful misconduct.

Sponsor reserves the right during the Initial Control Period to designate any other reputable managing agent to perform all of the duties and services to be performed by the 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. After the Initial Control Period, upon the expiration or sooner termination of the then current agreement with the Managing Agent, the Board may designate any other managing agent to perform the duties and services to be performed by the Managing Agent under the Plan. The term "Managing Agent" when used in the Plan with respect to any time after Sponsor or the Board has designated another managing agent shall mean such other agent. The Management Agreement may not be assigned by the Managing Agent without the prior written consent of the Board. Sponsor will amend the Plan to disclose having entered into the Management Agreement promptly after execution thereof.

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X. IDENTITY OF PARTIES

1. Sponsor

Sponsor is 24 SECOND AVENUE OWNER LLC, a Delaware limited liability company authorized to do business in the State of New York, with an office c/o AORE Holdings, LLC, 49 Bleecker Street, Suite 301, New York, New York 10012.

The principals of Sponsor are Yan Ouaknine and Moshe Azogui, each with a business address at the office of Sponsor. Moshe Azogui has been active in the acquisition, sales, development, financing and management of real estate for the last 21 years. Yan Ouaknine has been active in the acquisition, sales, development, financing and management of real estate for the last 16 years.

Sponsor, its principals and affiliated entities have not been involved in any cooperative or condominium offerings in the State of New York within the past five years and do not own 10% or more of the Unsold Units or unsold shares in any building, other than as principals of the sponsor of 53 Greene Condominium, which condominium offering plan was accepted for filing by the New York State Department of Law on July 30, 2013. The Department of Law's file number for the plan is CD13-0001.

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 this Plan.

2. Attorneys for Sponsor

Sponsor has retained the law firm of Kramer Levin Naftalis & Frankel LLP, having an office at 1177 Avenue of the Americas, New York, New York 10036 ("Sponsor's Counsel"), to represent it in connection with the Plan. Jonathan H. Canter, Esq., had principal responsibility for the preparation of the Plan, the Declaration, the By-Laws and the forms of Agreement, Unit Deed and Unit Power of Attorney. Sponsor's Counsel has also rendered opinions with respect to the possible availability of income tax deductions to Purchasers of Residential Units and the allocation of Common Interests. Sponsor's Counsel will serve as Escrow Agent under the Agreements and will represent Sponsor in connection with Unit closings.

3. Selling Agent

The Selling Agent is Capital Realty Investors Inc., having its main office at 136 Madison Avenue, Suite 4, New York, New York 10016. The 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 the 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 this Plan.

4. Managing Agent

Sponsor anticipates entering into an agreement with Livingston Management Services, LLC having an address at 225 West 35th Street, 15th Floor, New York, New York 10001, to be the managing agent of the Building. Managing Agent, Livingston Management Services, LLC, has been involved in the management of real estate for many years, and has experience in the management of all types of residential and commercial buildings, including condominiums.

There have been no prior felony convictions of the Managing Agent or any principals of Managing Agent; and no prior convictions, injunctions and judgments against Managing Agent or any principal of the Managing Agent that may be material to the Plan or an offering of securities generally, that occurred within 15 years prior to the submission of this Plan.

5. Budget Expert

Livingston Management Services, LLC, having an address at 225 West 35th Street, 15th Floor, New York, New York, estimated all amounts of income and expenses in Schedule B, "Projected Budget for First Year of Condominium Operation," in consultation with Sponsor. The budget expert has no financial interest in the Property, in Sponsor, in the Managing Agent, or in any other party interested in this transaction, except: (i) for its fees for services rendered in connection with the same; or (ii) to the extent it may in the future be designated as Managing Agent.

6. Real Estate Tax Consultant

Aaron Valuation, with offices at 358 Seventh Avenue, Suite 124, Brooklyn, New York 11215, has been engaged as real estate tax consultants in connection with the Plan, and has prepared forecasts of the assessed valuation of the Units following Sponsor's construction work at the Building and submission of the Property to a condominium regime of ownership that was used in preparing the provisions of Schedule A and other disclosures in the Plan regarding projected real estate taxes. The real estate tax consultants have no financial interest in the Property, in Sponsor, in the Managing Agent, or in any other party interested in this transaction, except for its fees for services rendered in connection with the same.

7. Construction Professionals

The architect who prepared the property description and Floor Plans appearing as Exhibit 4 in Part II of the Plan is RSVP Architecture Studio, PLLC, located at 68 Jay Street, Brooklyn, New York 11201, has over 20 years extensive experience in the planning and design of new construction projects.

The mechanical engineer for the Project is Plus Group Consulting Engineering PLLC, located at 231 West 29th Street, Suite 706, New York, New York 10001. Sponsor's mechanical engineer as no financial relationship, past or present, to the Property or to the Sponsor, except that it is paid a fee for services it renders in its capacity as mechanical engineer.

None of the construction professionals has a financial interest in the Property, in Sponsor, in the Managing Agent, or in any other party interested in this transaction, except for their respective fees for services rendered in connection with the same.

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Y. REPORTS TO UNIT OWNERS

It is the obligation of the Board to give all Unit Owners annually:

1. a financial statement of the Condominium prepared by a certified public accountant or public accountant, within one hundred twenty (120) days after the end of each fiscal year of the Condominium. Such statement shall be certified while Sponsor is in control of the Board;

2. at least thirty (30) days' prior notice of the annual Unit Owners' meeting; and

3. a copy of the proposed annual budget of the Condominium at least thirty (30) days prior to the date set for adoption thereof by the Board.

While Sponsor is in control of the Board, such budget shall be certified in compliance with Section 20.4(d) of the Regulations of the Department of Law.

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Z. 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 without charge, and for copying at a reasonable charge, at Sponsor's office or Sponsor's Counsel's office for a period of six (6) years after the First Closing. In addition, a set of Floor Plans showing the layout, locations and approximate dimensions of each Unit and its Unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the City Register's Office when the Declaration is recorded, or in an amendment to the Declaration filed prior to the First Closing, and an additional set will be furnished to the Board at the time a permanent Certificate of Occupancy for all of the Units has been issued.

The Declaration and the By-Laws will be recorded in the City Register's Office prior to or concurrently with the First Closing, and a copy thereof will be furnished to the Board at such time.

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AA. GENERAL

There are no lawsuits, administrative proceedings or other proceedings, the outcome of which may materially affect the offering, the Property, Sponsor's capacity to perform all of its obligations under the Plan, the Condominium or the operation of the Condominium.

To the best of Sponsor's knowledge, the Property has not been the subject of any prior cooperative or condominium offerings filed with the Department of Law. No preliminary binding agreements have been entered into and no money has been collected from prospective Purchasers.

Sponsor and the Selling Agent each hereby represent that it will not discriminate against any person on the basis of race, creed, color, national origin, gender, sexual orientation, age, disability, marital status or other grounds prohibited by law.

Sponsor hereby represents that no contracts or agreements, written or oral, have been entered into, and no funds received, with respect to any of the Units offered in this Plan as of the date this Plan is first accepted for filing by the Department of Law.

The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. Sponsor believes that the Plan contains a fair summary of the material provisions of the documents referred to in the Plan, including those documents contained in Part II of the Plan. Exact copies are contained in Part II of the Plan of the form of Declaration, form of By-Laws, form of Agreement, form of Unit Deed, form of Unit Power of Attorney and other documents. Statements made in Part I of the Plan as to the provisions of such documents or any other document referred to herein, copies of which are on file with Sponsor, are necessarily not complete. Each such statement is qualified in all respects by the contents of such documents and, in the case of any such documents 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.

No party other than any Purchaser 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 the Sponsor's obligations hereunder and no party other than any Purchaser shall be deemed to have received any benefit as a result of any of the provisions of the Plan.

Sponsor reserves the right to substantially revise the terms and conditions upon which the Units offered hereunder are to be sold, including, without limitation, changes affecting the rights, obligations and liabilities of Sponsor and/or prospective Purchasers under the Plan. However, no such change with respect to any such Unit for which an Agreement is then in effect may be made without the consent of the Purchaser thereunder. All substantive or material revisions will be contained in a duly filed amendment to the Plan. If there is a material change that adversely affects any Purchasers, Sponsor shall grant such Purchasers a right to rescind their respective Agreements by written notice to Sponsor given within fifteen (15) days after the date of presentation of such amendment. In such event, Sponsor shall direct the Escrow Agent to return the Deposit of any Purchasers who duly rescind their Agreements.

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.

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BB. SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor hereby adopts the Description of Property set forth as Exhibit 4 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.

The Units are being sold "as is" in the condition in which they exist at the time of transfer of title to such Unit unless Sponsor and the Purchaser of such Unit otherwise agree in writing. Except as otherwise expressly provided in this Plan, Sponsor's obligation to make repairs in any Unit shall cease upon the closing of title to such Unit.

As more fully described in "The Property" in the Section entitled "Introduction" above, and subject to the matters described therein, Sponsor anticipates that construction of the Building will be sufficiently completed to allow the first closing of a Unit to occur in or about September 1, 2017. A new Certificate of Occupancy will be issued for the Building when the construction of the Building is complete. Sponsor will obtain a temporary Certificate of Occupancy permitting occupancy of specific Units prior to the closing of the sale of such Units.

SPONSOR:

24 SECOND AVENUE OWNER LLC

PART II

EXHIBIT 1

AGREEMENT

PURCHASE AGREEMENT

_____

_____

Purchaser(s)

with

24 SECOND AVENUE OWNER LLC

Sponsor/Seller

_____

Unit Number ____

32 EAST 1ST STREET CONDOMINIUM
24 Second Avenue
New York, New York 10003

AGREEMENT

UNIT NO. ___

32 EAST 1ST STREET CONDOMINIUM
24 Second Avenue
New York, New York 10003

(to be executed in quintuplicate)

PURCHASE AGREEMENT (this "Agreement"), made as of the ___ day of _____ 20___, between 24 Second Avenue Owner LLC, a Delaware limited liability company, having an office at c/o AORE Holdings, LLC, 49 Bleecker Street, Suite 301, New York, New York 10012 (hereinafter, "Sponsor"), and

_____

_____

having an address at _____

_____ (hereinafter, "Purchaser").

W I T N E S S E T H:

1. Definitions. Terms used in this Agreement and not otherwise defined herein shall have the meanings set forth in the Offering Plan for 32 East 1st Street Condominium, (such plan, together with any amendments thereto filed prior to the date hereof, is hereinafter referred to as the "Plan").

2. The Unit. Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase condominium Unit No. _____ (the "Unit") at the Condominium (as shall be designated in the Declaration) together with the undivided _____% interest in the Common Elements appurtenant to such Unit, upon and subject to the terms and conditions set forth herein. The land upon which the Condominium is located is as described on Schedule A annexed hereto.

3. Purchase Price.

3.1 The purchase price for the Unit (the "Purchase Price") is $_____ payable as follows:

(a) an initial payment of $_____ (the "Initial Deposit"), due upon the signing and submitting of this Agreement, receipt of which (subject to collection) is hereby acknowledged;

(b) an additional payment of $_____ (the "Additional Deposit"; the term "Deposit", as used herein, refers to both the Initial Deposit and, if the same has been paid at the time in question, the Additional Deposit), due upon the earlier to occur of: (i) _____ (the date which is four (4) months after the date of this Agreement); or (ii) fifteen (15) days after Sponsor serves Purchaser with written notice of acceptance by the NYS Department of Law of an

amendment to the Plan that declares the same effective, but in no event later than the closing of title, subject to collection, to the Unit; provided, however, that with respect to Agreements entered into after the Plan has been declared effective, Sponsor reserves the right to require both the Initial Deposit and the Additional Deposit due and payable upon execution of the Agreement; and

(c) $_____ (the "Balance"), constituting the balance of the Purchase Price, at the closing as hereinafter provided.

3.2 All checks shall represent United States currency, be drawn on or issued by a New York bank which is a member of the New York Clearing House Association and shall be unendorsed. Checks for the Deposit shall be Purchaser's good check(s) or, at Sponsor's option, Purchaser's certified check(s) or an official bank check(s), made payable to the direct order of "Kramer Levin Naftalis & Frankel LLP, as Escrow Agent". The check or checks for the Balance and all other sums due Sponsor pursuant to this Agreement shall be good certified check of Purchaser or official bank or cashier's check, made payable to the direct order of "24 Second Avenue Owner LLC" (or such other party as Sponsor directs to Purchaser, in writing, prior to the date of closing of title). If any check is returned, dishonored or fails collection for insufficient funds or for any other reason, Kramer Levin Naftalis & Frankel LLP ("Escrow Agent") is authorized to deliver such check to Sponsor and Sponsor will have the choice of remedies set forth in the Plan and in this Agreement with respect to an Event of Default (which shall include suing on such dishonored check or (at Sponsor's option) canceling this Agreement and returning the instrument to Purchaser without affording Purchaser a grace period to cure such default). At the Sponsor's option, Sponsor may require that the Deposit and the Balance be made by Purchaser by wire transfer to an account designated by Sponsor, provided that the Deposit must, at all times, be made into a segregated escrow account subject to the terms of the Plan.

4. Deposit.

4.1 Prior to or concurrent with execution hereof and payment by Purchaser of the Initial Deposit, Purchaser, Sponsor and Escrow Agent will enter into the "Escrow Rider" annexed to this Agreement. The Escrow Rider must be executed by the Sponsor, Purchaser, and Escrow Agent.

4.2 The provisions of paragraphs 3-6 of the Escrow Rider annexed hereto are incorporated herein by reference.

4.3 Sponsor is required by law to submit a Form 1099 to the Internal Revenue Service reporting any interest earned on the Deposit, if any. Purchaser will be taxed accordingly on such interest, whether or not Purchaser ultimately receives the interest in accordance with the terms of this Article or Article 8.

5. Closing Date and Place.

5.1 The closing of title shall be held at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036 (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 thirty (30) days' prior notice. Sponsor may, from time to time, adjourn such date and hour upon reasonable prior notice to Purchaser, which notice shall fix a new date (and hour and place, if appropriate) for the closing of title (but in no event may Sponsor adjourn the date originally set herein for a closing for more than twelve months in the aggregate without the consent of Purchaser).

5.2 Whenever used herein, the terms "Closing Date" or "closing of title" or words of similar import shall mean the date on which the deed to the Unit is delivered to Purchaser.

6. Delivery of Deed and Power of Attorney.

6.1 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 B annexed hereto and made a part hereof. Sponsor shall prepare the deed, which shall be substantially in the form set forth in Exhibit 3 in Part II of the Plan, and Sponsor and Purchaser shall execute the deed and have the same acknowledged, in form for recording.

6.2 At the closing of title, Purchaser shall execute and acknowledge a power of attorney to the Board, prepared by Sponsor and substantially in the form set forth as Exhibit 2 in Part II of the Plan.

6.3 The executed deed and power of attorney shall be delivered to the representative of the title company insuring Purchaser's title (or if no such representative is present, then to Sponsor's attorney) for recording in the City Register's Office, which recording shall be at Purchaser's expense. After being recorded: (i) the deed shall be returned to Purchaser; and (ii) the power of attorney in favor of the Board shall be returned to the Board (or as the Board shall direct).

6.4 Purchaser's payment of the Balance and acceptance of the deed to the Unit shall constitute Purchaser's recognition that Sponsor has fully satisfactorily performed those obligations stated in the Plan and/or 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 or Part 20 of the Regulations issued by the Department of Law.

7. State of Title.

7.1 The title conveyed by Sponsor to Purchaser shall be subject only to the liens, encumbrances and title conditions set forth in Schedule B annexed hereto and made a part hereof. Any lien, encumbrance or condition to which title is not to be subject shall not be an objection to title if: (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to Royal Abstract of New York, 125 Park Avenue, New York, New York 10017 Attention: Martin Kravet; (212) 376-0900 (or such other title or abstract company designated by Sponsor; the "Title Company"), together with the recording or filing fee; or (b) Purchaser's title insurance company will insure Purchaser, at the company's regular rates and without additional premium, that it will not be collected out of, or enforced against, the Unit; or (c) Purchaser's title insurance company is unwilling to issue the affirmative insurance described in subsection (b) at its regular rates and without additional premium, and the Title Company would be willing to do so at its regular rates and without additional premium (as evidenced by the issuance of the same by the Title Company in connection with the closing of any other Units in the Condominium).

7.2 Sponsor shall be entitled to adjourn the closing to remove or correct any defect in title which is not set forth in Schedule B. However, if such defect existed at least 10 days prior to the closing and Purchaser, or Purchaser's attorney, failed to send Sponsor's attorney written notice of such defect in title at least 10 days prior to the closing, then, for purposes of Article 12 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.

7.3 The covenants in the deed will be solely for the personal benefit of Purchaser and will not inure to the benefit of Purchaser's successors or subrogees. In the event of a claimed breach of any covenant of the grantor contained in the deed, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor, it being agreed that the liability of Sponsor will be limited to any loss or damage not covered by such title insurance. In the event that Purchaser elects not to purchase title insurance, then the liability of Sponsor shall be limited to any loss or damage which would not have been covered by the title insurance that was available to Purchaser at the closing. The terms of any marked-up title binder of any title insurance company authorized to do business in New York State issued in connection with any Unit shall be conclusive evidence of the title insurance coverage that was available to Purchaser. The provisions of this Section 7.3 shall survive the closing of title or the termination of this Agreement.

8. Closing Adjustments.

8.1 The following costs with respect to the Unit shall be apportioned between Sponsor and Purchaser as of the Closing Date:

(a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed;

(b) Common Charges for the month in which title closes; and

(c) if Purchaser is allowed to occupy the Unit prior to the closing, accrued rent and any other charges pursuant to an interim lease or occupancy or other agreement, if any, covering the Unit.

8.2 If the Unit has been separately assessed but the closing of title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser; however, the installment for the then current period shall be apportioned appropriately. If the Unit has not been separately assessed as of the Closing Date for the then current tax period, the adjustment under subsection 8.1(a) hereof shall be based upon the Property's actual taxes and assessment for such period prorated to the Unit in the manner set forth in Section 6.14 of the By-Laws and in Part I of the Plan.

8.3 Sponsor shall remit or cause to be remitted to Purchaser an amount equal to interest, if any, earned on the Deposit, on or promptly after the Closing Date.

8.4 In the event that Purchaser fails to close title to the Unit on the date originally scheduled for the closing of title, postpones the closing for any reason, or is deemed at fault for not timely sending notice of a title defect as provided in Article 7 above, and title thereafter closes, then:

(a) the closing apportionments shall be made as of the originally scheduled closing date regardless of when the actual closing of title occurs; and

(b) Purchaser shall pay Sponsor interest at the rate of 0.04% per day (or such lower rate per day which is the legal limit, if 0.04% per day exceeds the legal limit) on the total

purchase price, computed from the original Closing Date until this transaction is actually closed. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, the foregoing 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.

8.5 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 to 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 aforesaid and as otherwise provided herein or in the Plan.

8.6 Any errors or omissions in calculating apportionments at closing shall be corrected, and payment shall be made to the proper party, promptly after discovery. This provision shall survive the closing.

9. Closing Costs

In addition to those costs, adjustments and other amounts described in Article 8 of this Agreement, Purchaser shall be required to pay the other closing fees and costs which are Purchaser's responsibility as described in the Section of the Plan entitled "Closing Costs and Adjustments" and otherwise. All such closing fees and costs shall be paid by Purchaser at closing by Purchaser's unendorsed personal certified check or official bank check, in either event drawn upon a bank that is a member of the New York Clearinghouse Association. Such costs shall include, but are not limited to, the Real Estate Transfer Tax due to the State of New York (the so-called "deed stamps" and, if applicable, the so-called "mansion tax"), the Real Property Transfer Tax due to the City of New York and other real property transfer tax due to the city or State of New York. Purchaser agrees to indemnify and hold Sponsor harmless from and against any and all liabilities and expenses (including, without limitation, reasonable legal fees and disbursements) incurred by Sponsor by reason of the non-payment by Purchaser of any of the taxes Purchaser is obligated to pay hereunder in connection with the purchase of the Unit. Purchaser's obligations to pay the taxes described in this Section 9 and to indemnify Sponsor as herein provided shall survive the closing of title or the termination of this Agreement.

10. Transfer Tax Returns.

10.1 At the closing, Purchaser shall duly complete and sign before a notary public the real property transfer tax return required to be filed with The City of New York ("RPT Form") and Purchaser shall duly complete and sign the Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate ("Combined Tax Form") required to be filed with the Department of Taxation and Finance of the State of New York (the "Tax Department"), or such other forms as may then be required by law. The RPT Form and Combined Tax Form shall be delivered at closing to the representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for filing with the proper governmental officer. Sponsor will similarly execute all of such forms and other documents required in connection with recording of the deed including, without limitation, smoke detector and multiple-dwelling affidavits.

10.2 Purchaser shall pay all New York City Real Property Transfer Taxes and New York State Real Estate Transfer Taxes (and, if applicable, the so-called "mansion tax"), and any other real property transfer tax due to the City or State of New York, including, but not limited to, any New York City mansion or similar additional tax, notwithstanding the fact that this tax may by law be the primary obligation of the seller, and the cost of any stock transfer stamps. Purchaser shall also be responsible to

pay any New York City mansion or similar additional tax as may hereafter be imposed, notwithstanding the fact that this tax may by law be the primary obligation, in whole or in part, of the seller. Purchaser agrees to indemnify and hold Sponsor harmless from and against any and all liabilities and expenses (including, without limitation, reasonable legal fees and disbursements) incurred by Sponsor by reason of the non-payment by Purchaser of any of the taxes Purchaser is obligated to pay hereunder in connection with the purchase of the Unit. Purchaser's obligations to pay the taxes described in this Article and to indemnify Sponsor as herein provided shall survive the closing or the termination of this Agreement.

11. The Plan.

11.1 Purchaser acknowledges having received and read a copy of the Plan, including all amendments thereto, if any, filed prior to the date hereof with the Department of Law of the State of New York, at least three (3) business days before submitting this Agreement. If, however, Purchaser did not receive a copy of the Plan at least three (3) business days before submitting this Agreement, Purchaser may rescind this Agreement, by sending written notice of same to Sponsor by certified or registered mail, return receipt requested, or by personal delivery, in either case within seven (7) days of Purchaser's submission of this Agreement.

11.2 The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth herein at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern, except with respect to express modifications to the terms of the Plan included in this Agreement and agreed to by Sponsor and Purchaser, in which case such modifications will govern.

11.3 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.

12. Default by Purchaser. (a) Any of the following shall constitute an "Event of Default" hereunder:

(i) Purchaser's failure to pay the Additional Deposit on the date set forth in Article 3 hereof, Purchaser's failure to pay the Balance or any closing apportionment or closing cost required to be paid by Purchaser in Article 8 or 9 hereof on the Closing Date designated by Sponsor pursuant to Article 5 hereof, or the dishonor of any check given by Purchaser to Sponsor; or

(ii) the failure to pay, perform or observe any of Purchaser's other obligations hereunder; or

(iii) the occurrence of any Events of Default under any other Agreement between Sponsor and Purchaser, or between Sponsor and any member or members of Purchaser's immediate family or between Sponsor and any parent, affiliate or subsidiary of Purchaser; or

(iv) if Purchaser is permitted to become the tenant or other occupant of the Unit, Purchaser's failure to pay rent or to perform some other lease or occupancy obligation within the period after notice, if any, set forth in the lease or occupancy or other

agreement and either (x) Sponsor has obtained an order of eviction against Purchaser from a court of competent jurisdiction or (y) Purchaser has vacated the Unit; or

(v) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or

(vi) if a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(vii) if a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same within thirty (30) days.

(b) **TIME IS OF THE ESSENCE** with respect to Purchaser's obligations to pay the Balance and to pay, perform or observe Purchaser's other obligations under this Agreement. Upon the occurrence of an Event of Default, Purchaser shall have thirty (30) days from the giving of the notice of such default to cure the specified default. If the default is not cured within such thirty (30) days, TIME BEING OF THE ESSENCE, then Sponsor, in its sole discretion, may thereupon cancel this Agreement. If Sponsor elects to cancel, this Agreement shall be deemed cancelled, and Sponsor, as its sole remedy, shall have the right to retain, as and for liquidated damages, the Deposit and any interest earned on the Deposit once the Plan has been consummated. Alternatively, instead of retaining the Deposit, Sponsor may elect to bring an action for specific performance, in which event the Purchaser could be compelled to complete the purchase of the Unit. 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 accounting to Purchaser for any of the proceeds of such sale.

(c) Sponsor and Purchaser each hereby agree and acknowledge that it would be impractical and/or extremely difficult to fix or establish the actual damage sustained by Sponsor as a result of a default by a Purchaser hereunder, and that the Deposit (including all interest) shall constitute and be deemed to be the reasonable and agreed upon liquidated damages of Sponsor in respect of the possible loss of a timely closing, the possible fluctuation of values, additional carrying costs of the Unit and other expenses that may be incurred, including, without limitation, attorneys' fees, and shall be paid by Purchaser to Sponsor. The payment of the deposit (including all interest) as liquidated damages is not intended to be a forfeiture or penalty, but is intended to constitute liquidated damages to Sponsor. For the avoidance of doubt, no statutory interest will accrue during any period of time during which there is a dispute over the Deposit being held in escrow.

(d) NEITHER SPONSOR NOR PURCHASER SHALL CHALLENGE THE VALIDITY OF THE PROVISIONS OF THIS AGREEMENT OR THE PLAN WITH RESPECT TO LIQUIDATED DAMAGES OR ANY RIGHT OF SPONSOR SET FORTH HEREIN OR THEREIN TO RETAIN THE DEPOSIT IN THE EVENT OF A PURCHASER DEFAULT. SUCH PROVISIONS HAVE BEEN AGREED TO VOLUNTARILY, AFTER NEGOTIATION, WITHOUT DURESS OR COERCION BY ANY PARTY UPON ANY OTHER PARTY, AND WITH EACH PARTY HAVING BEEN (OR HAVING HAD FULL AND ADEQUATE OPPORTUNITY TO BE) REPRESENTED AND ADVISED BY COUNSEL, ACCOUNTANTS, BROKERS, APPRAISERS AND OTHER EXPERTS AND ADVISORS OF ITS OWN CHOOSING.

13. **Agreement Subject to Lien of Mortgage**. No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any money 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 continue to be subject and subordinate to the lien of any mortgage heretofore or hereafter made and any payments or expenses already 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 fullest extent thereof, without the execution of any further legal documents by Purchaser. 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, unless, if Purchaser is obtaining financing on the Unit, Purchaser assumes such mortgages (at Sponsor's discretion). 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 is subordinated to the Declaration, or the Unit is released from, or not subject to, the lien of such mortgage at closing (unless Purchaser has assumed the continuation of a mortgage lien encumbering such Unit as hereinabove described).

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 (as the same may be amended from time to time). 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 the Deposit, together with interest, if any, earned thereon, shall be returned to Purchaser. 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 not to cure such inability, and Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such inability (without any abatement in or credit against the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall, within 30 days after receipt of notice of termination from Purchaser, return the Deposit to Purchaser, together with interest, if any, earned thereon. Upon making such payment, this Agreement shall be terminated and 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. The foregoing remedy must be exercised by written notice sent by Purchaser to Sponsor within ten 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 first remedy above 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 the sale

of the Unit pursuant to this Agreement. No portion of the Purchase Price shall be attributable to such items.

17. Construction.

17.1 The Sponsor's construction of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be in accordance with the Plan and the Plans and Specifications (as defined in the Plan), subject to the right of Sponsor to amend the Plan and the Plans and Specifications in order to substitute materials, equipment or fixtures of equal or better quality, provided that the approval of any governmental authorities having jurisdiction is first obtained (if required). For purposes hereof, equal or better quality shall mean comparable or better quality as recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable. The issuance of a temporary or permanent Certificate of Occupancy 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 Plan in the Section 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 "Prerequisites to Closing of Title" in Part I of the Plan. As a result, if all other prerequisites not involving the construction of the Unit are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without any credit against or abatement in the Purchase Price and without any provision for escrow) once a temporary or permanent Certificate of Occupancy is issued for the Unit (notwithstanding any construction items noted on Purchaser's Inspection Report (as hereinafter defined) remaining for Sponsor to complete and/or correct in accordance with its obligations under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building not preventing Purchaser's occupancy of the Unit).

17.4 Sponsor has projected that, based upon Sponsor's construction schedule anticipated as of the initial filing date of the Plan, Sponsor contemplates that Sponsor's construction of the Building will be sufficiently completed to permit closings of Units to begin on or about September 1, 2017. The actual date for the First Closing is only an estimate and is not guaranteed or warranted, and may be earlier or later depending on the progress of Sponsor's construction of the Building and compliance with the other prerequisites described in the Plan. Purchaser acknowledges that construction may be delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery or inability to obtain on a timely basis or otherwise materials or equipment, governmental restrictions, or other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the Units in the Building will be completed at varying times over a period that could extend well beyond the First Closing. The order in which these units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise expressly provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for damages or losses, in the event that the First Closing occurs substantially earlier or later than the projected date or the time to complete or to close title to the Unit is accelerated, delayed or is

postponed by Sponsor, Purchaser's rights as set forth in Plan in respect thereof being in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of are hereby expressly waived by Purchaser.

18. **Inspection of Unit**. At least one week (but not more than one month) prior to the Closing Date, at Sponsor's direction, Selling Agent shall notify Purchaser that the Unit is ready for inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with Selling Agent to inspect the Unit within the week prior to the Closing Date. Purchaser or his or her duly authorized agent shall attend such inspection, shall carefully inspect the Unit, and shall complete, date and sign the Inspection Statement (in the form set forth as Schedule C to this Agreement) and deliver same to Selling Agent at the conclusion of the inspection. Sponsor reserves the right to limit the number of individuals who may accompany Purchaser(s) in its inspection of the Unit. Failure of Purchaser either to arrange such appointment or to inspect the Unit within the week prior to the Closing Date or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit. However, nothing herein shall relieve Sponsor of its obligations as set forth in "Rights and Obligations of Sponsor" in the Plan.

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. In the event of damage or destruction of the Unit due to fire or other casualty prior to the closing of title and the election by Sponsor to repair or restore the Unit, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the 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 or the termination of the Agreement.

19.2 In the event of damage to or destruction of the Unit by fire or other casualty prior to the closing of title and the election by Sponsor, with notice thereof to Purchaser, that it does not elect to repair or restore the Unit, or, if the Declaration has been recorded prior thereto, then if 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 or effect and Sponsor shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest, if any, earned thereon, and 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 hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain all such sums deposited by Purchaser hereunder and any interest earned thereon, as and for liquidated damages.

20. **No Representations**. Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, model units, 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 of the Unit, the ability to rent the Unit and/or the rental income therefor, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as herein or in the Plan specifically represented; Purchaser has relied solely on his or her 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. No oral representations or statements shall be considered a part of this Agreement. Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans on file in Sponsor's office and [to be][*] filed in the City Register's Office, is accurate or correct, and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error. The provisions of this Article 20 shall survive the closing of title or the termination of this Agreement.

21. Prohibition Against Advertising. Purchaser hereby covenants and agrees that it shall not, prior to the closing of title hereunder, list the Unit for sale, for resale or lease with any broker or otherwise advertise, promote, or publicize the availability of the Unit for sale. Any such listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser or its agents or representatives prior to the closing of title shall be an Event of Default hereunder, entitling Sponsor to the remedies set forth in Article 12 hereof. In addition, Purchaser may not and shall not advertise, list or sell its Unit for twelve (12) months after acquisition of the Unit (i.e., the transfer of title by Sponsor to Purchaser), unless Sponsor has then entered into a Purchase Agreement for all Residential Units in the Building. Any such conveyance in violation of the foregoing will be voidable by Sponsor, and shall be an Event of Default hereunder, entitling Sponsor to the remedies set forth in Article 12 hereof. The provisions of this Article 21 shall survive the closing of title or the termination of this Agreement.

22. Broker. Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction other than Selling Agent and _____. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than Selling Agent and the aforementioned broker. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker other than Selling Agent on account of any acts or dealings of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including, but not limited to, reasonable legal fees and disbursements. The provisions of this Article 22 shall survive the closing of title or the termination of this Agreement.

23. Agreement May Not Be Assigned.

23.1 This Agreement, or any interest of Purchaser herein, shall not inure to the benefit of any successors or assigns of Purchaser and may not be assigned by Purchaser, without the prior written consent of Sponsor, which consent may be given or denied by Sponsor in its sole discretion. Any purported assignment by Purchaser in violation of this Agreement shall be an event of default by Purchaser entitling Sponsor to all remedies available at law, in equity or otherwise, including, without limitation, the remedies set forth in Article 12 hereof, and shall be voidable at the option of Sponsor.

23.2 If Purchaser is a corporation, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the stock of Purchaser, or if Purchaser is a partnership, limited liability company or other entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any

[*] Omit after Floor Plans have been filed in City Register's office.

interest in such partnership, limited liability company or other entity shall, for purposes of this Agreement, be considered an assignment and shall be subject to the provisions, prohibitions and terms of this Article concerning assignment of this Agreement, except that a sale of less than fifty percent (50%) of the stock, or in the case of a partnership, limited liability company or other entity, less than fifty percent (50%) of the ownership interests, of Purchaser which does not result in a change in control of Purchaser shall not be considered an assignment. For purposes of the preceding sentence only, "control" shall mean the ownership of fifty-one percent (51%) or more of the interests in such entity and possession of the power to direct the management and policies of such entity and the distribution of its profits.

23.3 If a Purchaser desires to assign its rights under this Agreement or to take title in the name of an affiliate of, or entity related to, or controlled by Purchaser that differs from that reflected in this Agreement, or to add, delete or substitute the name of a member of the Purchaser's family, then, if such assignment, alteration, addition, deletion or substitution is permitted by Sponsor (in Sponsor's sole discretion), Purchaser shall deliver to Selling Agent or Sponsor's counsel, four (4) signed forms of assignment of this Agreement (to be prepared by Sponsor's counsel at Purchaser's expense and in form and content acceptable to Sponsor, in its sole discretion), as well as three (3) completed and signed copies of either Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), as applicable, in the form required by law. Upon each assignment or other change permitted by Sponsor (it its sole discretion), the assignments and Form W-8 or Form W-9, as applicable, must be delivered to Selling Agent or Sponsor's counsel, together with a personal certified check, or an official bank or cashier's check, in the amount of $1,500 made payable to Kramer Levin Naftalis & Frankel LLP (for services rendered in connection with the assignment), not less than twenty (20) days prior to the date scheduled for the Purchaser's closing. In no event shall Purchaser or its assignee (or any added or substituted party) have any right to adjourn or postpone the closing as a result of any such change or assignment. Sponsor is not obligated to consent to any such change or assignment and, Sponsor's refusal to consent to an assignment or change in name will not entitle Purchaser to cancel this Agreement or excuse Purchaser from any of its obligations hereunder or give rise to any claim for damages against Sponsor; and the prohibition against advertising or publicizing the availability of Purchaser's Unit as set forth in Article 21 above and in the Plan will remain in effect.

23.4 Notwithstanding the provisions of Section 23.1 above, Sponsor will not unreasonably withhold its consent to the assignment by Purchaser, on one (1) occasion only, of all of Purchaser's rights under this Agreement to a Purchaser Affiliate or to member(s) of Purchaser's Immediate Family, provided that any such assignment is made without consideration and otherwise in accordance with the provisions and procedures set forth in Section 23.3 above. For purposes of this Section 23.4 only: (i) "Purchaser Affiliate" means an entity, as of the date of the assignment and at all times thereafter through and including the Closing, controlled by or under common control with Purchaser; (ii) "Immediate Family Members" means Purchaser's spouse, domestic partner, children, grandchildren, parents, grandparents, brothers or sisters, stepchildren and stepparents; and (iii) "control" means the ownership of fifty-one percent (51%) or more of the interests in such entity and possession of the power to direct the management and policies of such entity and the distribution of its profits.

23.5 Notwithstanding any consent by Sponsor pursuant to the terms of this Article to any such change of name or assignment, in no event shall Purchaser, as assignor, be released or relieved from any obligations, promises, covenants and liabilities under or in respect of this Agreement.

24. <u>Binding Effect</u>. 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 Purchaser or Sponsor until Purchaser has signed this Agreement and delivered the signed Agreement and the Initial Deposit to

Sponsor, and a counterpart hereof executed by Sponsor has been delivered to Purchaser. If this Agreement is not signed by Sponsor and a fully executed counterpart delivered to Purchaser or its attorneys within thirty (30) days after the date hereof, this Agreement shall be deemed to have been rejected and the Initial Deposit shall be promptly returned to Purchaser. Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. 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 gender, sexual orientation, race, creed, color, national origin, ancestry, disability, marital status, or other ground proscribed by law.

25. Notices.

25.1 Any notice, election, demand, consent, request or other communication hereunder or under the Plan shall be in writing and either delivered in person 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 Purchaser at the address given at the beginning of this Agreement; and to Sponsor, addressed to Selling Agent at: Capital Realty Investors, Inc., 136 Madison Avenue, Suite 4, New York, New York, 10016, with a copy sent simultaneously and in like manner to each of: (i) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attention: Jonathan H. Canter, Esq; and (ii) 24 SECOND AVENUE OWNER LLC, c/o AORE Holdings, LLC, 49 Bleecker Street, Suite 301, New York, New York 10012. 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 when personal delivery or delivery by overnight courier is effected or, in the case of mailing, three (3) days after the date of mailing, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

25.2 Sponsor hereby designates and empowers both Selling Agent and Sponsor's counsel (Kramer Levin Naftalis & Frankel LLP) as Sponsor's agents to give any notice to Purchaser under this Agreement (including, without limitation, a notice of default) in Sponsor's name, which notice so given shall have the same force and effect as if given by Sponsor itself.

26. Joint Purchasers. The term "Purchaser" shall be read as "Purchasers" if the Unit is being purchased by more than one person, in which case their obligations shall be joint and several.

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, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused.

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. **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.

30. **Strict Compliance**. Any failure by either party hereto to insist upon the strict performance by the other party 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 other party.

31. **No Lien**. Neither this Agreement nor any monies deposited hereunder or expended by Purchaser in connection herewith shall constitute a lien against the Unit, any other Units, or any other portion of the Building or the Land upon which it is situated.

32. **Governing Law**. The provisions of this Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York applicable to contracts made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

33. **Purchaser's Representations**.

33.1 Purchaser represents that Purchaser has full right and authority to execute this Agreement and perform Purchaser's obligations hereunder. If Purchaser is not a natural person, Purchaser agrees to deliver at Closing, such documents evidencing Purchaser's authority as may be required by Purchaser's title company. Purchaser further represents that the Deposit represents Purchaser's own funds and that no other party (other than Purchaser or Sponsor, as provided herein) has any right or claim to all or any portion of the Deposit.

33.2 Purchaser is not now, nor shall it be at any time prior to or at the closing of title, an individual, corporation, partnership, joint venture, trust, trustee, limited liability company, unincorporated organization, real estate investment trust or any other form of entity (collectively, a "Person") with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC or otherwise. Neither Purchaser 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 a Person with whom a U.S. Person, including a "financial institution" as defined in 31 U.S.C. 5312 (a)(z), as periodically amended, is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC or otherwise.

33.3 Purchaser has taken, and shall continue to take until the closing of title, such measures as are required by applicable law to assure that the funds used to pay to Sponsor the Purchase Price are derived: (i) from transactions that do not violate United States law nor, to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated. Purchaser is, and will at closing be, in compliance with any and all applicable provisions of the USA PATRIOT Act of 2001, Pub. L. No. 107-56, the Bank Secrecy Act of 1970, as amended, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

33.4 The provisions of this Article shall survive the closing of title to the Unit or termination of this Agreement.

34. Agreement Not Contingent Upon Financing. The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof) stated in Article 3 of this Agreement, 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, any change in Purchaser's financial status or condition, nor any delay in or adjournment of the Closing, shall release or relieve Purchaser of Purchaser's obligations pursuant to this Agreement.

35. Costs of Enforcing and Defending Agreement. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder. The provisions of this Article shall survive closing of title or the termination of this Agreement.

36. Waiver of Jury Trial. Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, 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. The provisions of this Article shall survive closing of title or the termination of this Agreement.

37. Waiver of Diplomatic or Sovereign Immunity.

37.1 Purchaser hereby waives any and all immunity from suit or other actions or proceedings and agrees that, should Sponsor or any of its successors or assigns bring any suit, action or proceeding in New York or any other jurisdiction to enforce any obligation or liability of Purchaser arising, directly or indirectly, out of or relating to this Agreement, no immunity from such suit, action or proceeding will be claimed by or on behalf of Purchaser.

37.2 As of the execution of this Agreement, Purchaser acknowledges and agrees that all disputes arising, directly or indirectly, out of or relating to this Agreement may be dealt with and

adjudicated in the state courts of New York or the federal courts sitting in New York, and hereby expressly and irrevocably submits the person of Purchaser to the jurisdiction of such courts in any suit, action or proceeding arising, directly or indirectly, out of or relating to this Agreement. So far as is permitted under the applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action shall be necessary in order to confer jurisdiction upon the person of Purchaser in any such court.

37.3 Purchaser irrevocably waives, to the fullest extent permitted by law, and agrees not to assert, by way of motion, as a defense or otherwise in any suit, action or proceeding arising, directly or indirectly, out of relating to this Agreement, brought in the state courts in New York or the federal courts sitting in New York: (i) any objection which it may have or may hereafter have to the laying of the venue of any such suit, action or proceeding in any such court; (ii) any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum; or (iii) any claim that it is not personally subject to the jurisdiction of such courts. Purchaser agrees that final judgment from which Purchaser has not or may not appeal or further appeal in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon Purchaser and, may so far as is permitted under the applicable law, be enforced in the courts of any state or any federal court and in any other courts to the jurisdiction of which Purchaser is subject, by a suit upon such judgment and that Purchaser will not assert any defense, counterclaim, or set off in any such suit upon such judgment.

37.4 Purchaser agrees to execute, deliver and file all such further instruments as may be necessary under the laws of the State of New York, in order to make effective the consent of Purchaser to jurisdiction of the state courts of New York and the federal courts sitting in New York and any other provisions of this Article 37.

37.5 Nothing in this Article 37 shall affect the right of Sponsor to bring proceedings against Purchaser in the courts of any jurisdiction or jurisdictions.

37.6 The provisions of this Article 37 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.

37.7 In the event Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), such Purchaser shall hereby be deemed to have designated and hereby designates C.T. Corporation System, having its offices, at the date hereof, at 111 Eighth Avenue, New York, New York 10011 as its duly authorized and lawful agent to receive process for and on behalf of Purchaser in any state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement.

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

38. **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.

39. **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 term "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 otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Agreement.

40. **Captions**. The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

41. **Successors and Assigns**. Subject to the provisions of Article 23 hereof, the provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

42. **No Oral Changes**. This Agreement, or any provision hereof, cannot be orally changed, terminated or waived. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES AND WHICH REFERS TO THIS AGREEMENT.

43. **Counterparts**. This Agreement and any Rider(s) which may be annexed hereto may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document. A facsimile signature or other electronically transmitted (e.g., PDF) signature on this Agreement (or any such Rider(s)) shall be acceptable and be deemed binding. The party tendering such facsimile signature or other electronically transmitted signature shall provide the other party with original counterparts of the signature page promptly after delivery of the facsimile signature page or other electronically submitted signature, although the failure to do so shall not invalidate the effectiveness of the facsimile signature or other electronically transmitted signature.

44. **Rule of Construction**. There shall be no presumption against the drafter of this Agreement or the Plan.

45. **Mold**. Purchasers are advised that the prevention of the growth of mold in a Unit is the responsibility of each Unit Owner. Residential home construction is not, and cannot be, designed to exclude mold spores. Whether a Unit Owner experiences mold growth depends largely on how such Unit Owner manages and maintains his/her Unit. Unit Owners will need to take actions to prevent conditions which cause the mold or mildew, and it is the responsibility of each Unit Owner to ensure that he/she has taken the necessary precautions to prevent mold from becoming a problem in such Unit Owner's Unit. Sponsor will not be liable for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory with respect to the presence and/or existence of molds, mildew and/or microscopic spores unless caused by the gross negligence or willful misconduct of Sponsor.

46. **Section 1031 Exchange**. Sponsor hereby acknowledges that the acquisition of the Unit hereunder may be in connection with a tax deferred exchange under §1031 of the Internal Revenue Code and that Purchaser (except as prohibited by paragraph 24 of this Agreement) may be assigning all of its rights and obligations hereunder to a qualified intermediary as part of, and in furtherance of, such tax deferred exchange. Sponsor hereby agrees to reasonably assist and cooperate in such tax deferred exchange, provided, however, that: (i) any action taken in connection with such tax deferred exchange or requested of Sponsor shall not result in any cost, expense or liability on the part of Sponsor or increased

risk to Sponsor relating to the transaction contemplated by this Agreement (and, among other things, Purchaser acknowledges that a fee may be payable to Sponsor's Counsel in connection with the review of any documentation related to such tax-deferred exchange); (ii) no action or failure on the part of Purchaser (or any other party to such tax deferred exchange) or cooperation on the part of Sponsor in connection with or related to said tax deferred exchange will frustrate the purpose of this Agreement or otherwise result in a reduction of Sponsor's rights, remedies and privileges under this Agreement or increase any of Sponsor's obligations or duties under this Agreement or otherwise; and (iii) Sponsor shall not be obligated, as part of any tax deferred exchange, to convey any property (other than the Unit), acquire any property, or accept any form of payment in respect of the amounts due hereunder other than as set forth herein. Purchaser shall indemnify and shall hold Sponsor harmless from and against any and all costs, expenses, fees (including, without limitation, reasonable attorneys' fees) or liabilities incurred by Sponsor in connection with or resulting from the said tax deferred exchange, and such indemnity shall survive the closing of title or the termination of this Agreement. Notwithstanding the foregoing, Sponsor makes no representation and expresses no opinion with respect to the applicability of §1031 of the Internal Revenue Code to the purchase or acquisition of a Unit.

[NO FURTHER TEXT ON THIS PAGE; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth hereinabove.

SPONSOR:

24 SECOND AVENUE OWNER LLC

By:_____
Name:
Title:

PURCHASER(s):

By:_____
Name:
Title:

Social Sec. Number
or Federal Tax ID:_____

PURCHASER(s):

By:_____
Name:
Title:

Social Sec. Number
or Federal Tax ID:_____

Purchaser acknowledges receipt
of Offering Plan [and amendments]
on _____ __, 201__

Initials of Purchaser(s):

_____ _____

SCHEDULE A

DESCRIPTION OF THE LAND

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

BEGINNING at the corner formed by the intersection of the northerly side of East 1st Street and the easterly side of Second Avenue;

RUNNING THENCE easterly along the northerly side of East 1st Street, 108 feet 4 ½ inches to a point in the center of a party wall;

THENCE northerly along a line forming an angle on its westerly side with the northerly side of East 1st Street of 89 degrees 08 minutes 40 seconds and along the center of said party wall and a line in continuation thereof, 60 feet 11 inches;

THENCE northwesterly on a line forming an angle on its southerly side with the last mentioned course of 101 degrees 04 minutes 20 seconds, 7 feet 7 inches;

THENCE southerly parallel with the easterly side of Second Avenue, 8 inches;

THENCE again northwesterly on a line forming an angle on its northerly side with the last mentioned course of 78 degrees 58 minutes 40 seconds, 101 feet 10 ½ inches to a point in the easterly side of Second Avenue, distant 81 feet 0 ¾ inches from the point of beginning;

THENCE southerly along said easterly side of Second Avenue, 81 feet 0 ¾ inches to the corner aforesaid, at the point or place of BEGINNING.

SCHEDULE B

PERMITTED ENCUMBRANCES

1. Building and zoning laws and other regulations, resolutions and ordinances (including, but not limited to, any variances or use regulations) and any amendments thereto now or hereafter adopted.

2. 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 Purchaser to the Board and Sponsor, and the Floor Plans, all as may be amended from time to time.

3. 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 or any portion or element thereof.

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, connections and other equipment and facilities on, under and across the Property.

6. 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.

7. Any encumbrance as to which the Title Company (or the title insurance company that insures Purchaser's title to the Unit) would be willing to insure, at its regular rates and without additional premium, in a fee policy issued by it to Purchaser, that such encumbrance will not be collected out of or enforced against the Unit if it is a lien, or that such encumbrance is not a blanket lien encumbering the Common Elements.

8. 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 its permitted purposes.

9. Revocability of licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax.

10. Encroachments of trim, copings, retaining walls, stoops, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and standpipes, and similar projections, if any, on, over or under the Property or the streets, sidewalks or premises abutting the Property, and the rights of governmental authorities to require the removal of any such projections, and variations between record lines of the Property and retaining walls and the like, if any.

11. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.

12. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.

13. The lien of any unpaid assessment payable in installments (other than assessments levied by the Board), except that Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such date (however, the then current installment shall be adjusted at the closing of title).

14. Franchise taxes and New York City Business Corporation taxes of any corporation in the chain of title, provided that the Title Company would be willing in a fee policy issued by it to Purchaser, to insure that such taxes will not be collected out of the Unit.

15. Standard printed exceptions contained in the form of fee title insurance policy then issued by the Title Company (or the title insurance company insuring Purchaser's title to the Unit).

16. Any Certificate of Occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

17. Any lease or other occupancy agreement for the Unit made by Sponsor and Purchaser.

18. Any violations against the Property (other than the Unit) that are the obligation of the Board or another Unit Owner to correct.

19. Any state of facts which an update of the Existing Survey or any other accurate survey or a personal inspection of the Property and the Unit would show; provided such state of facts would not prevent the use of the Unit for its stated purposes; although any encroachment of a portion of the Unit structure or Common Elements upon another Unit or Units or upon the Common Elements or other Common Elements may remain undisturbed as long as the same shall stand.

20. All other covenants, restrictions and matters of record.

SCHEDULE C

INSPECTION STATEMENT

24 SECOND AVENUE OWNER LLC
c/o AORE Holdings, LLC
49 Bleecker Street, Suite 301
New York, New York 10012

Re: Unit No._____
32 East 1st Street Condominium

Gentlemen:

As a result of my/our final inspection, please be advised that except as otherwise noted, I/we found the following items in good condition, free of chips, mars, breaks or other defects:

Items	Initials	Exceptions if any
Windows, window frames		
Electric fixtures & globes		
Interior painted surfaces		
Sinks, tubs, bowls & shower doors & trim		
Kitchen cabinets & counter tops		
Vanity tops & base		
Medicine cabinets, doors & mirror		
Hardware		
Flooring		
Appliances		

I/we understand that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs and mechanical chimes will be installed just prior to my/our date of moving. I/we agree and I/we will sign off each item requiring adjustment or repairs as it is completed.

_____
Purchaser's Signature

_____
Purchaser's Signature

_____
Sponsor's Representative

ESCROW RIDER

To Agreement dated: _____ Covering Unit(s):_____
Sponsor: 24 Second Avenue Owner LLC
Purchaser(s):_____
Escrow Agent: Kramer Levin Naftalis & Frankel LLP

This rider ("Escrow Rider") to the captioned Agreement shall constitute a written agreement among Sponsor, Purchaser and Escrow Agent with respect to the subject matter hereof. Capitalized terms used but not defined herein shall have the meanings ascribed thereto as set forth in the captioned Agreement and/or the Offering Plan, as applicable.

1. The law firm of Kramer Levin Naftalis & Frankel LLP, with an address at 1177 Avenue of the Americas, New York, New York 10022, telephone number 212-715-9100, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser under the captioned Agreement. Escrow Agent has designated the following attorneys to serve as signatories: Jay A. Neveloff, Jonathan H. Canter, Neil R. Tucker, James P. Godman and Tzvi Rokeach. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

2. Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of the Agreement or otherwise concerning the maintenance of release of the Deposit from escrow.

3. Escrow Agent has established the escrow account at Citibank, located at 153 East 53rd Street, 23rd Floor, New York, New York 10022 ("Bank"), a bank authorized to do business in the State of New York. Each escrow account is entitled "32 East 1st Street Escrow Account" or similar name (each the "Escrow Account") . The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit (the FDIC limit in effect as of the filing date hereof). Any deposit in excess of $250,000 (or the FDIC limit in effect from time to time) will not be insured.

4. All Deposits received from Purchaser shall be made by unendorsed check drawn only on a member bank of the New York Clearing House Association made payable to "Kramer Levin Naftalis & Frankel LLP, as escrow agent." At the Sponsor's option, Sponsor may require that the Deposit and the Balance be made by Purchaser by wire transfer to an account designated by Sponsor, provided that the Deposit must, at all times, be made into a segregated escrow account subject to the terms of the Plan.

5. The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts, which is fixed by the Bank (as defined above) and which will vary from time to time. As of May 3, 2016 such rate was 0.1%. The actual initial interest rate for the Escrow Account with respect to Purchaser's Deposit shall be set forth in the notice to be sent to Purchaser (as described below). As noted, the interest rate on such accounts will fluctuate and neither Sponsor nor Escrow Agent makes any representation regarding the rates that will be in

effect from time to time or the actual rate of interest on, or the interest that may accrue for any particular account or for Purchaser, from time to time. Interest shall begin to accrue upon placing the Deposit into the Escrow Account, however, no interest will be earned until the Deposit check is deposited with and collected by the Bank and provided that the Purchaser has delivered the required number of completed and signed Form W-9 (Request for Taxpayer Identification Number) in the form reproduced as Exhibit 1A in Part II of the Plan or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding) in the form reproduced as Exhibit 1B in Part II of the Plan, as applicable, to Sponsor or Selling Agent at the time Purchaser tenders the Deposit and the Agreement. If Purchaser does not deliver the Form W-9 or Form W-8BEN, as applicable, the Deposit will be deposited in a non-interest-bearing escrow account at the aforesaid bank until the Form W-9 or Form W-8BEN has been delivered, and neither Sponsor, Selling Agent, the Escrow Agent nor the Bank shall be liable for interest for the period prior to the delivery of such form. Interest, if any, will not be earned after a withdrawal is made from the Escrow Account in anticipation of the closing. All interest earned on Purchaser's Deposit shall be paid to or credited to Purchaser at closing unless Purchaser has defaulted and Sponsor is entitled to retain the Deposit. No fees of any kind may be deducted from the Escrow Account, and Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

6. Within five (5) business days after the Agreement has been "tendered" (as defined below) to Escrow Agent along with the Deposit and countersigned by Sponsor, Escrow Agent shall sign the Agreement and place the Deposit into the Escrow Account. Escrow Agent shall notify the Purchaser that such funds have been placed in the Bank by providing written notice to Purchaser and Sponsor, confirming the deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor. As used in this Section of the Plan, "tender" or "tendered" means the date delivered by hand or five (5) business days after being sent by mail or courier. If any Deposit check is received by Sponsor or Selling Agent, it will be delivered promptly to Escrow Agent in order that the notice confirming such Deposit may timely be sent to Purchaser.

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

8. All Deposits, except for advances made for upgrades, extras, or custom work received in connection with the Agreement, are and shall continue to be the Purchaser's money, and may not

be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h.

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

10. The Escrow Agent shall release the Deposit if so directed:

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

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

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

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

Sponsor shall not object to the release of the Deposit to:

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

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

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

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

12. Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

13. A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations, in each case, to the extent applicable under GBL §§ 352(e)(2-b) and 352(h).

14. Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under the Agreement or this Escrow Rider 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.

15. Sponsor agrees that Sponsor and its agents, including any selling agents, shall deliver the Deposit received by them prior to closing of the Unit to a designated attorney who is a member of or employed by Escrow Agent, within two (2) business days of tender of the Deposit by Purchaser.

16. Sponsor agrees that it shall not interfere with Escrow Agent's performance of any fiduciary duties and statutory obligations as set forth in GBL §§ 352-(e)(2-b) and 352-(h) and the New York State Department of Law’s regulations.

17. Sponsor shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and this Agreement.

18. Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

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

SPONSOR:

24 SECOND AVENUE OWNER LLC

By:_____
Name:
Title:

PURCHASER(s):

By:_____
Name:
Title:

Social Sec. Number
or Federal Tax ID:_____

PURCHASER(s):

By:_____
Name:
Title:

Social Sec. Number
or Federal Tax ID:_____

ESCROW AGENT:

KRAMER LEVIN NAFTALIS & FRANKEL LLP

By:_____
Name:
Title: a Partner

EXHIBIT 1A

FORM OF REQUEST FOR TAXPAYER IDENTIFICATION NUMBER (W-9)

Form **W-9**
(Rev. December 2014)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification; check only **one** of the following seven boxes:

☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____

Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.

☐ Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number

			–			–				

or

Employer identification number

		–							

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here | **Signature of U.S. person** ▶ | **Date** ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at *www.irs.gov/fw9*.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; *instead check the first box in line 3 "Individual/sole proprietor or* single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2—The United States or any of its agencies or instrumentalities

3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

4—A foreign government or any of its political subdivisions, agencies, or instrumentalities

5—A corporation

6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession

7—A futures commission merchant registered with the Commodity Futures Trading Commission

8—A real estate investment trust

9—An entity registered at all times during the tax year under the Investment Company Act of 1940

10—A common trust fund operated by a bank under section 584(a)

11—A financial institution

12—A middleman known in the investment community as a nominee or custodian

13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over $600 required to be reported and direct sales over $5,000[1]	Generally, exempt payees 1 through 5[2]
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. *Consult with the person requesting this form if you are uncertain if the financial* institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or *any of their political subdivisions or instrumentalities*

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—*A corporation that is a member of the same expanded affiliated group as a* corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note. You may wish to consult with the financial institution requesting this form to *determine whether the FATCA code and/or exempt payee code should be* completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at *www.ssa.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account[1]
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor[2]
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee[1] The actual owner[1]
5. Sole proprietorship or disregarded entity owned by an individual	The owner[3]
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	**Give name and EIN of:**
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity[4]
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: *spam@uce.gov* or contact them at *www.ftc.gov/idtheft* or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for *providing false or fraudulent information.*

EXHIBIT 1B

FORM OF CERTIFICATE OF FOREIGN STATUS (W-8BEN)

Form **W-8BEN**

(Rev. February 2014)

Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)

▶ For use by individuals. Entities must use Form W-8BEN-E.
▶ Information about Form W-8BEN and its separate instructions is at *www.irs.gov/formw8ben.*
▶ *Give this form to the withholding agent or payer. Do not send to the IRS.*

OMB No. 1545-1621

Do NOT use this form if:	**Instead, use Form:**
• You are NOT an individual	W-8BEN-E
• You are a U.S. citizen or other U.S. person, *including a resident alien individual*	W-9
• You are a beneficial owner claiming that income is effectively connected with the conduct of trade or business within the U.S. (other than personal services)	W-8ECI
• You are a beneficial owner who is receiving compensation for personal services performed in the United States	8233 or W-4
• A person acting as an intermediary	W-8IMY

Part I Identification of Beneficial Owner (see instructions)

1 Name of individual who is the beneficial owner

2 Country of citizenship

3 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.

Country

4 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country

5 U.S. taxpayer identification number (SSN or ITIN), if required (see instructions)

6 Foreign tax identifying number (see instructions)

7 Reference number(s) (see instructions)

8 Date of birth (MM-DD-YYYY) (see instructions)

Part II Claim of Tax Treaty Benefits (for chapter 3 purposes only) (see instructions)

9 I certify that the beneficial owner is a resident of _____ within the meaning of the income tax treaty between the United States and that country.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article _____ of the treaty identified on line 9 above to claim a _____ % rate of withholding on (specify type of income): _____

Explain the reasons the beneficial owner meets the terms of the treaty article: _____

Part III Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- I am the individual that is the beneficial owner (or am authorized to sign for the individual that is the beneficial owner) of all the income to which this form relates or am using this form to document myself as an individual that is an owner or account holder of a foreign financial institution,
- The person named on line 1 of this form is not a U.S. person,
- *The income to which this form relates is:*
  (a) not effectively connected with the conduct of a trade or business in the United States,
  (b) effectively connected but is not subject to tax under an applicable income tax treaty, or
  (c) the partner's share of a partnership's effectively connected income,
- The person named on line 1 of this form is a resident of the treaty country listed on line 9 of the form (if any) within the meaning of the income tax treaty between the United States and that country, and
- For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner. **I agree that I will submit a new form within 30 days if any certification made on this form becomes incorrect.**

Sign Here ▶

_____ _____
Signature of beneficial owner (or individual authorized to sign for beneficial owner) Date (MM-DD-YYYY)

_____ _____
Print name of signer Capacity in which acting (if form is not signed by beneficial owner)

EXHIBIT 2

POWER OF ATTORNEY

UNIT OWNER
POWER OF ATTORNEY

_____

to

THE BOARD MANAGERS OF
32 EAST 1ST STREET CONDOMINIUM

and

24 SECOND AVENUE OWNER LLC

32 East 1st Street Condominium
24 Second Avenue
New York, New York 10003
Unit No. ____

County: New York
Block: 443
Lot: _____

Record and Return to:

UNIT OWNER
POWER OF ATTORNEY

All terms used in this Unit Owner's Power of Attorney that are used in that certain Declaration, dated as of _____ ___, 20___, by 24 Second Avenue Owner LLC ("Declarant") pursuant to Article 9-B of the Real Property Law of the State of New York, establishing condominium ownership of the premises known as 32 East 1st Street Condominium, 24 Second Avenue, New York, New York 10003 (hereinafter called the "**Condominium**"), which Declaration was recorded in the New York County Office of the Register of the City of New York (hereinafter called the "**Register's Office**") on _____ ____, 20___, in CRFN _____ (as the same may have been amended, hereinafter called the "**Declaration**"), shall have the same meanings in this Unit Owner's Power of Attorney as in the Declaration.

The undersigned: _____, having an office/residing at: _____, the owner of the condominium unit (hereinafter called the "**Unit**") known as Unit No. ____ at the Condominium, said Unit(s) being so designated and described in the Declaration and also designated as Tax Lot _____ in Block 443 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Bureau of the City of New York and on the Floor Plans of the Condominium certified by _____ on _____ ____, 20___, and filed with the Real Property Assessment Bureau of the City of New York on _____ ____, 20___, as Condominium Plan No. _____ and also filed in the Register's Office on _____ ___, 20___, as CRFN _____, [does/do] hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute:

A. the board of managers of the Condominium (the **"Board"**), jointly true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Board, or in the name of their designee (corporate or otherwise), but subject in all respects to the provisions of the Declaration and the By-Laws (collectively, the "**Condominium Documents**"), then in effect, to:

(i) acquire in the name of the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, title to any Unit, together with its appurtenant Common Interest:

(a) in connection with the enforcement of the Board's lien for unpaid Common Charges;

(b) whose owner desires to surrender the same pursuant to Section 6.2.2 of the By-Laws;

(c) that becomes the subject of a foreclosure or other similar sale (including, without limitation, Units with respect to which liens for real estate taxes are being sold by the City of New York); or

(d) that is intended to be used as a residence for the superintendent of the building;

on such terms, including, without limitation, price (with respect to subdivisions (c) or (d) above) as said attorneys-in-fact shall deem proper;

(ii) acquire or lease in the name of the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, any Unit, together with its appurtenant Common Interest, from any Unit Owner desiring to sell, convey, transfer, assign or lease the same, on such terms and conditions as said attorneys-in-fact shall deem proper;

(iii) convey, sell, lease, mortgage, or otherwise deal with (but not to vote the Common Interest appurtenant to) any Unit so acquired or to sublease any Unit so leased by them, without the necessity of any authorization by the Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in and to said Unit which the undersigned could do if personally present;

(iv) execute, acknowledge, deliver and (if determined to be necessary or desirable by said attorneys-in-fact) cause to be recorded in the City Register's Office:

(a) any declaration or other instrument affecting the Condominium that the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority (including, without limitation Chapter 3 of Title 25 of the New York City Administrative Code) applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium; or

(b) following due authorization by any affected Unit Owner(s) to the extent required in the Condominium Documents, any consent, covenant, restriction, easement or declaration, or amendment thereto, affecting the Condominium or any of the Common Elements, in each case that the Board deems necessary or appropriate.

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

B. 24 Second Avenue Owner LLC (in its capacity as a Declarant under the Declaration and as sponsor of the condominium offering plan for the Condominium, the "**Sponsor**"), true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution in the name of its designee (corporate or otherwise), but subject in all respects to the provisions of the Condominium Documents, then in effect:

(i) to execute an amendment to any of the Condominium Documents or acquire any permits, applications or documents required to undertake, perform or complete work to the Unsold Units or Common Elements by Sponsor or obtain an amended certificate of occupancy therefor or for the Building or any portion thereof, or any of said documents when such amendment:

(a) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the aforesaid Units resulting therefrom made by Sponsor in accordance with the Declaration; or

(b) shall be required by: (1) a Permitted Mortgagee designated by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (2) any governmental agency having regulatory jurisdiction over the Condominium, or (3) any

title insurance company selected by Sponsor to insure title to any Unit; provided, however, that any amendment made pursuant to the terms of subdivision (a) or (b) of this paragraph shall not: (1) change the Common Interest of the undersigned's Residential Unit, (2) require a material or physical modification to the undersigned's Residential Unit, or (3) adversely affect the priority or validity of the lien of any purchase money mortgage held by a Permitted Mortgagee covering the undersigned's Residential Unit unless the undersigned (in the event described in subdivision (1) or (2) of this paragraph) or the holder of such mortgage (in the event described in subdivision (3) of this paragraph) shall consent thereto by joining in the execution of such amendment; and

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned (has) (have) executed this Unit Owner's Power of Attorney as of the ___ day of _____, 20___.

_____

_____

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

On the ____ day of _____, 20___ 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 on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

EXHIBIT 3

FORM OF UNIT DEED

CONDOMINIUM UNIT DEED

24 SECOND AVENUE OWNER LLC

TO

_____

32 EAST 1ST STREET CONDOMINIUM
24 Second Avenue
New York, New York 10003
Unit _____

County:	New York
Block:	443
Lot:	_____

Record and Return to:
_____
_____
_____
_____

CONDOMINIUM UNIT DEED

THIS INDENTURE is made the ___ day of _____, 20___, by and between 24 SECOND AVENUE OWNER LLC, a Delaware limited liability company having an address at c/o AORE Holdings, LLC, 49 Bleecker Street, Suite 301, New York, New York 10012 (hereinafter called "**Grantor**") and _____, having an address at _____ (hereinafter called "**Grantee**").

W I T N E S S E T H:

That Grantor, in consideration of Ten ($10.00) Dollars and other valuable consideration paid by Grantee, the receipt and sufficiency of which are hereby acknowledged, does hereby grant and release unto Grantee, and the heirs or successors and assigns of Grantee, forever:

The Condominium Unit (hereinafter called the "**Unit**") in the building (hereinafter called the "**Building**") known as 32 East 1st Street Condominium and by the street address 24 Second Avenue, New York, New York 10003, Borough of Manhattan, City, County and State of New York, said Unit being designated and described as Unit _____ in that certain declaration, dated as of _____, 20___, made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York (hereinafter called the "**Condominium Act**") establishing condominium ownership of the Building and the land (hereinafter called the "**Land**") upon which the Building is situate (which Land is more particularly described in Schedule A annexed hereto and by this reference made a part hereof), which declaration was recorded in the New York County Office of the Register of The City of New York (the **"City Register's Office"**) on _____, 20___, as CRFN _____ (which declaration, and any amendments thereto, are hereinafter collectively called the "**Declaration**"). The Unit is also designated as Tax Lot ___ in Block 443 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Bureau of The City of New York and on the Floor Plans of the Building certified by _____ on _____, 20__, and filed with the Real Property Assessment Bureau of The City of New York on _____, 20__, as Condominium Plan No. ___ and also filed in the City Register's Office on _____, 20__, as Condominium Plan No. ___;

together with an undivided _____% interest in the Common Elements (as such term is defined in the Declaration) of 32 East 1st Street Condominium;

together with the appurtenances and all the estate and rights of Grantor in and to the Unit;

together with, and subject to, all of the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and By-Laws of 32 East 1st Street Condominium, as each of the same may be amended from time to time (said By-Laws and any amendments thereto are hereinafter collectively called the "**By-Laws**"), including, without limitation, the restrictions and other provisions with respect to the permitted uses of the Unit; all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein; subject also to such other liens, agreements, covenants, easements, restrictions, consents, other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are hereinafter collectively called the "**Property**") as more particularly described in Schedule B annexed hereto and by this reference made a part hereof.

TO HAVE AND TO HOLD the same unto Grantee, and the heirs or successors and assigns of Grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 18 of the Declaration shall control.

Grantor covenants that Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Offering Plan and the Purchase Agreement (each as defined in the By-Laws), and the Declaration and By-Laws. This covenant is for the personal benefit of Grantee only and cannot be assigned to, exercised by, or inure to the benefit of any other person or entity, including, without limitation, any insurer of Grantee's title or successor to Grantee's interest.

In the event of a claimed breach of any covenant of Grantor contained in the preceding paragraph, Grantee shall first seek recovery against Grantee's title insurer before proceeding against Grantor for any breach of such covenants, it being agreed that the liability of Grantor shall be limited to the extent only that any loss or damage shall not be covered by such title insurance. In the event that Grantee shall elect not to purchase title insurance, then the liability of Grantor shall be limited to the extent only that any loss or damage would not have been covered by the title insurance that was available to Grantee as of the date of this conveyance. The terms of any marked-up title binder issued by any title insurer that is a member of the New York State Land Title Association, Inc. ("Title Company") in connection with any unit in the Building shall be conclusive evidence against Grantee of the title insurance coverage that was available to Grantee as of the date of this conveyance.

Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that Grantor will receive the consideration for this conveyance, and will hold the right to receive such consideration, as a trust fund for the purpose of paying the cost of the improvements at the Property required to be made by Grantor and will apply the same first to the payment of the cost of such improvements before using any part of the same for any other purposes.

Grantee hereby 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, including, without limitation, all the terms and provisions with respect to the permitted uses of the Unit.

This conveyance is made in the regular course of business actually conducted by Grantor. The Unit is not subject to a credit line mortgage.

The term "**Grantee**" shall be read as "**Grantees**" whenever the sense of this indenture so requires.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, Grantor and Grantee have duly executed this indenture as of the day and year first above written.

GRANTOR:

24 SECOND AVENUE OWNER LLC, a Delaware limited liability company

By:_____
Name:
Title:

GRANTEE:

_____
(Purchaser's Signature)

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

On the ____ day of _____, 20___ 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 on 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 _____, 20___ 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 on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

SCHEDULE A

DESCRIPTION OF THE LAND

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

BEGINNING at the corner formed by the intersection of the northerly side of East 1st Street and the easterly side of Second Avenue;

RUNNING THENCE easterly along the northerly side of East 1st Street, 108 feet 4 ½ inches to a point in the center of a party wall;

THENCE northerly along a line forming an angle on its westerly side with the northerly side of East 1st Street of 89 degrees 08 minutes 40 seconds and along the center of said party wall and a line in continuation thereof, 60 feet 11 inches;

THENCE northwesterly on a line forming an angle on its southerly side with the last mentioned course of 101 degrees 04 minutes 20 seconds, 7 feet 7 inches;

THENCE southerly parallel with the easterly side of Second Avenue, 8 inches;

THENCE again northwesterly on a line forming an angle on its northerly side with the last mentioned course of 78 degrees 58 minutes 40 seconds, 101 feet 10 ½ inches to a point in the easterly side of Second Avenue, distant 81 feet 0 ¾ inches from the point of beginning;

THENCE southerly along said easterly side of Second Avenue, 81 feet 0 ¾ inches to the corner aforesaid, at the point or place of BEGINNING.

SCHEDULE B

Permitted Encumbrances

1. Building and zoning laws and other regulations, resolutions and ordinances (including, but not limited to, any variances or use regulations) and any amendments thereto now or hereafter adopted.

2. 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 Purchaser to the Board and Sponsor, and the Floor Plans, all as may be amended from time to time.

3. 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 or any portion or element thereof.

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, connections and other equipment and facilities on, under and across the Property.

6. 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.

7. Any encumbrance as to which the Title Company (or the title insurance company that insures Purchaser's title to the Unit) would be willing to insure, at its regular rates and without additional premium, in a fee policy issued by it to Purchaser, that such encumbrance will not be collected out of or enforced against the Unit if it is a lien, or that such encumbrance is not a blanket lien encumbering the Common Elements.

8. 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 its permitted purposes.

9. Revocability of licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax.

10. Encroachments of trim, copings, retaining walls, stoops, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and standpipes, and similar projections, if any, on, over or under the Property or the streets, sidewalks or premises abutting the Property, and the rights of governmental authorities to require the removal of any

such projections, and variations between record lines of the Property and retaining walls and the like, if any.

11. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.

12. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.

13. The lien of any unpaid assessment payable in installments (other than assessments levied by the Board), except that Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such date (however, the then current installment shall be adjusted at the closing of title).

14. Franchise taxes and New York City Business Corporation taxes of any corporation in the chain of title, provided that the Title Company would be willing in a fee policy issued by it to Purchaser, to insure that such taxes will not be collected out of the Unit.

15. Standard printed exceptions contained in the form of fee title insurance policy then issued by the Title Company (or the title insurance company insuring Purchaser's title to the Unit).

16. Any Certificate of Occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

17. Any lease or other occupancy agreement for the Unit made by Sponsor and Purchaser.

18. Any violations against the Property (other than the Unit) that are the obligation of the Board or another Unit Owner to correct.

19. Any state of facts which an update of the Existing Survey or any other accurate survey or a personal inspection of the Property and the Unit would show; provided such state of facts would not prevent the use of the Unit for its stated purposes; although any encroachment of a portion of the Unit structure or Common Elements upon another Unit or Units or upon the Common Elements or other Common Elements may remain undisturbed as long as the same shall stand.

20. All other covenants, restrictions and matters of record.

EXHIBIT 4

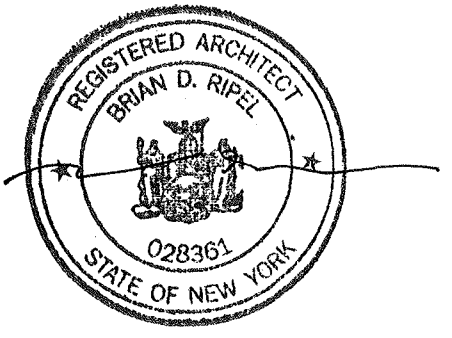
DESCRIPTION OF PROPERTY AND BUILDING CONDITION

Attorney General's Report

32 East 1st Street Condominium

New York, New York

Seal (R.A.)



September 1, 2016

A. General:

1. The property described herein will contain 1 new building referred to as 32 East 1st Street Condominium, to be built at 24 2nd Avenue, New York, NY.
2. The building will have ten (10) stories with a cellar.
3. The building has one (1) residential elevator, one (1) retail elevator, two (2) residential stairs arranged in a scissor formation, and two (2) retail stairs. Residential egress is provided through the residential lobby: to 1st Street and through second a rated corridor to 1st Street.
4. No parking will be provided, as none is required by zoning.
5. The property lies within a moderate to low risk flood zone unshaded Zone X, areas determined to be outside of the .2% change of annual flood.
6. By a Declaration of Zoning Lot Restrictions dated as of August 7, 2015, [24 Second Avenue, designated as Lot 1 in Block 443 (the "Property")] and the adjacent parcel located at 26 Second Avenue, designated as Lot 4 in Block 443 on the New York City Tax Map (the "Adjacent Property"), were merged into a single zoning lot (the "Combined Zoning Lot") in accordance with the procedure set forth in paragraphs (d) and (f) of the definition of "zoning lot" in Section 12-10 of the Zoning Resolution. Simultaneously with the creation of the Combined Zoning Lot, the owners of the Property and the Adjacent Property entered into a Zoning Lot Development and Easement Agreement ("ZLDA") for purposes of defining the respective rights and obligations of the owners in and to the Combined Zoning Lot. Among other things, the ZLDA effectuated a transfer from the Adjacent Property to the Property of (i) 5,255.24 square feet of unused development rights for incorporation into the [new building] and (ii) an easement for light and air over the Adjacent Property, beginning at approximately 85 feet above the applicable base plane.

A. Location and Use of Property:

7. Address: 24 2nd Ave, New York, New York

8. Block No.: 443

9. Lot Numbers: 1

10. Zoning District: C6-2A and R8-B
    - Property is Located within an Inclusionary Housing Designated Area as per Appendix F of the NYC Zoning Resolution
    - Architect makes no representation that the zoning for the property will not change at a future date.
11. Permitted Uses:
    Permitted uses are as defined by New York City Zoning Resolution
    - Use Group 2 Residential – Quality Housing
    - Use Group 6 Retail

12. Quality Housing regulations:
    - Quality Housing regulations are applicable to this residential development.

13. The building shall comply with all zoning and use requirements at closing.

14. Landmark Status: This site is not subject to landmark status.

B. Status of Construction:

1. Construction schedule:
- The New Building is currently in the initial stages of construction, pursuant to DOB application # 122445602, approved October 26, 2015. The projected date of substantial completion is on or about September 1, 2017, unless delayed by weather, strikes, lockouts, acts of God, shortages of, or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements or any other cause over which the Sponsor has no control.

2. Class of Construction:
- The Building will be classified as Class 1-B (Non-Combustible, sprinklered) and will conform to all applicable regulations of the 2014 NYC Construction Codes ("Building Code"). Under this classification, the major structural elements of the building will have a 2-hour fire resistance rating. The enclosure of vertical exits (stairwells), exit passageways and shafts will also have a 2-hour fire resistance rating. Fire separation such as walls between apartments shall have a 1 hour fire resistance rating, and the exterior walls of the building that abut neighboring buildings shall have at least a 1-hour rating as required by the NYC Building Code.

3. Certificate of Occupancy:
- After completion of construction, the Sponsor will apply for a Certificate of Occupancy for the Building from the Department of Buildings of the City of New York. The Sponsor makes no representation as to the exact time of the delivery of the Certificate of Occupancy. The Sponsor will obtain a Temporary Certificate of Occupancy prior to the first unit closing.

C. Site

1. Site Area:
- The site area for Lot 1, the building site is: 7,619.24 sf

2. Building:
- The new building is a ten (10) story residential structure, containing 31 residential units with a ground floor retail space and cellar.

3. Streets:
- The building site is a corner lot with 108.37' frontage on First Street, and 81.06' on Second Avenue
- Streets adjacent to a lot are paved with asphalt topping and are in poor condition. A portion of the existing asphalt adjacent to the property shall be replaced as part of the construction of the building.
- The existing curbs are concrete and steel. These will be replaced as part of the construction of the building.
- The streets are presently pitched to drain via catch basins into the New York City storm water drainage system
- The street lighting is provided by the City of New York.
- The building conforms to local fire district and municipal codes.

4. Sidewalks:
- The existing concrete sidewalks on Second Ave and First Street are to be replaced as part of the proposed work.
- The sidewalks pitch to the street per NYC code.
- New pedestrian ramps will be installed at the street intersection to bring it into compliance with New York City Department of Transportation requirements (as required by section 19-152 of the Administrative Code of the City of New York). There are no other curb cuts on the site.
- Street lighting will be primarily from publicly provided street lamps. This street lighting is augmented by building controlled exterior lights at the entry canopy. These lights will be on a light sensor.
- The building conforms to local fire district and municipal codes.
- There are no existing or proposed sidewalk vaults.

5. Subway:
- There is NYC subway tunnel located at Houston Street approximately 225' south of the property. Additionally, the proposed Second Avenue Subway is slated to run immediately adjacent to the property along Second Avenue. The proposed new building has been reviewed and has received approval from the NYC Transit Authority.

D. Utilities:

(1) Electricity is provided by Consolidated Edison Company ("Con Ed"). The electricity to each Unit is direct metered by Con Ed in the basement electrical switchgear room. The electricity to the Retail Unit is also separately direct metered by Con Ed. The electricity consumed by the Common Elements is separately metered by direct Con Ed meter and allotted to each Unit as noted in the First Year's Budget.

(2) Gas is provided by Con Ed. Gas for the Residential Units, Pool & Hot Tub Amenities and Common Area ventilation air heating is to be collectively metered. The cost of the gas consumed in the Residential Units is allocated to each Residential Unit in the common charges as noted in the First Year's Budget. There no gas service for the retail unit.

(3) Water and Sewer service are provided by the City of New York. Water for the Residential Units and the Residential Unit is collectively metered. The cost of the water consumed in the Residential Units and Common Elements is allocated to the Units as noted in the First Year's Budget. Commercial Unit shall be sub-metered and billed for its portion of water, sewer and meter charges. The retail unit water will be sub-metered and water consumption billed to the retail owner including the metering company fee.

(4) Telephone service is provided by Verizon or other service provider. Each Unit Owner is required to pay its associated telephone charges including activation costs.

(5) Cable television service is provided by Time Warner or other service provider. Each Unit owner is required to pay its associated cable television charges including activation costs.

(6) Services in the common areas of the building, such as the ground floor lobby, mechanical spaces, the elevator, and all stairwells, shall be billed as part of common charges.

(7) Building management will have dedicated phone and broadband service provided for building services. Cost shall be incorporated into common charges.

E. Sub-soil Conditions:

1. A geotechnical report for this site was prepared by Pillori Associates, P.A. on August 25, 2015, using data from borings drilled on the site in February 2015 and July 2015. This report determined the measured stabilized water level to be at least 28 feet below existing grade. The seismic design criteria was determined to be Site Class D and Seismic design category "B".

2. The property lies within a moderate to low risk flood zone unshaded Zone X, areas determined to be outside of the .2% change of annual flood.

3. Prior to the current residential development a gas station was present on the corner site. As part of demolition, existing tanks were removed. As of the date of the report there are no known hazardous waste materials on the property subject to further testing during the completion of excavation. All remaining contaminated soil at the site-will be removed or remediated in accordance with NYSDEC requirements and applicable local, state and Federal laws and regulations.

4. The neighboring properties to the north and east are to be underpinned at varying lengths to achieve a depth equivalent to the proposed new footing depth for 32 East 1st Street Condominium. Underpinning will consist of reinforced concrete with titan piles and hollow bar anchor tie backs.

5. The building's foundation is composed of a poured-in-place, reinforced concrete matt foundation. It should be noted that as the matt foundation settles, the bearing walls of the neighboring buildings may also settle. This magnitude of settlement may cause cracking of exterior bearing walls and interior finishes within the adjacent buildings.

F. Landscape & Enclosure:

1. Landscaping:
   - Minimal landscaping is to be provided at the second floor Common Recreation Area. This scope is to include concrete pavers planters and site furniture. No additional plantings are to be provided at other common areas, or private areas or roof areas.
2. Trees:
   - Sidewalk trees will be provided as per Zoning Resolution Requirements. As approved by New York City Department of Parks, Tree Planting Application # 17750, this includes the following:
     - On First Avenue: two new trees and one existing tree to be maintained.
     - On Second Avenue, two new trees.
   - No other trees were permitted on these sidewalks due to obstructions. Therefore, in compliance with the zoning requirements, and as approved by the New York City Department of Parks on the Tree Planting Permit referenced above, three other trees will be planted at a remote location specified by Department of Parks.

3. Fencing:
   - There is 6 foot high screen separating the second floor private yard and the communal outdoor recreation space. This screening runs the length of the private yard.

4. Gates:
   - n/a

5. Retaining Wall:
   - The R-8B portion of the site has a 30' rear yard requirement. This area has a concrete retaining wall on (2) sides at the lot lines. The retaining wall will have a parged concrete finish and shall be approximately 8' running east/west and 30' running north south at the north east corner of the site. The height varies but is approximately 12' at its deepest point.

6. Terraces/Yards:
   - All Residential Units have access to a 614 sf Recreation Area for the at the second floor courtyard designated as a residential common element.
   - Residential Unit 2A has a 493 sf private terrace.
   - Typical 'A' Line Residential Units at the third through fifth floors have access to a 222 sf private balcony designated as a residential limited common element.
   - Residential Unit 6A has access to a 451 sf private terrace.
   - Residential Unit 7A has access to a private 538 sf private terrace.
   - Residential Unit PH8A has access to a private 664 sf private terrace.
   - Residential Unit PH8B has access to a private 1170 sf private terrace
   - Residential Unit PH10A has access to a 10th floor 379 sf private terrace and a roof level 1591 sf private terrace.
   - Terraces are measured from the outside face of the building to the outside face of the building parapet. Balconies are measured from the outside of building face to the edge of balcony slab.

G. Building Size:

1. Height:
   - The height of the main roof of the building will be approximately 120'-0" above the base plane elevation. The base plane is defined according to New York City Zoning Regulations.
   - The maximum height of the building at the stair and elevator bulkhead will be approx. 130'-0" above base plane elevation. Mechanical equipment along with protection railings and screening will be located above this maximum height as permissible by the zoning resolution.

2. Crawl Spaces:
   - N/A

3. Cellar:
   - A cellar of 7085 sf is provided for a combination of retail storage, residential storage, building services, and unit owner amenity uses. General common elements include an electrical meter room, gas meter room, domestic and fire water service room, fire pump room and IT closet. Residential common elements include a bike storage room, , pool mechanical space and a residential trash room, and a spa area.

4. The new building has 10 floors plus a cellar. The floor to floor dimensions are:

(a) Cellar to 1st Floor	11'-8"
(b) 1st Floor to Second floor:	15'-1"
(c) 2nd Floor to Third Floor:	11'-7"
(d) 3rd Floor to Fourth Floor:	11'-7"

(e) 4th Floor to Fifth Floor:	11'-7"
(f) 5th Floor to Sixth Floor:	11'-7"
(g) 6th Floor to Seventh Floor:	11'-7"
(h) 7th Floor to Eighth Floor:	12'-0"
(i) 8th Floor to Ninth Floor:	11'-8"
(j) 9th Floor to Tenth Floor	11'-8"
(k) 10th Floor to Roof	11'-8"
(l) Main Roof to Bulkhead Roof:	10'-0"

5. Equipment rooms:
   - Cellar::
     The building's utility rooms, which consist of a gas and water meter room, an electrical meter room, an elevator control room, and a fire pump room will all be located in the cellar area.
   - Cellar mechanical space:
     In addition to meter rooms, the cellar has a mechanical room dedicated to the equipment needed for the spa building amenity space.
   - Mechanical Space at Typical Residential floors.
     Each floor has a dedicated mechanical room for HVAC equipment.
   - Mechanical Space at Second floor:
     The second floor has a utility room for riser valve shut-offs enabling individual rider lines to be isolated and turned off for future repairs or renovations.
   - Roof Level mechanical space
     At the main roof level, a boiler room is provided for domestic hot water equipment and a boiler for the spa.
   - Bulkhead
     At the bulkhead level, fans related to kitchen, compactor and bathroom exhaust and pool area dehumidification are located. Ventilation air unit for apartments and common area is also located on bulkhead roof.

6. Parapets:
   - Height from top of roof finish to top of parapet coping or railings will be minimum of 3'-6".

H. Structural Systems

1. General:
   - The structural system for the typical floors consists of 10" and 11-1/2" thick cast in place concrete two-way slabs with void formers set at the center of the slabs thickness. The slabs are supported on cast in place concrete columns, beams and shear walls. The structure is founded on a soil-bearing cast in place concrete foundation mat below the cellar level.
   - Sound insulation is being provided throughout the building to reduce transmission between common areas and apartments, between adjacent apartments and between floors. Sound batt insulation is being provided in all partitions and ceilings. Floor underlayment to reduce impact noise transmission is being provided within the floor assemblies of all apartments.
   - The cellar slab shall be waterproofed with 10 mil plastic sheeting below the slab. The foundation walls shall be waterproofed using Bituthene 4000 or equal shelf adhering membrane. Due to the depth of ground water being significantly lower than the cellar slab, no sub-slab drainage system is proposed.

2. Building Envelope:

- Local Law 10 – this building shall comply with all requirements related to local law 10 of 1980 including but not limited to inspections and filings of certified inspection reports every five years or as required by the Department of Buildings.
- Walls:
  - The primary street facing exterior walls are designed based on a shield principal. The components of this system are as follows: support wall, air and moisture barrier, insulation, drainage cavity, and cladding. Each component is described below.
  - The Support Wall is composed of light-gauge steel framing with exterior grade gypsum wallboard on the exterior and interior grade gypsum wallboard on the interior.
  - The moisture barrier is composed of a factory made, self-adhering, cold-applied sheet composites with a thickness of 0.040" (1 mm) consisting of high density, cross-laminated polyethylene film coated on 1 side with a 0.036" (0.9 mm) layer of rubberized asphalt adhesive interwound, with a disposable silicone-treated release sheet.
  - Insulation provided is a high density semi-rigid mineral insulation that achieves an R value of 4.3 per inch of thickness.
  - Cladding – stone veneer adhered to an aluminum honeycomb substrate and fabricated into a panel system. In addition to the stone cladding, aluminum composite panels are provided at designated locations. Both metal and stone cladding are to be detailed and installed as a closed joint 'rain shield' system.
  - Finish on secondary building elevations shall be as follows.
    (a) The exposed portions of the lotline walls, and courtyard facing walls will be an internally drained Exterior Insulation Finishing System by STO or equal.
    (b) All secondary wall assemblies will be insulated as required by the NYS Energy Code, with an average U value of .035.

- Windows:
  - All residential windows to be insulated fixed and tilt and turn style manufactured by Yaro Windows. The windows shall have a thermally broken aluminum frames and triple insulated glazing. A standard manufacturer's warranty of 10 years on frames, hardware and glazing is to be provided. The warranty period will start from the end date of completion of the window installation. No screens are provided. All windows will come equipped with a 4" restrictor on the hinges to provide window guard function.
  - Pursuant to a little 'e' designation for sound attenuation and alternate ventilation requirements, windows will provide sound attenuation to comply with OER requirements. Specifically, the windows along 2nd avenue and the north and south adjacent corners will achieve 31dB(A) sound attenuation, the remainder of 1st Street and the east facade, 28 dB(A) and 25 dB(A) at the courtyard windows. Ducted Fresh air shall be provided to all residential units as required by OER and as described in section (n) ventilation.
  - Lot line windows
    (a) There are no lot line windows in the new building. Please refer to the ZLDA agreement for details related to those windows shared by the merged zoning lot.
  - Retail storefront shall be thermally broken aluminum frame by Yaro Windows with double insulated glass.

- Landmark Status: N/A

3. Parapets and Copings:
   - All exterior wall cladding shall extend to the top of the parapet. The parapet structure will be reinforced 8" concrete masonry. All parapets will extend above roof level up to parapet height. The parapet coping will be painted aluminum.
   - Flashing:

Exposed exterior metal flashing for the building shall be stainless steel, copper or painted. aluminum.

4. Chimneys, Caps and Flues:
   - Boiler flues:
     The boilers located at the rooftop boiler room are vented via 4" Type II (UL1738) double wall vents. Inner liner is composed of AL29-4C stainless steel, outer liner is composed of 430SS. Flues discharges at least 3 feet above obstructions within 10' of the flue location. Additionally boilers have an 8" insulated galvanized direct air intake duct.
   - Fireplaces:
     Gas fired fireplaces are provided at Residential Units PH8B and PH10A.

5. Balconies and Terraces:
   - Deck Finish:
     - All balconies shall be provided with liquid applied roofing membrane with wear surface. Underside of the slabs shall be a parged concrete finish. All balconies are thermally isolated using the Schock Isocorb system.
     - All roof terraces shall be finished with concrete pavers or natural stone pavers.
   - Railings:
     - All railings shall be painted steel or tempered glass, and shall extend a minimum of 3'-6" from finish floor height. All openings shall be sized to obstruct the passage of a 4" or greater sphere.

   - Doors to balconies and terraces:
     - Balcony doors by Yaro Windows shall have a thermally broken aluminum frame with triple glazed insulated glass.
     - Terraces shall have an insulated sliding glass doors by Yaro Windows composed of a thermally broken alum frame door with triple insulated glass units. Sliding doors are to have a retractable screen, also provided by Yaro Windows.
     - See windows provisions for additional requirements

6. Exterior Entrances:
   - Exterior Doors and frames:
     - The main residential entrance to the building will be frameless tempered glass by C.R. Laurence. The entry vestibule is not thermally broken, but as a dual door vestibule provides a thermal buffer zone. All hardware is by C.R. Laurence. Locking to be by Mag-lock.
     - Service doors accessing 1st Street shall be exterior grade, insulated painted hollow metal doors by Ceco Metal doors or equal. Hardware to be mortise style by Sargent.
     - Firestair doors accessing the roof shall be exterior grade, insulated painted hollow metal doors by Ceco Metal doors or equal. Hardware to be mortise style by Sargent.
     - Secondary Egress doors accessing 1st Street shall be exterior grade, insulated painted hollow metal doors by Ceco Metal doors or equal.. Hardware to be mortise style by Sargent.
     - Doors Accessing the 2nd Floor Courtyard shall be thermally broken alum frame doors with triple insulated glass units by Yaro Windows.
     - The main retail entrance shall be will be frameless tempered glass. glass by C.R. Laurence. The entry vestibule is not thermally broken, but as a dual door vestibule provides a thermal buffer zone. All hardware is by C.R. Laurence.
     - The retail service entrance shall be exterior grade, insulated painted hollow metal doors by Ceco Metal doors or equal. Hardware to be mortise style by Sargent..

- Mail Boxes:
  Mailboxes are located in the lobby at the 1st floor level of the building and will be front-loading finished metal and U.S. Government approved.

- Lighting:
  - Common Areas: Exterior light at all main entrances shall be provided. Lighting will be provided in the lobby and public corridors. Exterior lights at main entrance shall be mounted in the canopy. All other exterior lights – at the common roof terrace -- will be exterior wall sconces.

- Canopy: is to be provided at the main residential and retail entrances to the building.

7. Service Entrances:
   - There are a total of (2) service entries to the building.
   - A residential service entry is provided along 1st Street. This entry leads to a utility ramp with access to the cellar. The utility ramp shall have a broom finish sealed concrete surface and painted steel 1.5" diameter railing.
   - The retail space has a dedicated service entry on 1st Street for deliveries and waste removal.

8. Roof and roof structures:
   - Roof Material- The roofing system will consist of the following components:
     - An SBS vapor barrier by Soprema, fully heat welded onto the roof slab.
     - Rigid tapered polyisocyanurate board insulation, adhered over the vapor barrier, achieving a minimum R-value of 20.
     - Cover Board shall be Dens-Deck Prime or Sopraboard
     - Base layer of fully adhered Soprema Sopralene Flam 180 3mm thickness.
     - The final layer is to be a Soprema Sopralene Flam 180 FRGRSG fully adhered reflective white granule surface cap sheet. 4mm thickness.
     - The roof assembly will be finished with pre-cast pavers or natural stone pavers on a pedestal system for the roof terraces and all roof areas accessible to the public.
     - Balcony areas are to be finished with a liquid applied PMMA roofing membrane Alsan RS by Soprema or equal.
   - Surface Finish: The surface finish will be roofing or concrete pavers as described above.
   - Expected Useful Life: The roofing system shall have a minimum life of up to 20 years.
   - Bond or Warranty: The roofing system shall have a 20 year Soprema Platinum manufacturer's warranty with material and labor coverage and comprehensive, no-dollar limit liability. Warranty period to commence upon certification of installation by manufacturer.
   - Flashing Material: There will be stainless steel or aluminum counter flashing and membrane base flashing as required, compatible with the roofing manufacturer's recommendations.
   - Roof Drains: Restricted flow, dual cast iron roof drains are provided on all roofs areas.
   - Skylights:
     - See below in Bulkhead
   - Bulkhead:
     - The bulkhead combines the two concrete stairs (arranged in a scissor) and one elevator bulkhead.
     - The exterior walls will be constructed of Concrete and CMU with a draining EIFS system
     - Per NYS Multiple Dwelling Law, Article 3, Section 36, each of the two fire stairs shall be provided with a window at the bulkhead, in lieu of a skylight. Each of these windows

shall have a glazed window area exceeding 20 square feet and will include fixed louvers having a minimum opening of 40 square inches.

- Rooftop Facilities:
  - There are no proposed rooftop antennae, cell phone towers, satellite dishes, or lightening protection equipment.
  - Other proposed rooftop uses are as follows:
    (a) 5286 sf of Limited Common Element area used as private roof terrace
    (b) 1167 sf Residential Common Element area used for mechanical purposes.
    (c) 1240 sf Residential Common Element area utilized for tenant recreation space located at the second floor roof level.
  - For detailed area and dimensions, see unit plans
  - All proposed rooftop uses are permissible per applicable code and filed in conjunction with the certificate of occupancy.

- Metal Work at Roof Levels
  - Vertical galvanized steel Ladders as required for FDNY access at set back floors are to be provided. Access to the mechanical equipment shall be through an interior ladder and Bilco Hatch provided at the roof level boiler room.

9. Fire Escapes:
   N/A

10. Yards and courts:
- Front yard:
  - There are no front yards
- Rear Yard
  - That portion of the site beyond 100' of the corner is required to have a 30' rear yard. This rear yard houses the concrete utility ramp providing access to the cellar.
  - The yard will be drained with an area drain leading to an interior sump pump and pit which will direct the water to the buildings storm water system.
- Courtyard:
  - Above the ground floor retail space, a courtyard is provided complying with the requirements of the NYC Zoning Code. The courtyard will provide both common exterior recreation space for all residential unit owners building, and a private terrace areas for the 2nd floor level Unit 2A.

11. Interior Stairs:
- Interior Public Stairs:
  - Number of Stairs: There is one stair core in the building containing two scissor style egress stairs. Both stairs extend the full height of the building, and provide access to the main roof. Both stairs empty into the 1st floor; one to the main lobby and a second to a fire-rated corridor discharging on 1st Street.
  - Enclosure: The stairs will be enclosed with a min. 2-hour fire rated construction. All stair walls will be painted on the inside. See "bulkheads", above, for a description of the bulkhead construction.
  - Stair Construction: Concrete
  - Hand Rails: There shall be a steel pipe handrail in each stair in accordance with the NYC Building Code. The handrails will be attached to walls in all cases.
- Interior Private Stairs:
  - In the duplex apartments there are a convenience stair linking floor levels. These stairs shall be of concrete construction and will have solid oak treads and risers, with a steel railing.

12. Interior Doors and Frames:
- Unit Entrances:
  - All entrance doors shall be UL ¾ hour-rated (at the first floor lobby and vestibules) painted hollow metal self-closing doors with steel frames to meet the New York City Building Code requirement. All entrance doors to achieve a 35 STC rating.
  - Elevator doors into apartments shall be UL 1 ½ hour-rated, zero-clearance painted solid core wood doors, with steel frames, and will meet New York City Building Code requirements.
  - The unit entrances will be equipped with door chimes and locking chains.
- Unit Interior Doors:
  - All interior doors to be unrated painted solid core wood doors.
- Egress Doors and Frames: All doors between stairs and the lobby, and between stairs and the vestibules, shall be UL 1 ½ hour-rated selfclosing painted hollow metal, with steel frames, and will meet the New York City Building Code requirements.
- Roof Doors and Frames: These doors and frames shall be insulated hollow-metal and will meet the New York City Building Code requirements. Doors will be fire rated as required by code.

13. Elevators:
- There shall be one (1) residential passenger elevator servicing the building.
- There shall be one (1) elevator servicing the retail space.
- The passenger elevators shall be an 11 stop Machine Roomless style manufactured by Rotavele Elevators utilizing a smart rise controller by Holister Whitney, and have a capacity of 3,500 pounds and a speed of 350 FPM.
- Residential Elevator will serve all floors from cellar to ten.
- The retail elevators will be hydraulic two stop, 3,500 lbs capacity and 100 FPM and will service the cellar and ground floor only.
- The elevators doors will be single speed automatic doors.
- Control Room: The commercial elevator control equipment will be housed in a dedicated room at the cellar. The residential control equipment will be housed in an elevator control room at the main roof level.

14. Elevator Cab:
- Residential elevator cab will be manufactured by BHI, and shall confirm with applicable code provisions.
- The floor material will be stone tile.
- The walls for elevator cab will be covered with bronze finished metal panels and handrail. The rear wall of the elevator cab shall have a glass vision panel from floor to ceiling.
- The ceiling for elevator cabs will be laminate panels.
- The lighting of the cab will be recessed and/or cove LED lighting.
- Alarm, safety system:
  - Emergency direct-in-dial analogue phone line to be provided in the cab.
  - Elevator will be provided with a fire alarm initiating signals as required by national, state and local laws.
  - There are no emergency generators being provided for the elevator.

I. Auxiliary Facilities:

1. Laundry Room:
- Each residential unit is provided with a laundry closet with a washer and dryer. Equipment shall be as indicated in the appliance schedule listed below.

- Dryers are gas fired, vented units for all apartments with the exception of one bedroom units which will have electric ventless units. All vented units will discharge above the roof level.

2. Refuse Disposal:
   - Incinerators: None
   - Trash Chute: Each residential floor has access to a central trash chute leading to a compactor located in the cellar.
   - Recycling bins for designated materials will be provided at the floor level trash rooms.
   - Bags and recyclables from the cellar refuse room shall be transported to sidewalk by the building staff, and then removed by the New York City Department of Sanitation.
   - The retail space has its own dedicated refuse storage room. Refuse removal will be by a private carting company retained by the retail owner.

3. Storage:
   - 4'x4'x4' storage units are to be provided for each unit at the cellar level.

4. Mechanical Rooms:
   - See section G.5 for details on equipment and mechanical rooms.

5. Bike Storage Room:
   - 243 sf bike storage room is provided at the cellar level. The finishes will be painted CMU walls and sealed concrete floors.

6. Package Room:
   - A 48 sf package room is provided at the ground floor concierige area. The space will be outfitted with metal shelves and will have painted GWB wall finishes. Floor finish is to match the lobby.

J. <u>Plumbing and Drainage</u>:

1. Water Supply:
   (i) The domestic water supply specified booster pump manufacturer is Callaghan Yasakawa ES series or equal with variable speed controller and the capacity of the pump utilized for domestic water supply is a triplex pump set, 55 gpm flow 155 feet head, 7.5 HP each. Total flow -165gpm.
   (ii) A 4" domestic cold water service with a curb valve will be connected to the street water main on East 1st Street. The service line will be extended to the water meter room located in the cellar. The retail unit consumption will be sub-metered.
   (iii) Water pressure from triplex booster water pumps will serve all the residential and retail fixtures.
   (iv) The residential metered cold water supply is extended to a backflow preventer. The cold water supply serves the triplex domestic water booster pumps.
   (v) Cold water will be supplied from the booster water pumps will be via a distribution main located in the cellar.
   (vi) A central domestic cold water filtration is provided. The cold water is filtered via Tekleen water filtration system prior to distribution throughout the building.
   (vii) Domestic Hot Water: Domestic hot water will be generated via indirect fired domestic hot water tank connected to gas fired heating boilers. The domestic hot water will be stored in five 114 gallon storage tanks located in the boiler room at roof.
   (viii) The hot water piping system and the cold water will be an up-feed supply. The end of each hot water riser will be provided with a hot water circulation riser and extends and connects to the hot water circulation distribution main.

(ix) The hot water circulation distribution main will collect all the circulation risers and extends back to the hot water heaters.
(x) The hot water circulation main will be equipped with a circulation pump.
(xi) The domestic hot water temperature to all fixtures will be 110 deg. F. and controlled by a mixing valve at the water heaters.
(xii) The retail unit will be provided with dedicated electric water heater within retail unit space.
(xiii) Flow conservation devices will be provided on all water supplies to all showers.
(xiv) Backflow preventers and vacuum breakers will be provided as required to protect the domestic water supply.
(xv) Air release valves will be provided at the top of all risers and water hammer arrester at quick closing valves will be provided throughout the piping systems to prevent water hammer.
(xvi) The cold, hot and hot water circulation piping will be copper Type 'L' with 95-5 solder joints. The cold water service will be ductile iron; cement lined and combined fire standpipe/sprinkler service pipes are ductile iron material.
(xvii) Hot and cold water piping shall be insulated throughout.
(xviii) Domestic hot & cold water piping insulation shall be one of the following:
(a) Cellular Glass: 1inches thick.
(b) Flexible Elastomeric: 1 inch thick.
(c) Fiber Glass: 1" and 1"thick.
(xix) Expansion compensators or expansion loops to be provided on hot and hot water circulation piping systems.
(xx) The water pressure in the cold, hot and hot water systems to fixtures is adjustable and will be limited to maximum of 85 psig as required NYC Plumbing Code.
(xxi) Water conservation plumbing fixtures are to be provided.

(2) Fire Protection System:
(i) A 6" fire service from East 1st Street will serve an automatic fire pump. The fire pump capacity will be 750 GPM and will be provided with a jockey pump to maintain pressure in the systems.
(ii) The automatic fire pump will supply two combined fire standpipe/sprinkler risers located in the stairs. The riser will serve each floor. The pipe material will be black steel Sch 40 pipe.
(iii) Sprinklers will be provided throughout the building except for residential bathrooms smaller than 55 sq.ft. and closets smaller than 12 sf. In addition, refuse chute on every other floor starting with the top floor will be provided with a sprinkler head, and on each vestibule chute area a head is provided. The first floor lobby and corridor including all below grade areas will be protected with a wet sprinkler system. Mechanical Room on the first floor will be protected with dry-pipe sprinkler system, as well as dry-pipe sprinkler heads in the mechanical rooms on floors 2-10. The sprinkler system is supplied from the combined fire standpipe and sprinkler system.
(iv) A temporary sprinkler system will be incorporated for Retail Unit as required for Temporary Certificate of Occupancy for the Residential Unit. The permanent sprinkler system and approval of sprinkler system within Retail Unit will be part of Retail Unit tenant fitout.
(v) The fire pump system will provide adequate water pressure to serve the refuse chute heads and the entire sprinkler system.
(vi) Approved type sprinkler heads are used in the refuse chute. Upright, pendent, sidewall and flush type heads will be provided in all other areas. In all unfinished area without ceilings, standard finish type heads will be provided. In all finished areas with hung ceiling the heads will be flush type concealed heads with plates.

Approved concealed sidewall type heads will also be provided in Residential Units. The sprinkler system will be designed for light and ordinary hazard occupancy.

(vii) The secondary source of water supply is from the sprinkler system flush type Siamese connections facing East 1st Street.

(3) Water Storage Tank: Not applicable.

(4) Water Pressure:

(i)

(ii) Domestic booster system will be triplex booster pump with variable speed controller Callaghan Yasakawa ES series or equal, cast iron, brass or bronze fitted, end suction pumps each rated for 55 GPM at 155 feet TDH and close coupled to 7.5 HP motor; total of three motors. Standard Warranty is 18 month from shipment date or 12 month from startup date. Sanitary Sewage System:

(ii) The sanitary sewage system utilizes sewage ejector system for cellar level plumbing fixtures. The sanitary sewage system manufacturer is Federal Pump, model VSS-4A-1-1/2-4 or equal and the capacity of ejector pump utilized for sanitary sewage system is a duplex sewage ejector, capacity 100 gpm at 25 ft. head.

(iii) A complete sanitary drainage system conveys all soil and waste from plumbing fixtures, drains and equipment with connection to public combined sewer. The sanitary system is designed for gravity flow for all level above cellar through vented branches, stacks and building drains. Drainage piping to fixtures located in the cellar area flow by gravity to a duplex sewage ejector including all remote fixtures that cannot drain by gravity on the first floor. The ejector discharge pipe connects on the downstream side of the building's combined sanitary house trap.

(iv) Sanitary piping above ground is cast iron piping with no-hub fitting with stainless steel clamps and gasket. Piping below grade is cast iron service weight pipe.

(v) The sanitary drainage flows to the city public sewer system.

(2) Permits Required:

(i) Plumbing, water and gas.

(ii) Sprinkler.

(iii) Standpipe.

(3) Storm Drainage System:

(i) A complete storm water drainage system will be designed for gravity flow conveys storm water drainage from the building roof and all paved areas. Drainage located at the cellar area below the street sewer elevation will be pumped by means of submersible sump pumps. Storm water flow will be restricted to allowable flow of 0.245 cfs approved by NYS DEP (approval number SCM 1257/15) by means of roof detention and controlled flow roof drains.

(ii) In the elevator pit a submersible sump pump Stancor Oil-Minder SE-100 or equal will be provided.

(iii) An independent 8 inch sanitary sewer will connect to the public combined sewer on East 1st Street. There are no catch basins on the site. Sanitary flow of *0.0.06 cfs* (26.9 gpm)was approved by NYS DEP date (# SCM-1257-15)

(iv) There is at least two (2) drains, one primary and one secondary for each roof or paved drainage area.

(v) The piping material above the floor will be cast iron with no-hub joints with stainless steel clamp and gasket. Piping in cellar and below the cellar slab will be cast iron hub and spigot service weight. Sump pump and sewage ejector discharge piping will be galvanized steel pipe.

(k) HEATING:

(1) Method:

(i) The Residential Units will be provided heating via forced air type consisting of indoor heat pumps connected to outdoor condensing units via refrigerant piping.

(ii) Main entrance lobby and elevator lobbies will also be provided heating via forced air type consisting of indoor heat pumps connected to outdoor condensing units via refrigerant piping. Other common back of house areas, stairwells, utility entrance and utility rooms will be provided with electric type baseboard heating elements and electric unit heaters.

(iii) The Retail Unit will be provided with temporary electric unit heaters pending tenant build out.

(2) Central Domestic Hot Water Heating Plant:

(i) The central heating plant located at the roof level will have three (3) condensing boilers to generate domestic heating hot water. One Hydrotherm boiler Model KN-6 (B-1) or approved equal rated at 496 Mbh output is specified and is dedicated for providing boiler water for heating the hot tub and spa facility.

(ii) Two Hydrotherm boilers Model KN-6 (B-2,3) or approved equal rated at 496 Mbh output will be connected to indirect fired domestic hot water tanks also located in the roof mechanical room to generate domestic hot water.

(3) Domestic Hot Water:

(i) Domestic hot water will be generated via indirect domestic hot water storage tanks connected to gas fired heating boilers in the central heating plant. The domestic hot water is stored in five (5) 114 gallon storage tanks located in the mechanical room at roof.

(ii) No instant hot water devices will be provided.

(4) Manufacturer of Domestic Hot Water Storage Tanks:

(i) Laars Model LS-SW-120C-5 or approved equal. with storage capacity of 114 gallons each will be installed. Tank warranty includes failure due to scale buildup and is a ten-year limited warranty. Additional 10-year, non-prorated coverage for failure due to chloride-induced stress corrosion cracking.

(5) Hot Tub and Spa Water:

(i) The hot tub hot water will be heated via heat exchanger. The hot tub heat exchanger is connected to a gas fired heating boiler via hot tub heat exchanger provided by hot tub and spa supplier.

(ii) The hot tub water heating costs for hot tub and spa facility will be apportioned equally to all Residential units and will be billed as additional common charge.

(6) Residential Heating:

(i) The heating system for the Residential Section of the building will forced air heat pump units and will be designed to maintain an indoor temperature of 72 deg. F. when the outdoor temperature is 11 deg. F.DB within the normal conditions as per ASHRAE standards (99 %).

(ii) The heat pumps will typically be ceiling recess mounted horizontal type and will be equipped with wall mounted room thermostats.

(iii) Heating will be created through the heat pump refrigeration cycle by extracting heat from the refrigeration lines. Residential Unit on each floor will have one shared outdoor unit on the mechanical room on the floor and connected various indoor heat pumps spread throughout the Residential Units on the floor.

(ii) Air duct insulation –Supply-and return air ducts and plenum insulation shall be one of the following:
1. Glass-Fiber Blanket: Minimum R-5.
2. Glass-Fiber Board: Minimum R-5.
3. Flexible Elastomeric: Minimum R-5.

(viii) Pipe insulation –Supply-and return piping insulation shall be one of the following:
4. Glass-Fiber: Minimum R-5.
5. Foamed Cellulose: Minimum R-5.
6. Flexible Elastomeric: Minimum R-5.

(7) Heating of Public Space:
(i) The heating of public spaces: The building lobby and entry vestibule will be provided with an indoor horizontal recessed heat pump unit that will provide forced hot air. A duct mounted electric booster heater is provided for main entry vestibule.
(ii) Electric unit heaters will be provided for the Back of House cellar spaces, secondary entrances and mechanical spaces on the roof.

(8) Heating of Retail Tenant: Temporary electric unit heaters are provided to heat provided the retail tenant area and maintain temperature above freezing. Permanent heating will be incorporated as part of fit-out by the tenant.

(l) GAS SUPPLY:

(1) Gas is supplied by Con-Ed and utilized for cooking, building gas roof top units, gas dryers at some units, gas fired boilers and outdoor grills at some units.
(2) There is no provision of gas service for Retail Unit.

(3) Type- Natural Gas

(4) Meters- There will be a three (3) meter rig:
(i) One meter rig for residential cooking, fire places and dryers.
(ii) One meter rig for domestic water heating and pool heater.
(iii) One meter rig for heating boiler and rooftop units.

(5) Piping - material is black steel pipe.

(m) AIR CONDITIONING:

(1) Method: The air conditioning system of the building will be a forced air type consisting of indoor heat pumps connected to outdoor condensing unit via refrigerant piping.

(2) Manufacturer of Cooling System: Specified air conditioning system will be split heat pump system. The specified units is manufactured by Daikin VRV System,rated capacities as scheduled below or approved equal.

Residential Unit (Indoor Unit Tag)	Number of Zones	Rated Cooling Efficiency	Rated Heating Efficiency	Cooling Capacity @ 95 deg F Btu/h	Heating Capacity @ 47 deg F Btu/h	Outdoor Model	Indoor Model Series Type
2A (AC-2A,2B,2C)	3			48,000	53,500		

2B (AC-2D)	1	10.5 EER		30,000	34,000	ACC-2 REYQ168TTJU	
2C (AC-2E,2F,2G,2H)	4			69,000	77,000		
2D(AC-2I,2J,2K)	3			37,500	42,000		
3A (AC-3A,3B,3C)	3	10.5 EER		48,000	53,500	ACC-3 REYQ168TTJU	
3B (AC-3D)	1			30,000	34,000		
3C (AC-3E,3F,3G,3H)	4			69,000	77,000		
3D(AC-3I,3J,3K)	3			37,500	42,000		
4A (AC-4A,4B,4C)	3	10.5 EER		48,000	53,500	ACC-4 REYQ168TTJU	
4B (AC-4D)	1			30,000	34,000		
4C (AC-4E,4F,4G,4H)	4			69,000	77,000		
4D(AC-4I,4J,4K)	3			37,500	42,000		
5A (AC-5A,5B,5C)	3	10.5 EER		48,000	53,500	ACC-5 REYQ168TTJU	
5B (AC-5D)	1			30,000	34,000		
5C (AC-5E,5F,5G,5H)	4			69,000	77,000		
5D(AC-5I,5J,5K)	3			37,500	42,000		
6A (AC-6A,6B)	2	10.5 EER		36,000	40,000	ACC-6 REYQ168TTJU	
6B (AC-6C)	1			30,000	34,000		
6C (AC-6D,6E,6F,6G)	4			69,000	77,000		
6D(AC-6I,6J,6K)	3			43,500	49,000		
6E (AC-6K)	1			24,0000	27,000		
7A (AC-7A,7B,7C)	3	10.5 EER		54,000	60,500	ACC-7 REYQ168TTJU	
7C (AC-7D,7E,7F,7G)	4			69,000	77,000		
7D(AC-7H,7I,7J)	3			37,500	42,000		
7E(AC-7K)				24,000	27,000		
8B (AC-8A,8B,8C,8D,8E)	3	10.5 EER		48,000	53,500	ACC-8 REYQ144TTJU	
8A (AC-9A,9B,9C)	3	10.5 EER		48,000	53,500	ACC-9 REYQ96TTJU	
10A (AC-10A,10B,10C,10D,10E,10F)	3	10.5 EER		48,000	53,500	ACC-10 REYQ144TTJU	

(3) The building will be provided with overall 10 condensing units. (9 shared Condensing Unit for Residential Unit and one for Lobby, tenant recreation area, common areas, elevator machine rooms, trash room) all of which are all located at the 2-10th floor and roof mechanical rooms. The cost related to each apartment for Heating and Cooling will be charged back to each individual apartment based on their usage.

(4) The Retail Unit will be provided with two self-contained air conditioning system, each rated at nominal 15 ton capacity for future fit-out by Retail Unit owner/ tenant.

(5) Residential Air Conditioning:

(i) The Residential Section of the building will be provided with forced air recessed heat pump units capable of maintaining inside temperatures of 78 deg. F. D.B. and 60% (max) relative humidity when outside temperatures are 92 deg. F. D.B. and 74 deg. F. within the normal conditions as per ASHRAE standards (1%). Cooling loads assume that Unit Owners will use internal blinds, shades or similar window treatments during the cooling season.

(6) Public Space Air Conditioning:

(i) The air conditioning to the building lobby will be provided by a typical forced air heat pump unit.

(7) Recreation Space Air Conditioning:

(i) The air conditioning to the recreation space will be provided by a forced air heat pump unit.

(8) Miscellaneous:

(i) The Refuse Disposal and the two Elevator Machine Room located in cellar are provided with wall mounted heat pump units located in the cellar and connected via refrigerant piping to a single condensing unit on the roof.

(ii) All rooftop equipment will be provided with vibration isolation required as per specification and coordinated with the acoustical consultant.

(iii) All exterior metals, including fasteners shall be corrosion resistant.

(iv) All rooftop piping will be insulated as required by the specification and NYC Energy Code.

(v) All dunnage shall be primed and receive two coats of paint.

(n) <u>VENTILATION:</u>

(1) The specified ventilation manufacturer is AAON, Model RN006; two units with a capacity of 2,000 cfm each.

(2) The ventilation air meets 2014 NYC Mechanical Code for multiple dwelling units and ducted to each bedroom and living spaces in compliance with Office of Environmental Review (ORE).

(3) The ventilation to each of the apartments will be provided via rooftop unit RTU-1. The ventilation air is ducted to Living and bedrooms in each Residential Unit. Ventilation air is also ducted to the Recreation Space on second floor.

(4) The ventilation of the building lobby and common corridors will be provided by rooftop unit RTU-2. Ventilation air is ducted to corridor on each floor, Entrance Lobby and Corridor and Storage space in Cellar. Markel Model unit provides ventilation air to cellar bike room, meter rooms, fire pump room, electrical room and elevator vestibule.

(5) All bathrooms within the Residential Units will be provided with bathroom exhaust fans automatically activated by occupancy sensor and humidity sensor. The toilet exhaust from the Residential Units will be connected to central exhaust fan located in fan room and exhausted directly outdoors. The pressure in the toilet exhaust duct system will be monitored and the central toilet exhaust fan speed automatically adjusted to maintain negative pressure in the exhaust duct.

(5) Clothes dryer within each Residential Unit will be provided with lint filter and dryer booster exhaust fan. The dryer booster exhaust fan will be automatically activated via air pressure sensor mounted in exhaust duct when the dryer is running. The dryer exhausts from the

Residential Units will be connected to central exhaust fan located in fan room and exhausted directly outdoors. The pressure in the dryer exhaust duct system will be monitored and the central dryer exhaust fan speed automatically adjusted to maintain negative pressure in the exhaust system.

(6) Kitchen hood unit within each Residential Unit will be provided with hood exhaust fan. The hood exhaust fan will be manually activated by the user. The kitchen hood exhausts from the Residential Units will be connected to central exhaust fan located on roof and exhausted directly outdoors. The pressure in the kitchen exhaust duct system will be monitored and the central kitchen exhaust fan speed automatically adjusted to negative pressure.

(7) The fireplaces are decorative appliances and are direct vent type approved for use in NY City by NYC Department of Buildings and New York City Fire Department. The combustion air and fire place vent is conveyed through co-axial venting system in accordance manufacturer's recommendation. The coaxial venting system terminates in fireplace manufacturer's provided power venting kit as required.

(8) Provision is incorporated in self-contained unit for ventilation for the Retail Unit to be fitted out by the tenant.

(o) ELECTRICAL SYSTEM:

(1) Electric service will be provided by Con Ed at 120/208V, 3 phases, 4 wires to common building load service switch, service switch for fire pump, service switch distributing power to two meter centers serving residential tenants and one service switche for a Retail tenant.

(2) Service: The building will have 2,500 amps service (subject to Con Ed determination) with proper equipment and distribution to satisfy the electrical requirements of the building, the Retail Units and the Residential Units. Note the Con Ed service provision may vary from the calculated 2,500 amps

(3) Retail Units: The Retail Unit will be provided each with 120/208V, 3-phase, 4 wires 600 amp fused at 600 amp Trans S combination unit consisting of service disconnect switch and meter. The power will be direct metered by Con Ed. The distribution panel and circuiting will be by the owner of the Retail Unit.

(4) Residential Unit Panel Makeup: The service to Residential Units will be 120/208 volt, 3-phase, 4 wire. Electric service will be supplied to each residential unit and direct metered by Con Edison, via meter centers with overcurrent protection devices - fusible switches or circuit breakers. The electrical panel for each Residential Unit, except duplex apartments, shall be rated 125 Amp, main lugs only .The electrical panel for each duplex apartment shall be rated 200 Amp with main lugs. Overcurrent protection devices in residential meter centers shall be: 3-pole 150 Amp for duplex apartments, and 3-pole 125 Amp for all other (not duplex) apartments. Electrical panels for one- and two- bedroom apartment units shall incorporate 42 poles. Electrical panels for three-bedroom and duplex apartments shall incorporate 48 poles.

(5) The main service equipment will be fusible switches as required by Building Code. Main fuses may vary in rating. The size of fuses will be suit the loads served.

(6) Adequacy:

(i) All Residential Units are designed with the proper number of wall receptacles, switches, appliance receptacles, etc. as required by the NYC Electrical Code.

(ii) Switches for lighting fixtures will be provided in bedrooms, bathrooms, living/dining rooms, walk-in closets, foyers and kitchens or as specified by the Architect. Fixtures will be mostly LED type.

(iii) 20 amps, 120V circuit will be provided to handle lighting and general purpose receptacles.

(iv) 20 amps, 120V circuit will be provided in the kitchen area for 120V kitchen appliances. All 20 amps and 15 amp outlets in bathroom and kitchen shall be GFI types. Laundry outlets and other outlets located within 6 feet of wet sinks will be GFI type.

(v) 20 amps, 120V single phase circuit for dishwashing machines will be provided.

(vi) 40 amps, 208V single phase for double electric ovens will be provided.

(vii) 20 amps, 120V single phase circuits will be provided for electric washer/ gas dryer units. 30 amps, 208V single phase circuits will be provided for electric dryers located at one bedroom units.

(viii) Receptacles will be provided in all rooms (average five (5) per room).

(ix) All 120V, 15A and 20A branch circuits supplying outlets in dwelling unit bedrooms, study rooms, hallways, closets or similar rooms or areas will be provided and protected by a listed Arc-Fault Circuit Interrupter (AFCI).

(x) All receptacle outlets in Residential Units will be provided with listed tamper-resistant type receptacles.

(xi) All exterior receptacles will be weatherproof type and will be provided with Ground Fault Interrupter protection.

(7) Emergency Generator

(i) No emergency generator is proposed for this project.

(p) FIRE ALARM SYSTEM:

(1) Fire alarm system is provided for the building in accordance with 2014 NYC Building Code and 2014 NYC Fire Code for multiple dwelling units.

(2) Temporary smoke detection system will be incorporated for the Retail Unit. The permanent fire alarm system for the tenant will be incorporated as part of tenant fit out.

P. Intercommunication and door signal systems

1. Each apartment shall be pre-wired for telephone, broadband and cable TV. Provision will be made to run cables concealed within wall construction from each outlet back to distribution device in the apartment closet and at the cellar.
2. Provision will be made for grounding telephone, broadband and CATV service by connection to cold water service pipe.
3. Building Entry is equipped with intercom door station with video interface and door control ButterflyMx device manufactured by ButterflyMx or equal. Additional control panels are to be provided at the concierge/doorman station and the utility entrance. Individual units will have access to the intercom system through smart phone connection or direct phone line. The system comes with a 2 year warranty on equipment.
4. Security System - CCTV cameras with video recording capabilities by Avalonix or equal aare to be provided at common basement areas, outdoor entry areas, residential elevator, 2nd floor recreation room and residential common terrace space shall be provided. All equipment is to have a 2 year warranty. A service vendor will be retained to manage the equipment and the cost is to be part of the common charges for the building.

Q. Public area lighting

1. Public area lighting shall comply with required minimum foot candle levels, and shall be equipped with emergency battery back-up as required.
2. All lighting in public corridors will be achieved through hi-efficiency LED cove lights, augmented with small decorative LED spot lights at the apartment entry doors and recessed wall lights. Cellar common areas will be illuminated with ceiling mounted strip LED fixtures. Stairwells will be illuminated by ceiling mounted LED luminaires. Tenant Spa area will be illuminated through LED linear cove lights, decorative in-floor LED lights and augmented by in-pool lighting. Tenant gym area will be illuminated through LED recessed LED lights and pinhole LED lights. Tenant lobby will be illuminated by a combination of recessed LED lights and LED cove lighting. Tenant recreation area is to be illuminated by recessed LED lights and pinhole LED lights. Tenant outdoor terrace space is to be illuminated by LED wall sconces and LED uplighting.

3. Schedule:

Fixture Type	Manufacturer (Or Equivalent)	Model # (Or Equivalent)
Cove mounted LED linear light	DELTA	Microline TRW
Strip LED fixtures	DELTA	Microline 30+ P4283 DIM1
Surface-mounted LED Luminairs (stairs)	DELTA	Supernova XS Pivot 260
Recessed LED fixtures (lobby)	DELTA	Carree ST OK LED 2733 S1
Exterior recessed LED step lights	DELTA	Heli X Screen LED NW
Exterior wall-mounted LED sconces	DELTA	Box 100 Down-Up LED

4. Building Public Light and Power Distribution:
   - Circuit breaker panel located in electrical room in the cellar floor for public area lighting and power circuits.

5. Emergency Lighting Provisions:
   - Entrance halls, corridors, and stairs are provided with adequate lighting for egress and security. Provide emergency lighting in all public corridors, fire stairs and egress paths. Provide emergency lighting in mechanical equipment rooms, electric service room and elevator machine rooms.
   - Emergency lighting shall be provided through the use of a combination of LED lights with emergency battery pack drivers, emergency ballast battery packs in fluorescent light fixtures where possible, and through self contained type wall mounted emergency lights where necessary.
   - Exit signs will be provide throughout as required by code for egress path indication. Exit sign will be LED illuminated type with integral battery backup.

R. Parking and Garages

- No parking or garage facilities are to be provided nor are required by zoning code.

S. Swimming Pools

1. Type: In the cellar amenity space, a series of soaking tubs, sauna and steam room are to be provided based upon the following descriptions.
2. Size:
   - Hot Tub 1: Approximately 6'-0" x 7'-6" (tub has irregular shape)
   - Plunge Tub: Approximately 5'-5" x 5'-6" (tub has irregular shape)
   - Sauna: Approximately 6'-4" x 8'-8" (irregular shape)
   - Steam Room: Approximately 6'-0" x 10'-0"
3. Enclosure: The soaking tubs are to be of concrete structure with a stone or tile finish. The adjacent pool decks are to be a minimum of 5' clear width at 50% of the perimeter with a natural stone finished with a non-slip surface.
4. Pumping and Filter system - Each tub will be provided with a circulation pump that forces the water through the filter. The pool water is disinfected to kill organisms such as bacteria, algae and fungi by means of chlorine in table form. UV sanitizers are also provided for each tub.
5. Water Heating equipment – water is heated via a heat exchanger connected to a gas fired boiler at the roof level boiler room.

T. Recreation Facilities

1. A tenant recreation/lounge is to be provided on the second floor. Finishes shall be travertine stone flooring, wood paneling and sheetrock at the walls. Lighting is to be recessed LED lighting.
2. Size – 480 SF with a minimum dimension of 15' in any direction.
3. A tenant exercise area is to be provided at the cellar. Equipment is to be by Technogym or equal and shall consist of one recumbent, two treadmills, kinesis and free weights. The finishes shall be rubber athletic padding at the floor and wood paneling and sheetrock at the walls. Lighting is to be recessed LED lighting.
4. Size – 500 SF

U. Permits and certificates

1. The following inspections will be conducted concurrently with construction with final sign-off at the issuance of the Certificate of Occupancy.

- NYC Department of Buildings
  - OT – Gen Construction
  - Elevator
  - Mechanical and Plumbing
  - Boiler
  - Electrical
  - Sprinkler
  - Standpipe
  - BPP
- Fire Department
- OER
- DOH – for pools
- NYC Department of Parks and Recreation
  - Sign-off on Tree Planting Permit

V. Violations

- There are presently no open ECB or DOB violations listed for the property.
- Any Building Code Violations that occur during construction will be corrected prior to the issuance of the Permanent Certificate of Occupancy.

- No asbestos will be used in the construction of the building.

W. Unit information

1. Method used to calculate Gross Floor area:

- Unit areas are measured horizontally using a gross area method, from the exterior face of exterior walls to the inside face of walls for common stairs/corridors incorporating the full wall thickness within unit area. Units which share a demising wall are measured to the centerline of any such shared demising wall. Columns and mechanical pipes/trash chute/ducts/shafts are not deducted. Accordingly, the stated square footage includes the area of the interior walls of the unit, and the actual livable area of the units is less than the area set forth in Schedule A.

- Room dimensions indicated on the unit plans are measured from finish face to finish face of room. At locations with exterior window walls, measurements are taken to the face of glass. In irregular shaped rooms, measurements are taken to that portion of a wall which represents 50% or more of the given width or length. Rooms with angled walls are measured to the greatest length at the angled portion. All dimensions are rounded to the nearest inch and are subject to variations during construction.

- The ceiling height of each Unit is measured vertically from the top of the finish floor to the underside of the ceiling.
- The typical unit ceiling height shall be as described below:
    - Typical dropped ceiling areas in units shall maintain a ceiling height of 9'-0"
    - Typical full ceiling height areas in units shall maintain a ceiling height of 10'-0"
    - In some bedroom, bathroom, or closet areas on transfer floors, or beneath building terraces, structural transfer beams or mechanical equipment shall cause the ceilings to be lower than stated above, but in no case shall it be less than 8'-0" minimum height.
- Typical public corridor heights shall be 9'0".

- Balconies and Terraces are not included in the square footage of residential units. The balcony and terrace sf is listed independent of the unit SF and is measured from the outside of building face to the outside edge of slab or parapet.
- Units are designed to comply with NYC 2014 Building Code handicap access requirements. Bathroom compliance is achieved through inclusion of a single 'Type A' compliant bathroom accessed from a common corridor in every unit. Alternately, in single bathroom units, 'Appendix P' compliant bathrooms have been provided.

- Refer to drawings and Schedule A for unit areas and descriptions.

2. Finishes:

- General:
    - In all cases the sponsor reserves the right to provide equipment, fixtures, materials or finishes from a different manufacturer or otherwise, provided that any such substitution is of equal or higher quality than those identified in the sections below.
    - The retail unit shall be delivered as a 'white box' level of finish with untreated concrete floors, primed walls and ceiling.
    - The residential units and facilities will be finished as specified below.

- Interior of Residential Units, General Requirements (equal or better as certified by architect of record):

Item	Manufacturer	Model # (or equivalent)
Ceiling	USG or equal	PTD Gypsum Wall Board Level 4 finish or better One coat primer Two Coats Finish Paint
Walls	USG or equal	PTD Gypsum Wall Board Level 4 finish or better One coat primer Two Coats Finish Paint
Bathroom Walls	Stone slab	Filled Travertine
Floors	Solid Oak T+G flooring	¾" Stained with clear finish ¾" Plywood substrate Sound underlayment
Bathroom Floors	Stone Slab	Filled Travertine

3. All Bathrooms (equal or better as certified by architect of record):

Item	Manufacturer	Model # (Or Equivalent)
Toilet	Duravit	Wall mounted w/ washlet
Lavatories and Vanities	GD Cucine	Dogi series Various sizes
Lav Faucets	CEA Design	Giotto or Ziqq Series
Shower and Tub controls	CEA Design	Giotto or Ziqq Series
Tub	KOS	Geo Collection
Medicine cabinet	GD Cucine	Dogi series Various sizes

4. All Kitchens (equal or better as certified by architect of record):

Item	Manufacturer	Model # (Or Equivalent)
Kitchen Cabinets	GD Cucine	Velvet Elite
Kitchen Counter	N/A	Bianco Lassa Marble slab
Kitchen sink	Blanco or Franke	
Kitchen Faucet	CEA Design	Kit or Car Series with separate spray
Refrigerator	Subzero	IT Series 30" Integrated Over and under
		IT Series (PH ONLY) 36" Integrated Over and under
Oven	Wolf	30" M or E Series Single oven

		30" M or E Series Double oven
Cooktop	Wolf	CG Series 36" Gas 5-burners
Dishwasher	Miele	G Series 24" Integrated
Wine Cooler	Subzero	24" Integrated undercounter
		30" Integrated (PH ONLY) column
Hood	Miele or	DA Series 36" Integrated
	Wolf	PL Series 34" hood liner
Microwave	None provided	
Disposal	Insinkerator	Evolution Series
Outdoor Grill	Wolf	OG Series (PH, 701)
Washer/Dryer	Miele	W Series Washer T Series Dryer
	Miele	PW Series Washer PT Series Dryer (PH ONLY)

X. Finish schedule of spaces other than units:

1. Residential Lobby:
   - The floor shall be finished with concrete tile.
   - Walls shall be stone slab and porcelain tile.
   - Entry doors to be clear tempered frameless glass.
   - Ceiling shall be painted GWB.
   - Lighting fixtures shall be as indicated in "Public Area Lighting", above.

2. Residential Corridors
   - The floor shall be carpet, with stone tile border
   - Walls at the stair well shall be exposed architectural grade concrete.
   - Other walls shall be painted and or covered with wall covering.
   - Ceilings are to be painted GWB.
   - Lighting fixtures shall be as indicated in "Public Area Lighting", above.

3. 2nd Floor Tenant Lounge Room
   - The floor shall be finished with travertine stone
   - Walls shall be finished with painted gypsum wallboard, and wall panels along the shorter sides of the room
   - Entry doors to painted hollow metal.
   - Ceiling shall be painted GWB and ceiling panels at the areas of dropped ceiling
   - Lighting fixtures shall be as indicated in "Public Area Lighting", above.

4. Cellar Level Spa
   - The floor shall be finished with travertine stone
   - Walls shall be finished with travertine stone and glass.
   - Entry doors to be tempered clear glass panels.
   - Ceiling to be painted water resistant GWB
   - Lighting fixtures shall be as indicated in "Public Area Lighting", above.

5. Cellar Level Gym
- The floor shall be finished with hard wood flooring, black mosaic tile, and rubber pads at the alcoves.
- Walls shall be painted GWB and wall panels at the alcoves.
- Entry doors to be tempered clear glass panels.
- Ceiling shall be painted GWB and ceiling panels at the areas of dropped ceiling
- Lighting fixtures shall be as indicated in "Public Area Lighting", above.

6. Cellar Level mechanical rooms, including gas meter, electrical meter, and refuse rooms
- Floor: Sealed concrete slab.
- Walls: painted CMU
- Doors: painted H.H. steel doors
- Ceiling: painted concrete

7. Stairs
- Floor (landings and stair treads): painted concrete
- Walls: painted concrete
- Ceiling: painted GWB or Painted concrete
- Ceiling lighting shall surface mounted fixtures as indicated in "Public Area Lighting", above.

Y. Safety and warning devices:

1. Each residential unit has a hard wired combination carbon monoxide/smoke detector with local alarm and local annunciating. Ceiling mounted in the corridor outside of sleeping areas and within 15 foot of a bedroom door. Detectors shall be 120 volt type with battery backup

2. Elevator Lobbies shall be equipped with a smoke detector with elevator recall function.

3. All systems described above are required by NYC Building code.

4. A Fire Alarm Control panel with central station dedicated phone line is located at the cellar of the building with a remote annunciator located in the building lobby.

Z. Additional Information Required:

1. See drawings attached for site plan, area map, floor plans and related information.

aa. Additional Testing:

1. N/A

bb. Further Development:

1. There is no intention to add additional units on the building site.

cc. Asbestos:

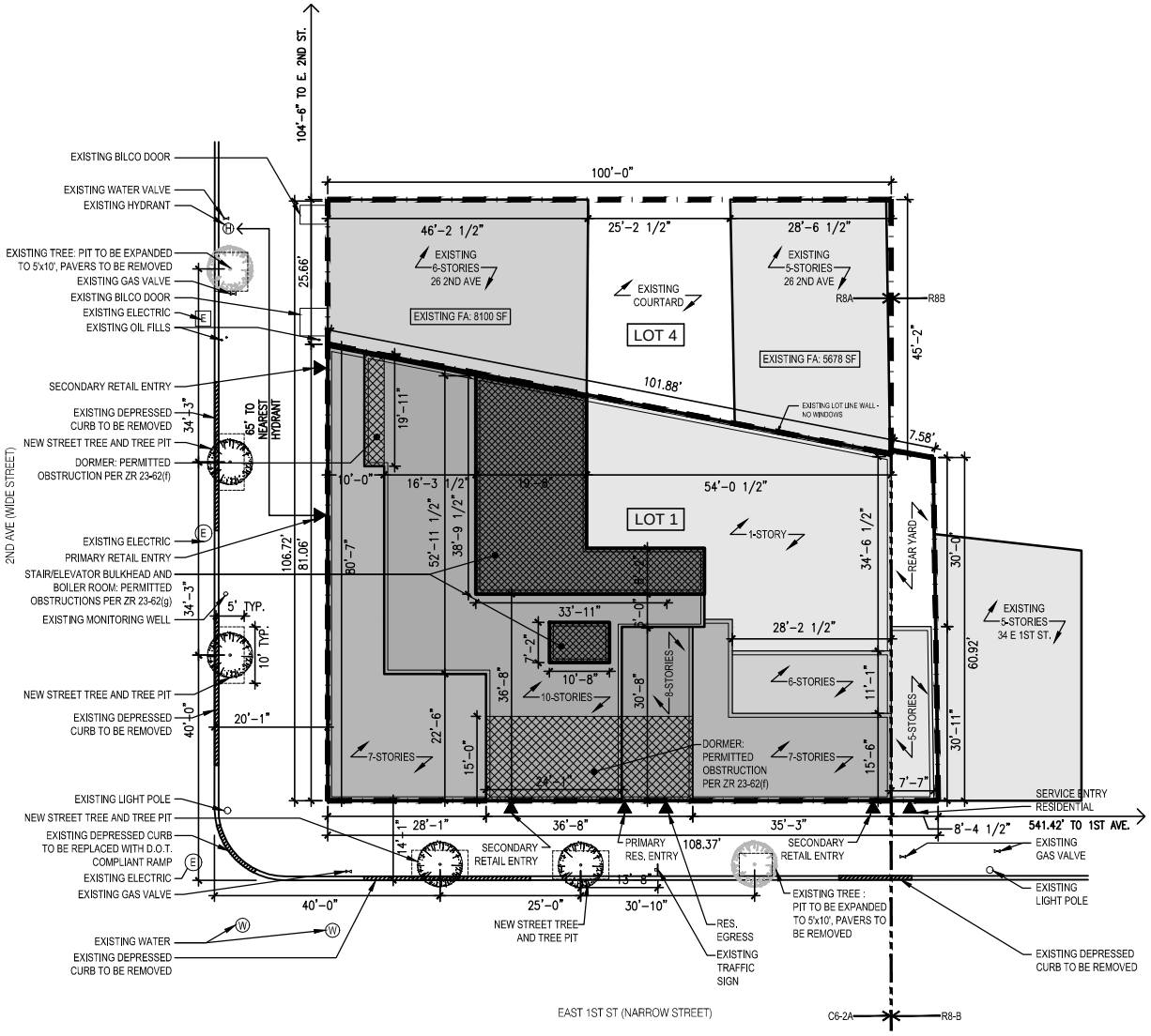
2. No asbestos containing material shall be used in the construction of this building.

dd. Lead-based paint:

1. No lead-based paint will be used anywhere in the construction of the building.

EXHIBIT 5

FLOOR PLANS



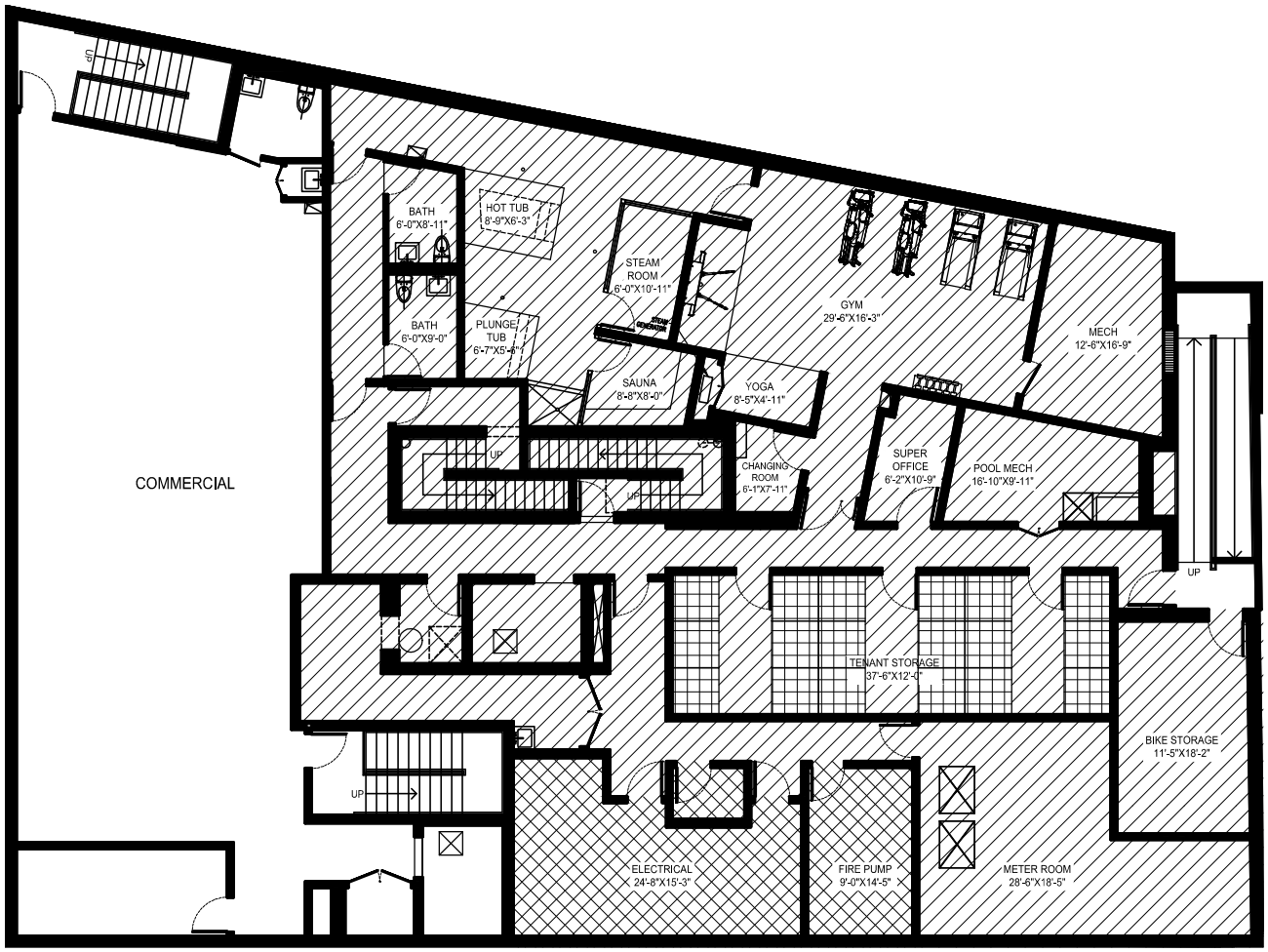
The square footage exceeds usable floor area. All dimensions are approximate and subject to construction variances. Plans and dimensions may contain minor variations from floor to floor. The complete terms are in an offering plan available from sponsor. Sponsor reserves the right to make changes in accordance with the offering plan. File No. XXXX. All rights to content, photographs and graphics reserved to Sponsor.

DATE: 07.29.16

32 EAST 1ST STREET CONDOMINIUM
SITE PLAN

FLOOR PLAN LEGEND

- RESIDENTIAL COMMON ELEMENT
- RESIDENTIAL LIMITED COMMON ELEMENT
- GENERAL COMMON ELEMENT

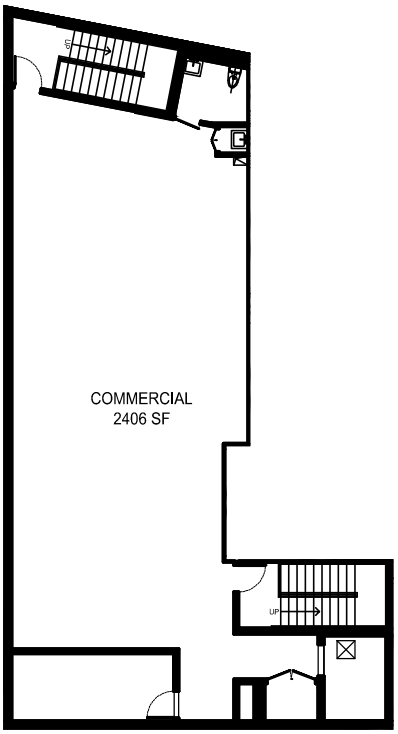


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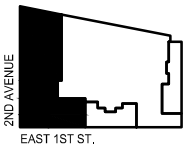
DATE: 07.29.16

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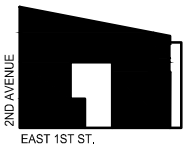
32 EAST 1ST STREET CONDOMINIUM
CELLAR FLOOR PLAN



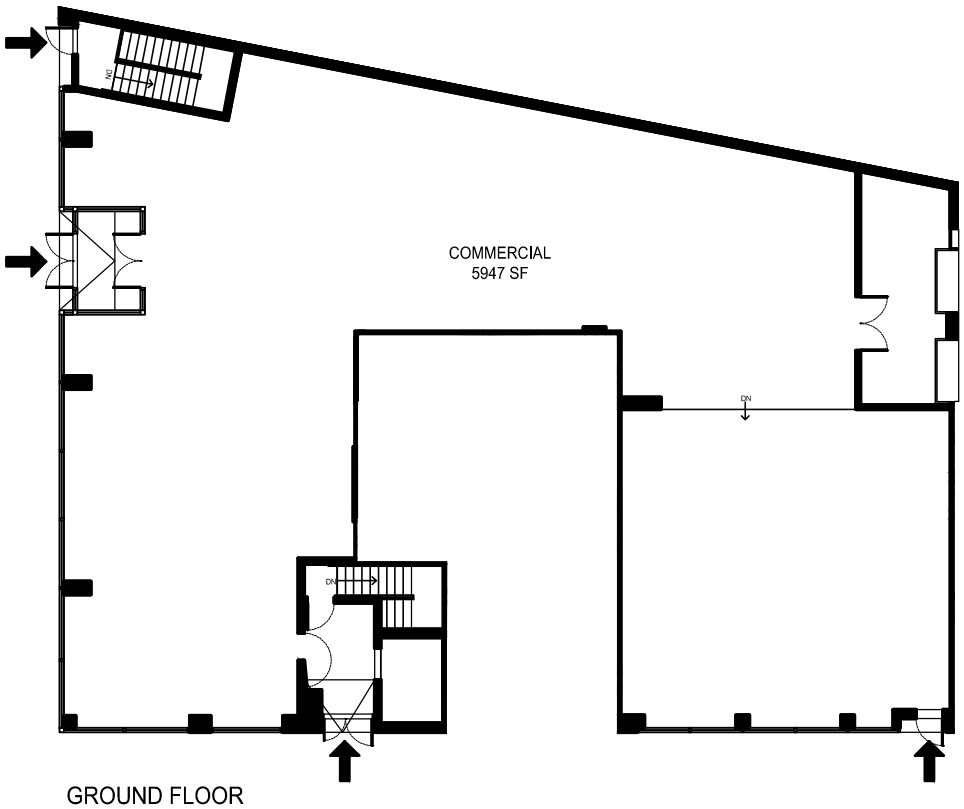
CELLAR



CELLAR KEY PLAN



GROUND FLOOR KEY PLAN



GROUND FLOOR

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DATE: 07.29.16

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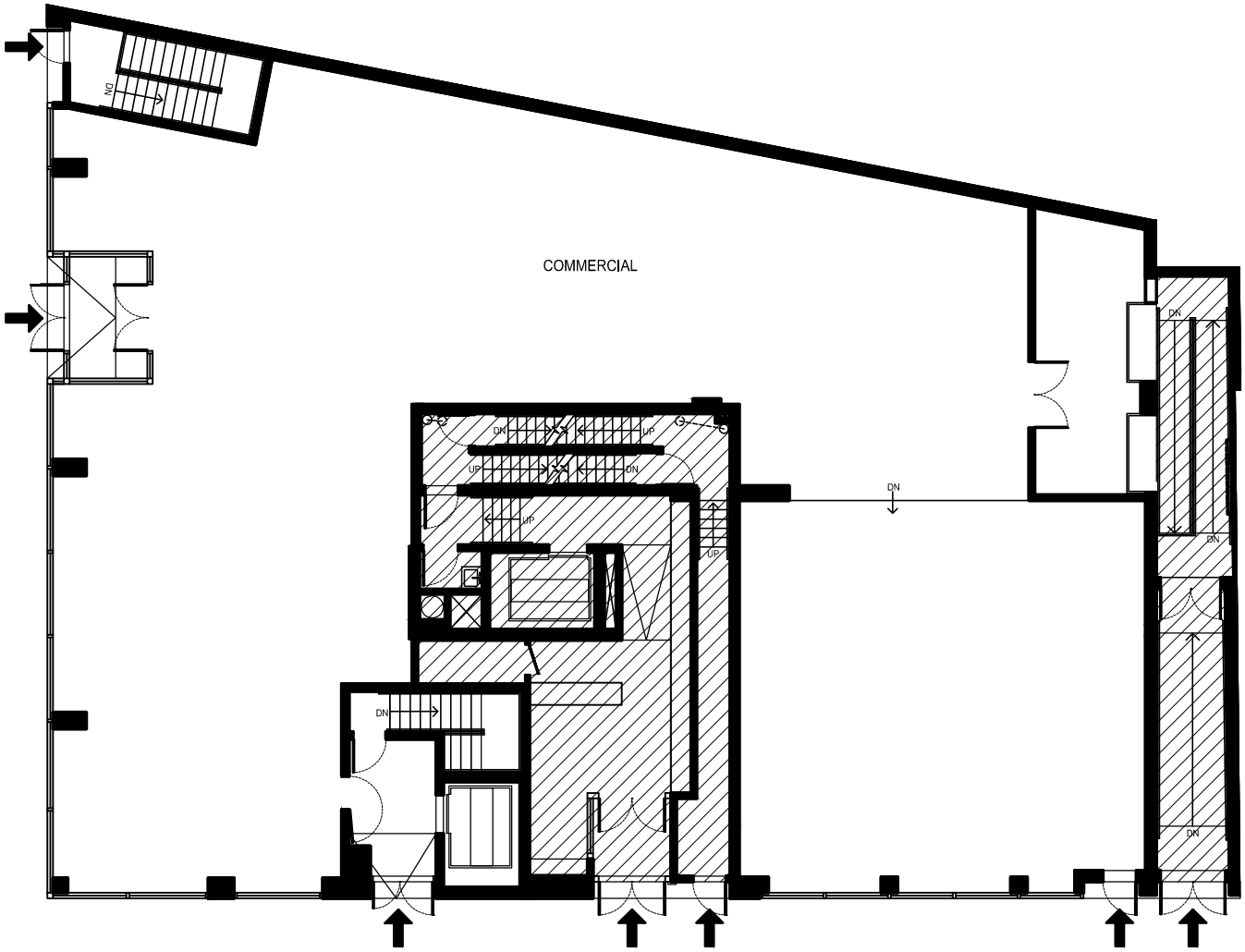
32 EAST 1ST STREET CONDOMINIUM
RETAIL UNIT 1
8353 SF

FLOOR PLAN LEGEND

RESIDENTIAL COMMON ELEMENT

RESIDENTIAL LIMITED COMMON ELEMENT

GENERAL COMMON ELEMENT



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DATE: 07.29.16

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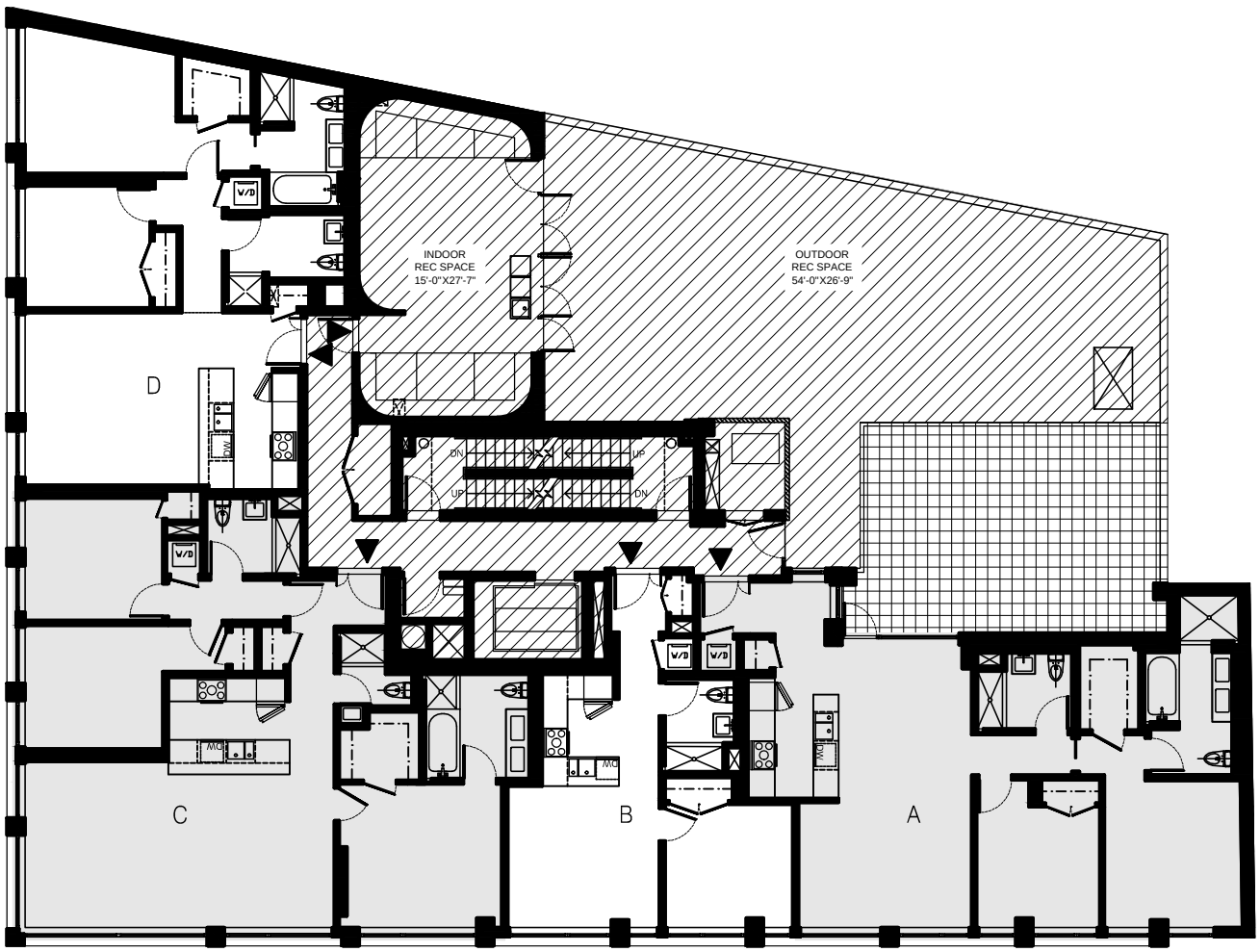
32 EAST 1ST STREET CONDOMINIUM
GROUND FLOOR PLAN

FLOOR PLAN LEGEND

RESIDENTIAL COMMON ELEMENT

RESIDENTIAL LIMITED COMMON ELEMENT

GENERAL COMMON ELEMENT

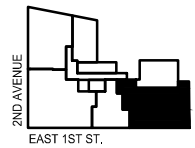


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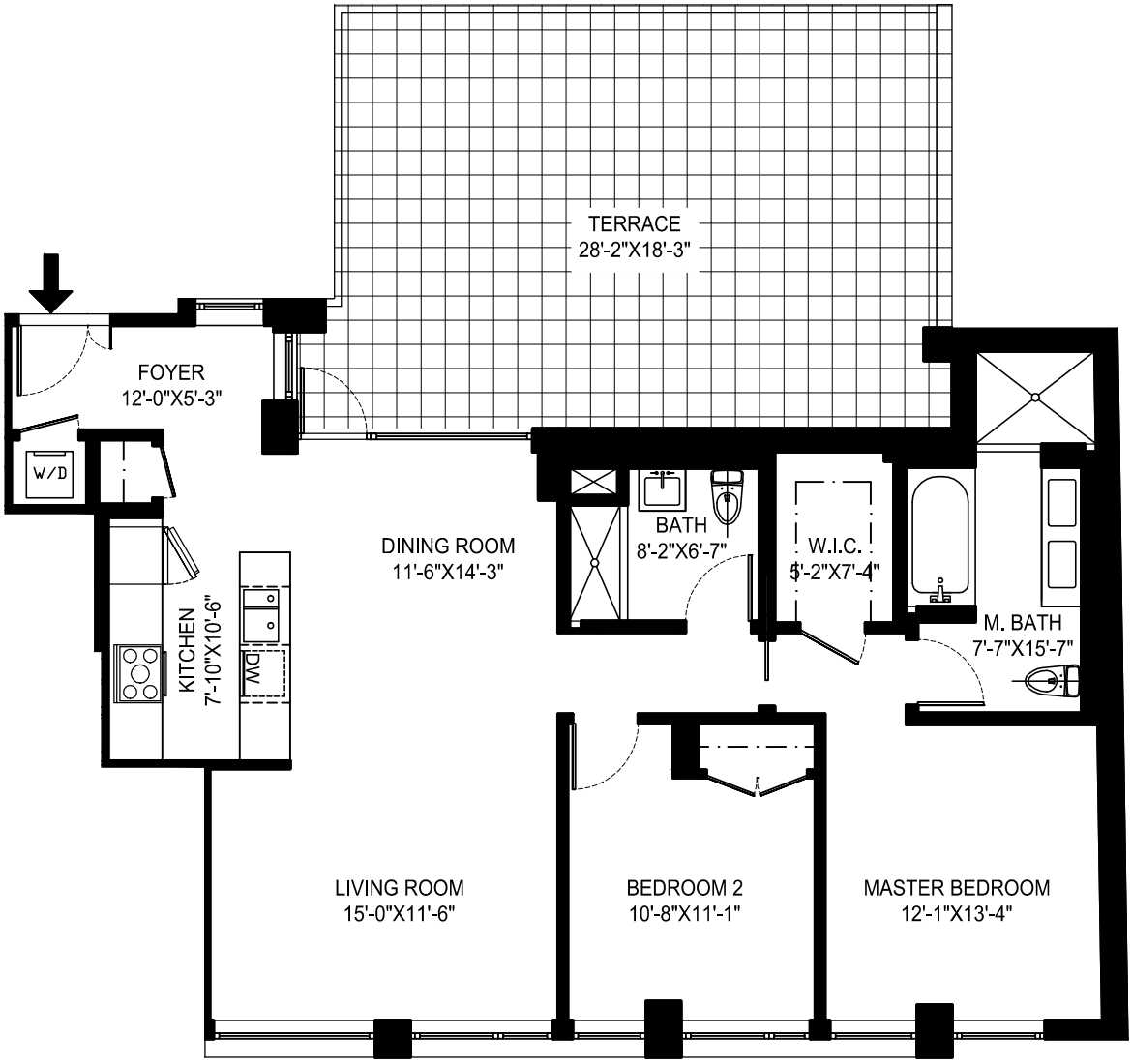
DATE: 07.29.16

N

32 EAST 1ST STREET CONDOMINIUM
2ND FLOOR PLAN



KEY PLAN

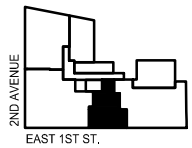


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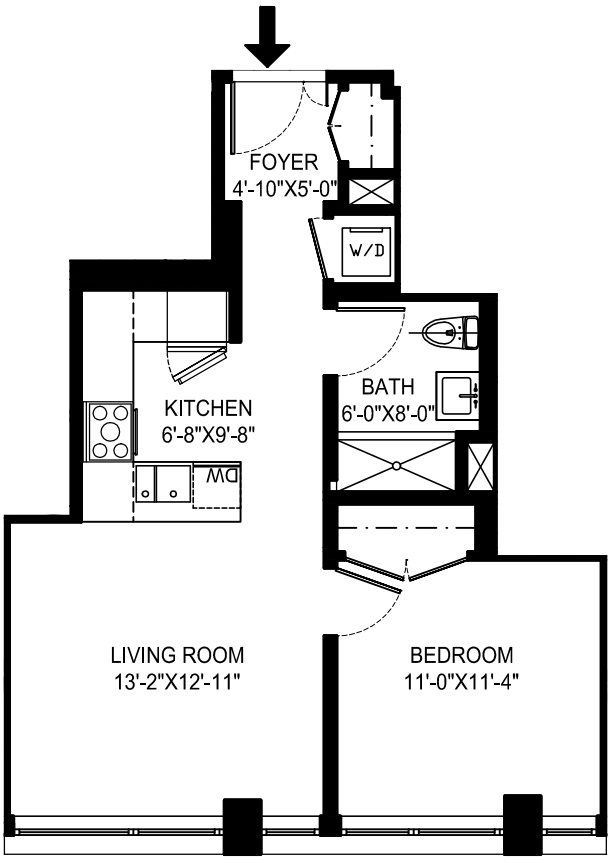
DATE: 07.29.16

N

32 EAST 1ST STREET CONDOMINIUM
UNIT 2A
2-BEDROOM/2-BATHROOM
1234 SF; TERRACE: 493 SF



KEY PLAN



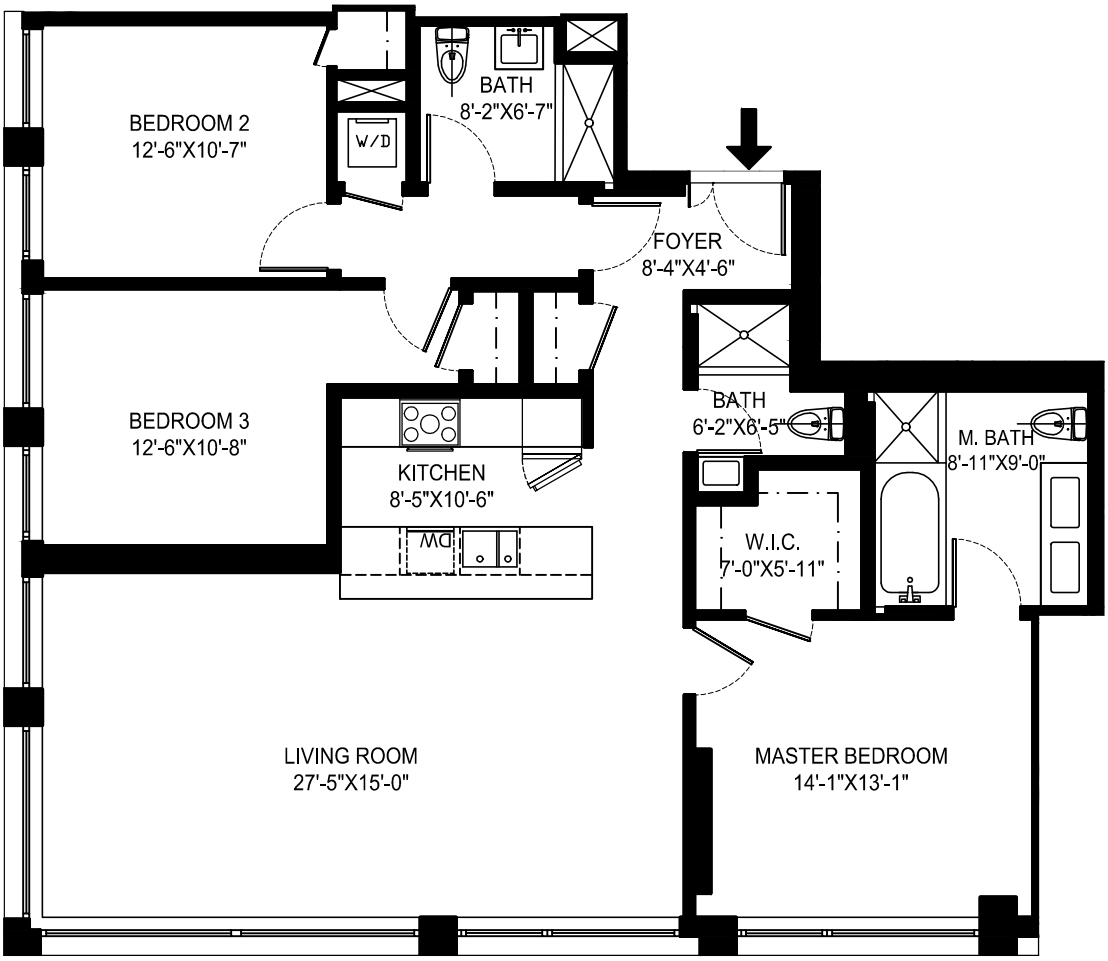
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DATE: 07.29.16

32 EAST 1ST STREET CONDOMINIUM
UNIT 2B
1-BEDROOM/1-BATHROOM
582 SF



KEY PLAN

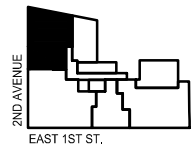


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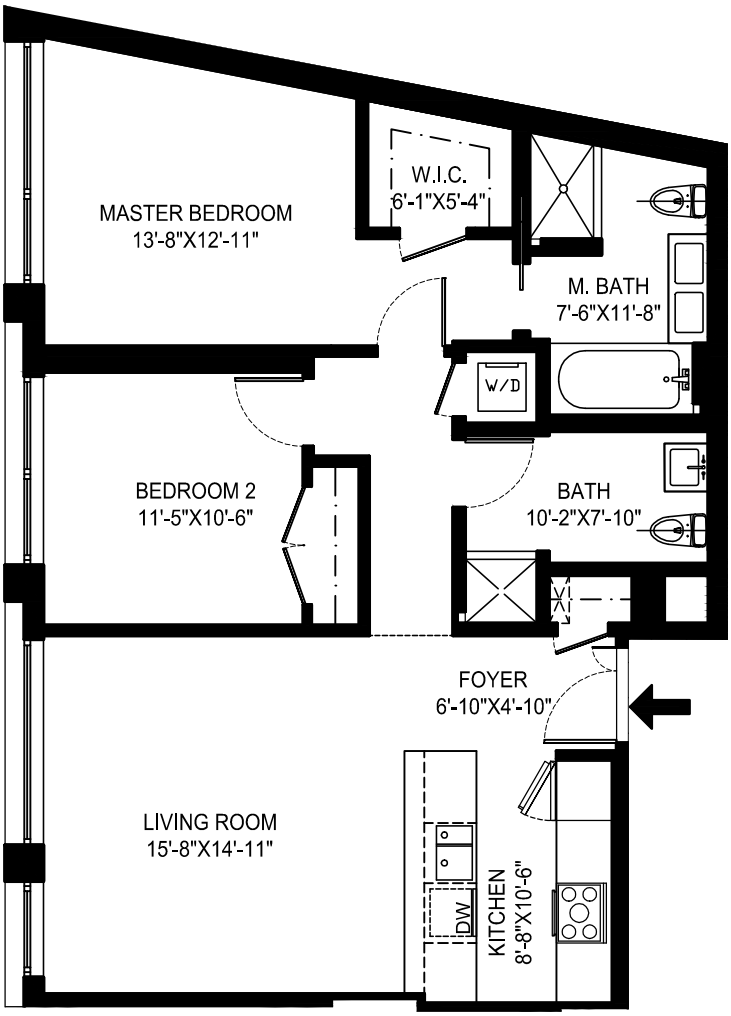
DATE: 07.29.16

N

32 EAST 1ST STREET CONDOMINIUM
UNIT 2C
3-BEDROOM/3-BATHROOM
1497 SF



KEY PLAN



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DATE: 07.29.16

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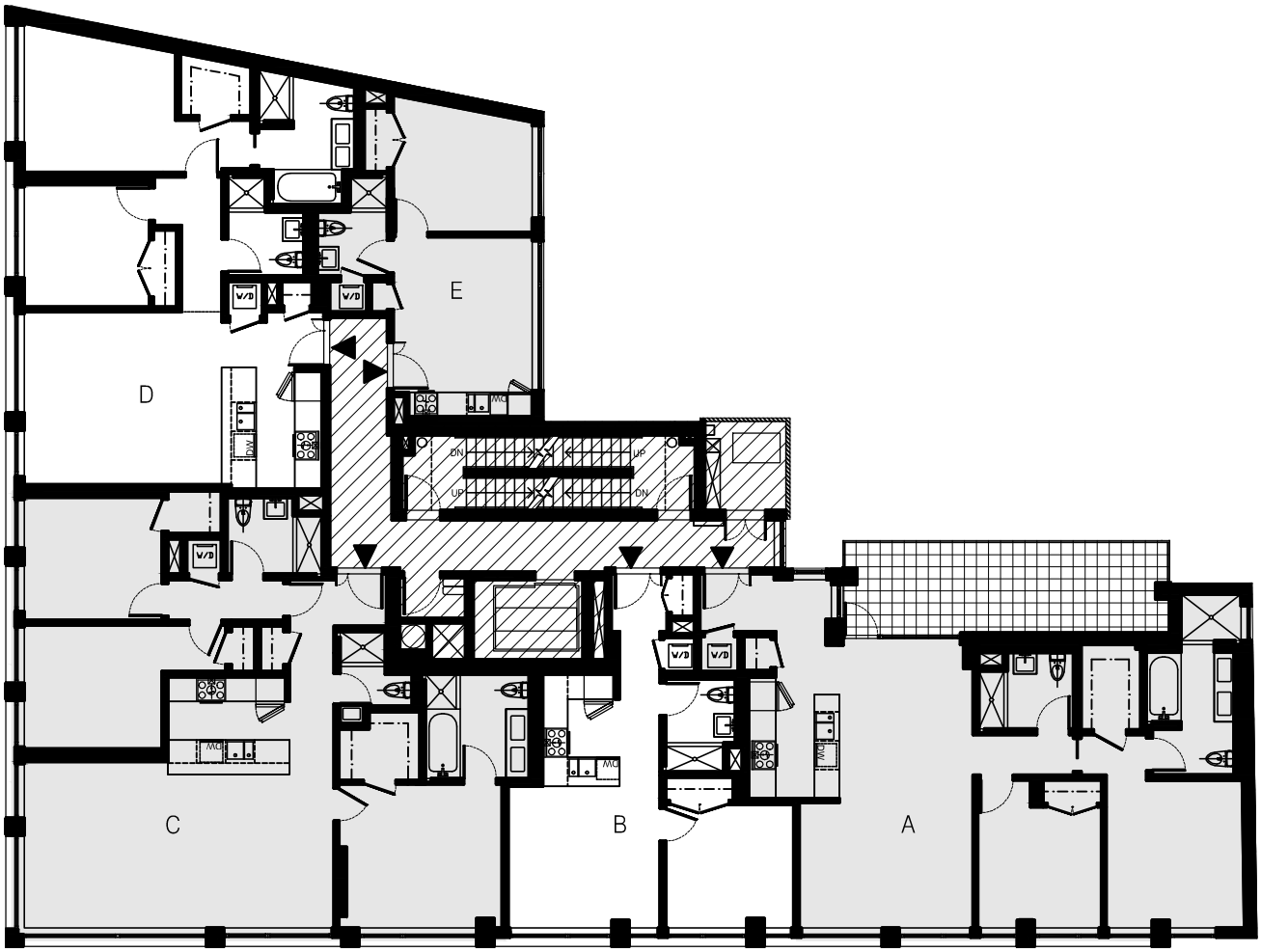
32 EAST 1ST STREET CONDOMINIUM
UNIT 2D
2-BEDROOM/2-BATHROOM
1083 SF

FLOOR PLAN LEGEND

RESIDENTIAL COMMON ELEMENT

RESIDENTIAL LIMITED COMMON ELEMENT

GENERAL COMMON ELEMENT

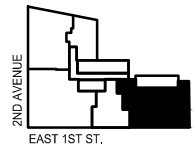


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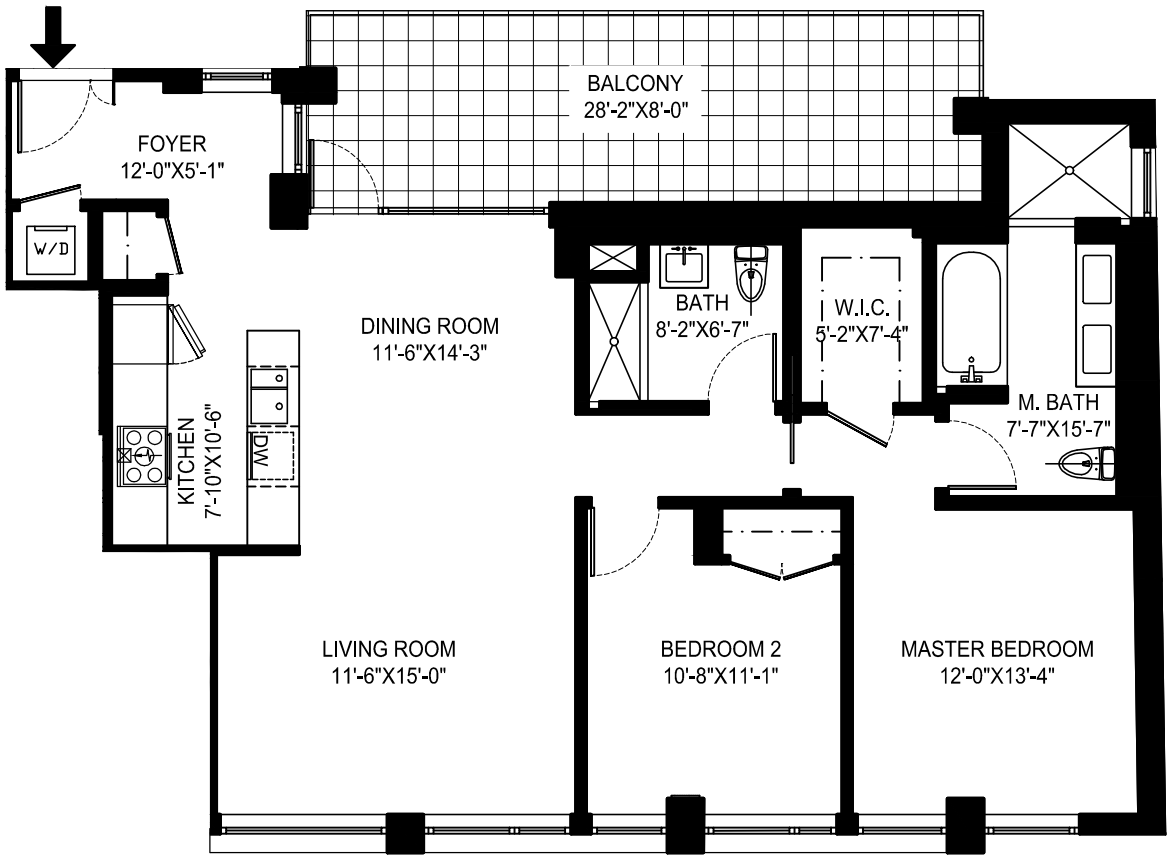
DATE: 07.29.16

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32 EAST 1ST STREET CONDOMINIUM
3RD - 5TH FLOOR PLAN



KEY PLAN

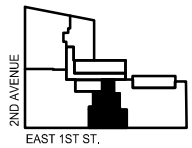


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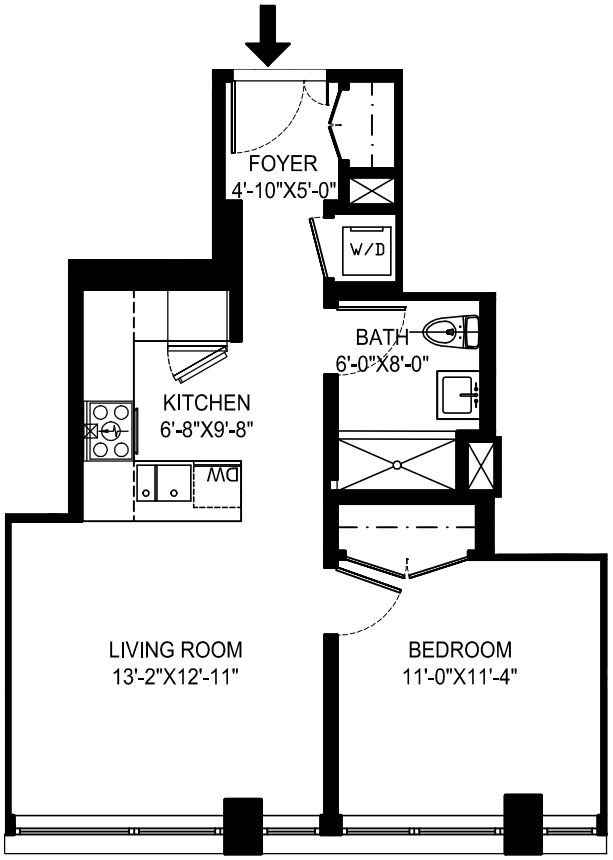
DATE: 07.29.16

N

32 EAST 1ST STREET CONDOMINIUM
UNIT 3A, 4A, 5A
2-BEDROOM/2-BATHROOM
1238 SF; BALCONY: 222 SF



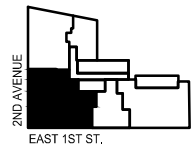
KEY PLAN



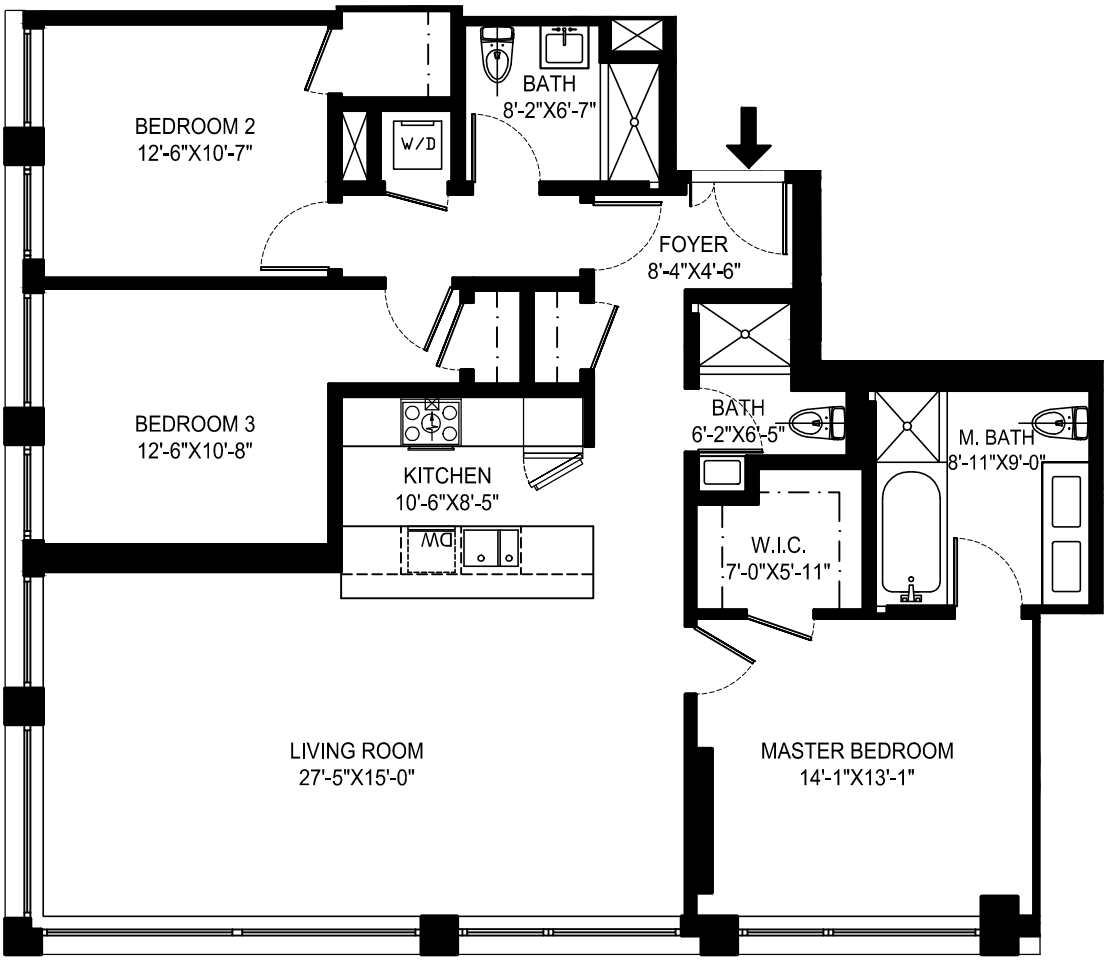
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DATE: 07.29.16

32 EAST 1ST STREET CONDOMINIUM
UNIT 3B, 4B, 5B
1-BEDROOM/1-BATHROOM
582 SF



KEY PLAN

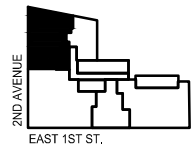


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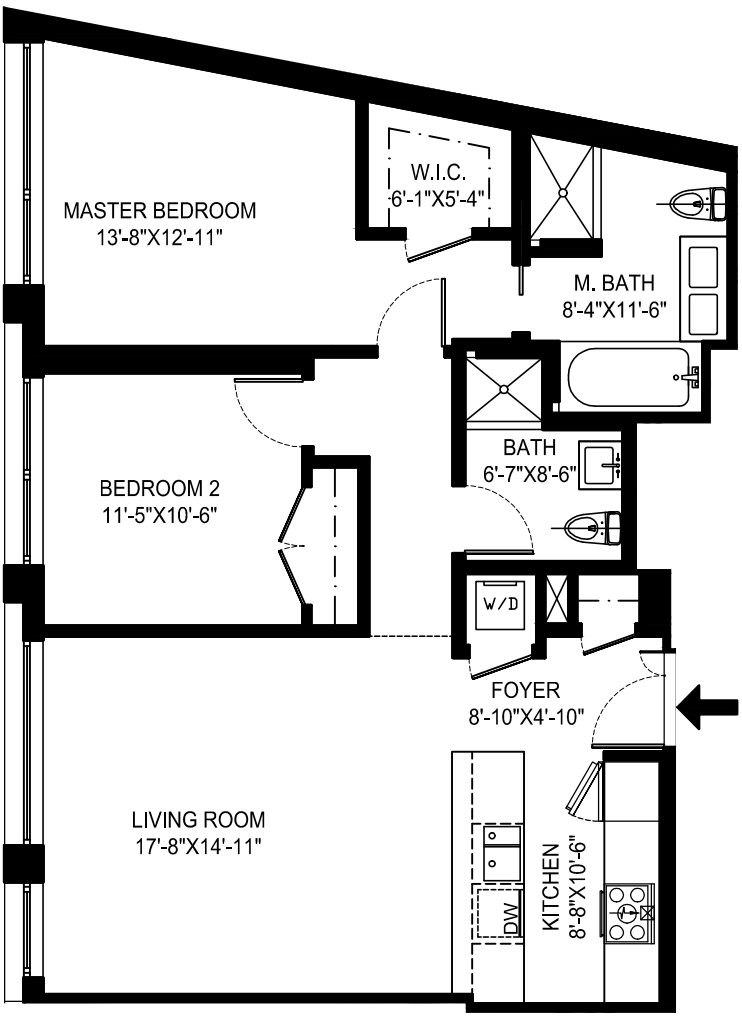
DATE: 07.29.16

N

32 EAST 1ST STREET CONDOMINIUM
UNIT 3C, 4C, 5C
3-BEDROOM/3-BATHROOM
1511 SF



KEY PLAN

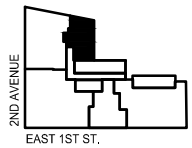


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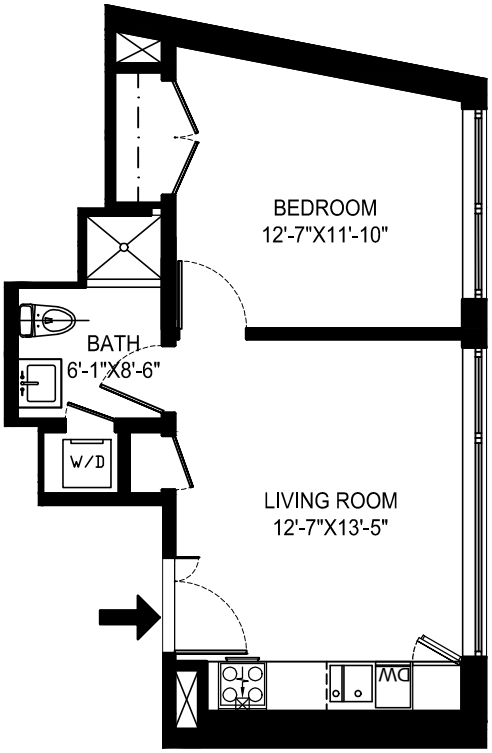
DATE: 07.29.16

N

32 EAST 1ST STREET CONDOMINIUM
UNIT 3D, 4D, 5D
2-BEDROOM/2-BATHROOM
1089 SF



KEY PLAN



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DATE: 07.29.16

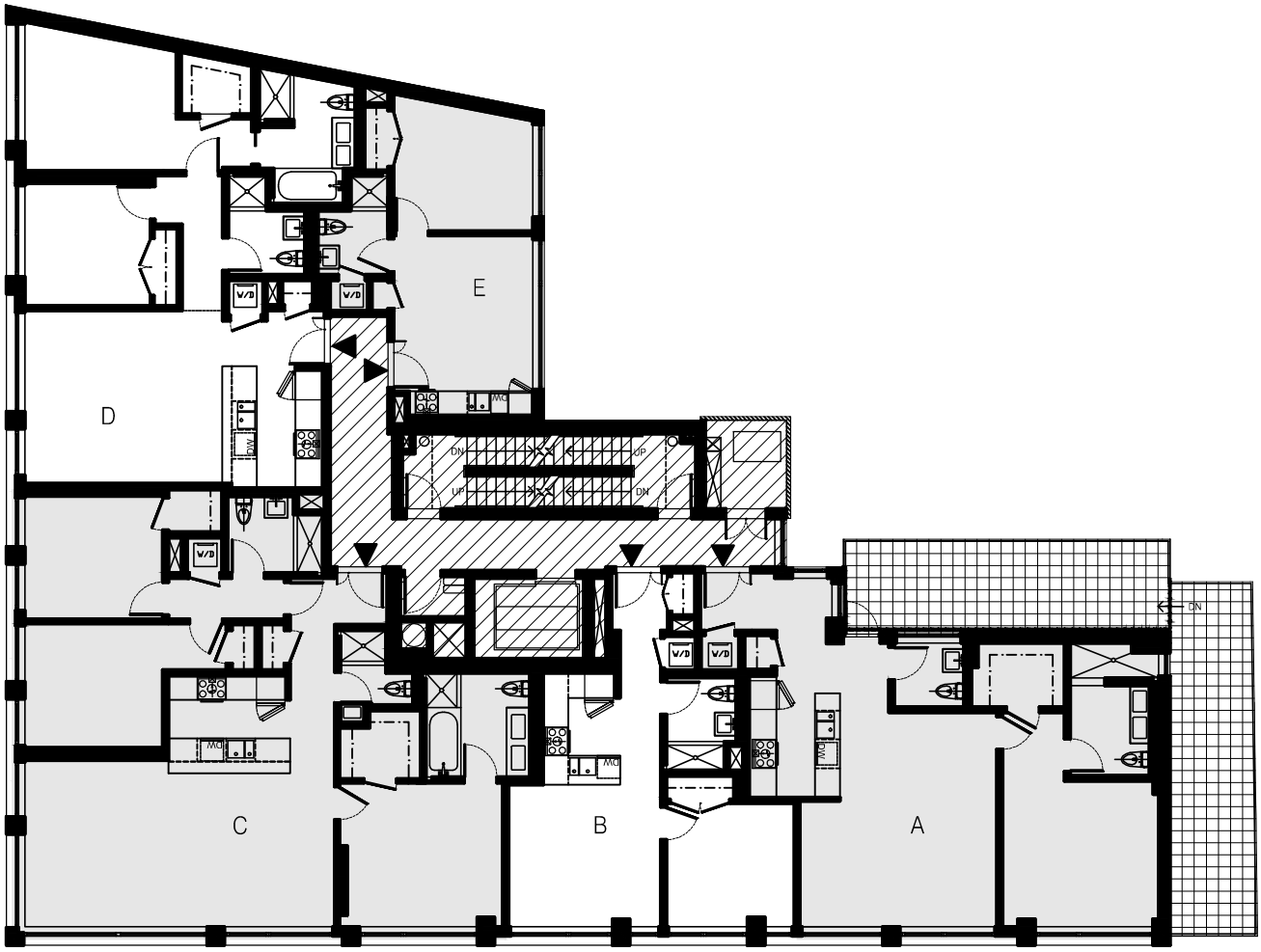
32 EAST 1ST STREET CONDOMINIUM
UNIT 3E, 4E, 5E
1-BEDROOM/1-BATHROOM
484 SF

FLOOR PLAN LEGEND

RESIDENTIAL COMMON ELEMENT

RESIDENTIAL LIMITED COMMON ELEMENT

GENERAL COMMON ELEMENT



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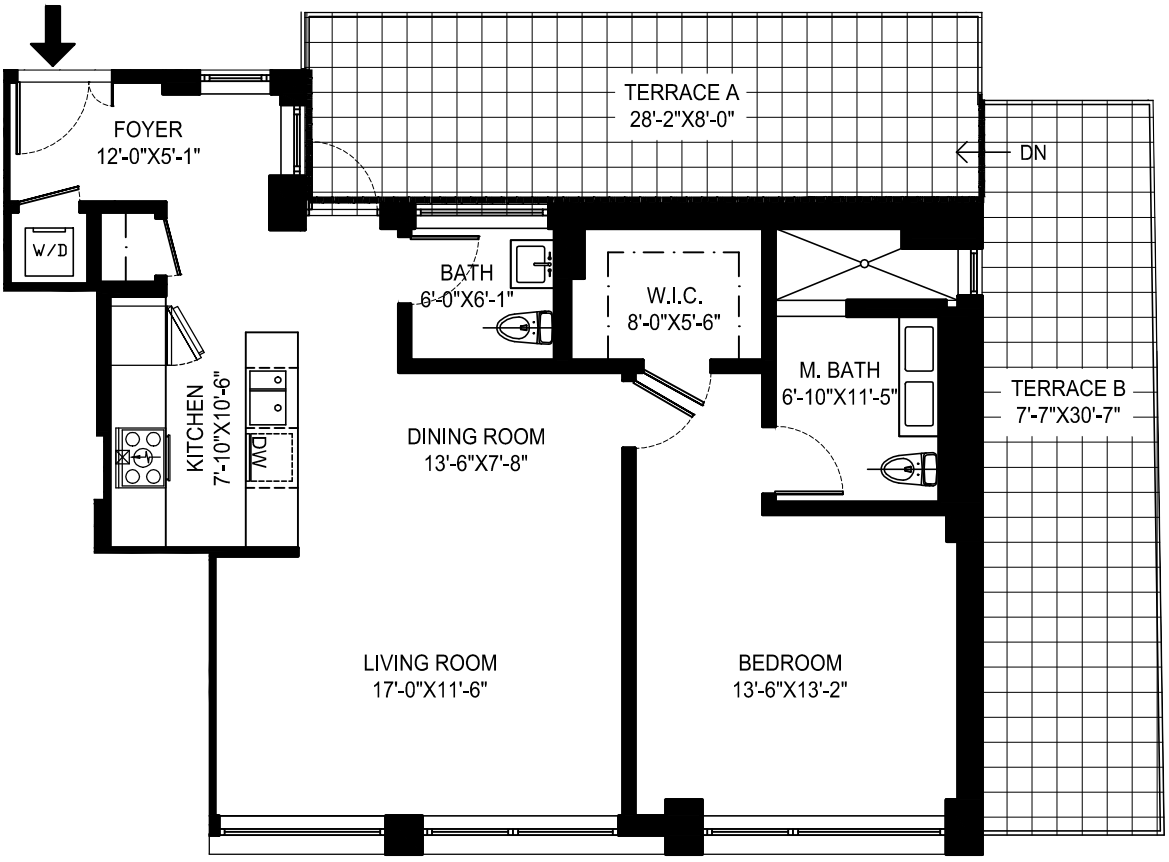
DATE: 07.29.16

N

32 EAST 1ST STREET CONDOMINIUM
6TH FLOOR PLAN



KEY PLAN



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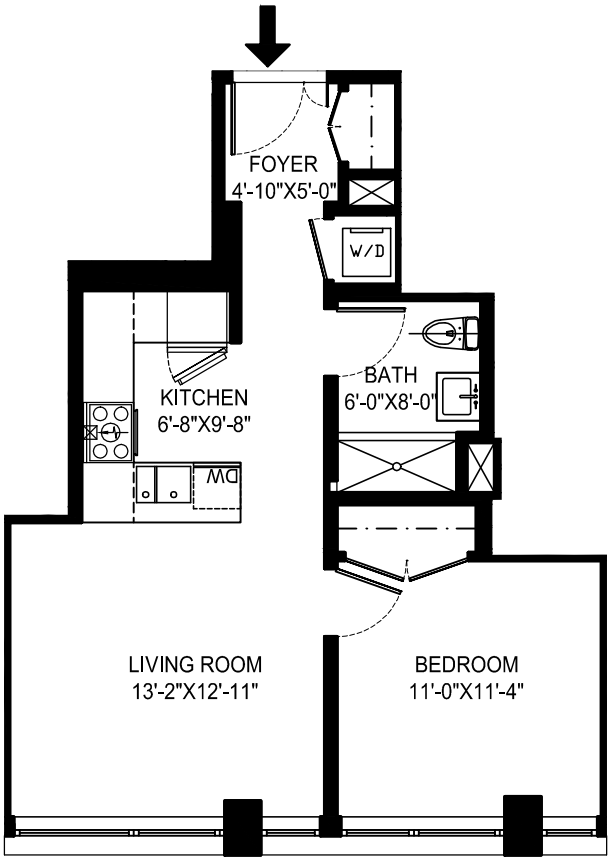
DATE: 07.29.16

N

32 EAST 1ST STREET CONDOMINIUM
UNIT 6A
1-BEDROOM/1.5-BATHROOM
1010 SF; TERRACE: 451 SF



KEY PLAN



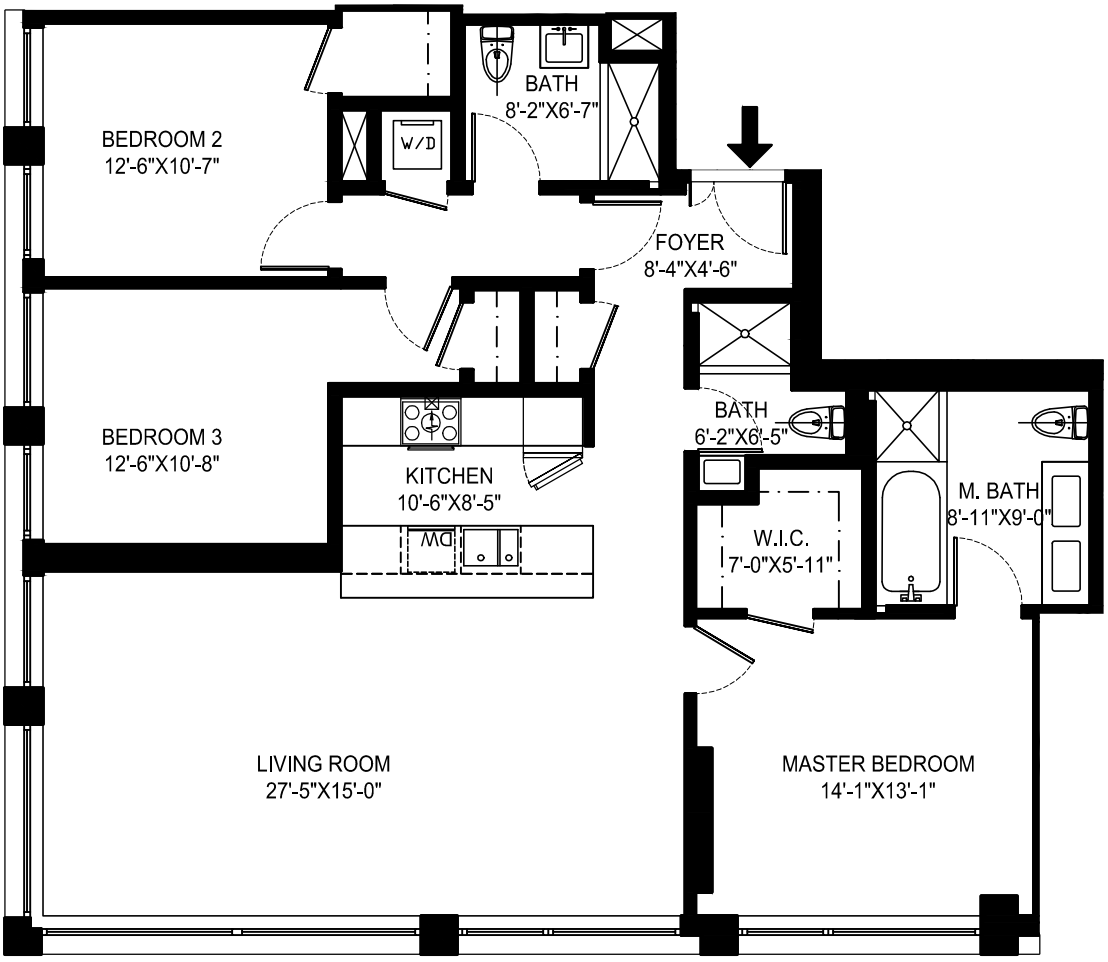
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DATE: 07.29.16

32 EAST 1ST STREET CONDOMINIUM
UNIT 6B
1-BEDROOM/1-BATHROOM
582 SF



KEY PLAN

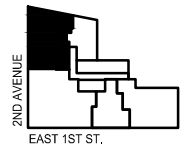


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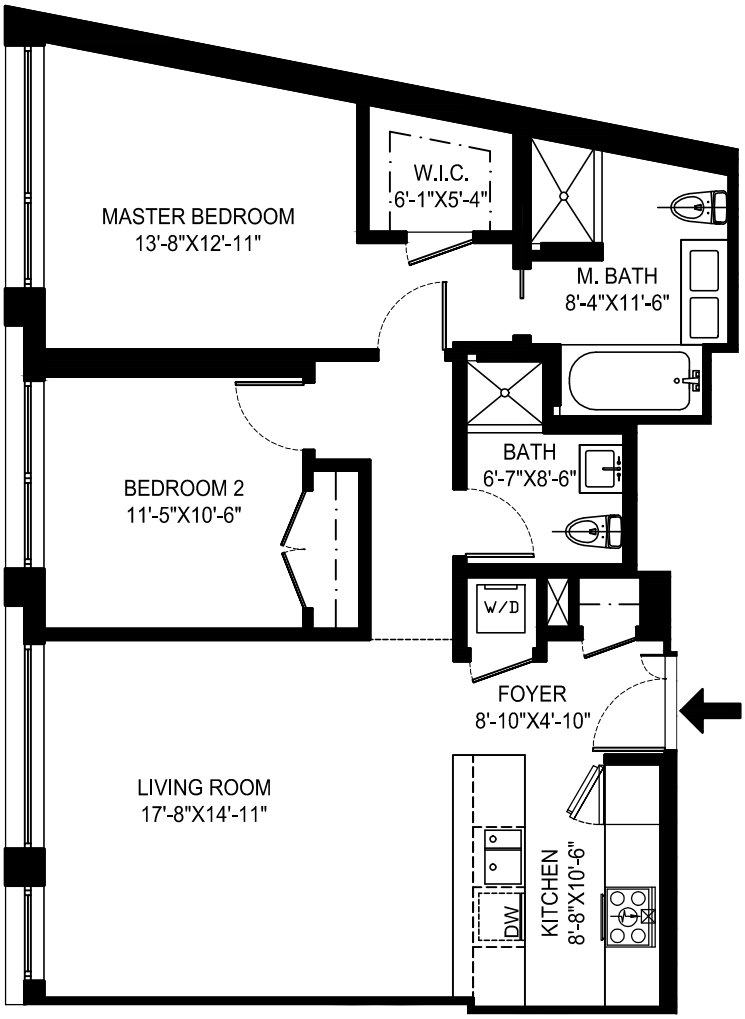
DATE: 07.29.16

N

32 EAST 1ST STREET CONDOMINIUM
UNIT 6C
3-BEDROOM/3-BATHROOM
1511 SF



KEY PLAN

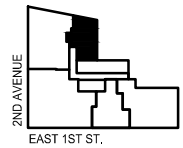


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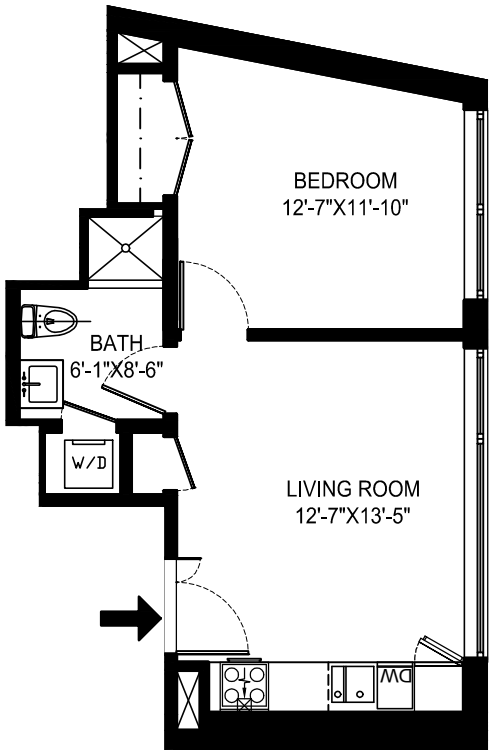
DATE: 07.29.16

N

32 EAST 1ST STREET CONDOMINIUM
UNIT 6D
2-BEDROOM/2-BATHROOM
1089 SF



KEY PLAN



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DATE: 07.29.16

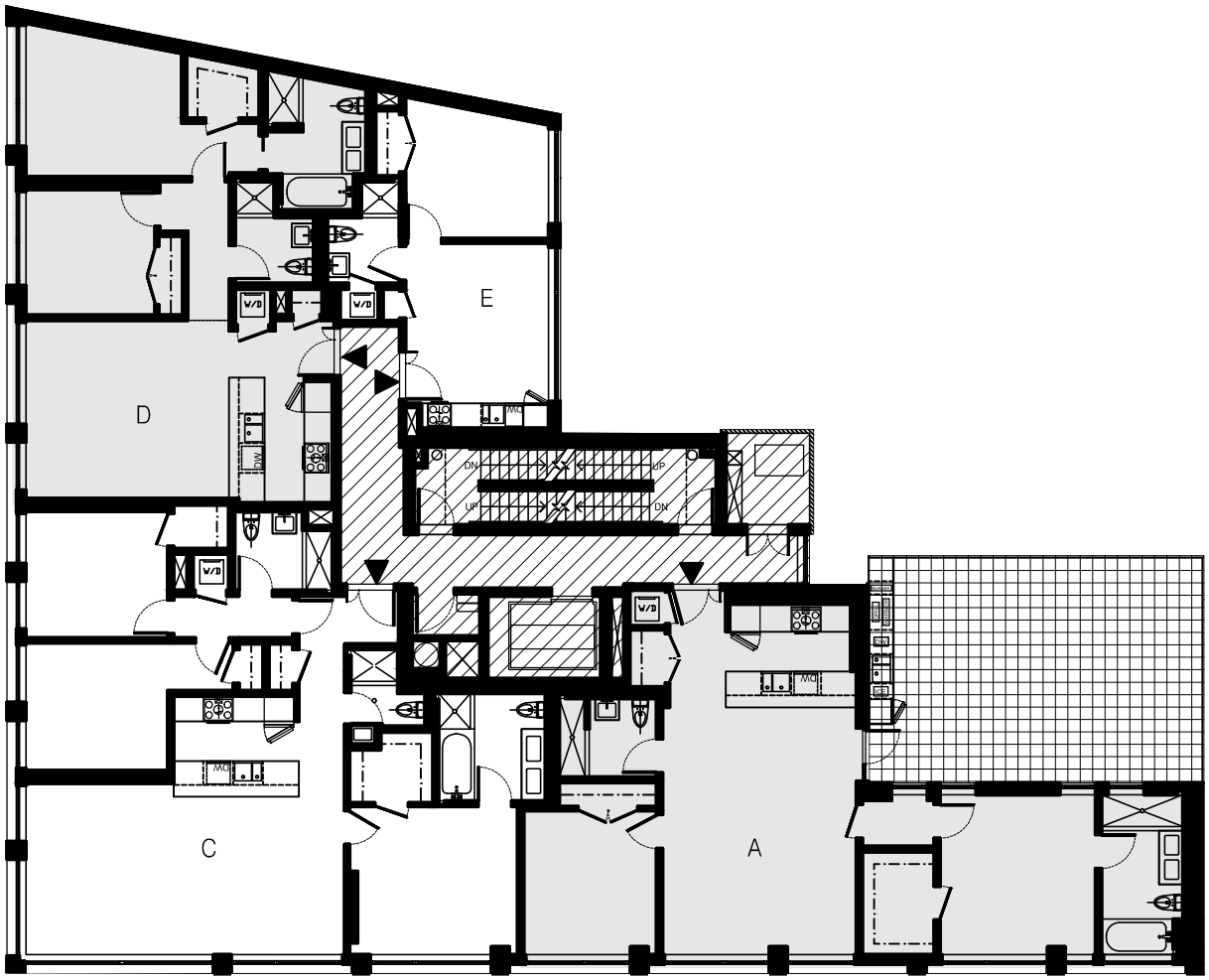
32 EAST 1ST STREET CONDOMINIUM
UNIT 6E
1-BEDROOM/1-BATHROOM
484 SF

FLOOR PLAN LEGEND

RESIDENTIAL COMMON ELEMENT

RESIDENTIAL LIMITED COMMON ELEMENT

GENERAL COMMON ELEMENT



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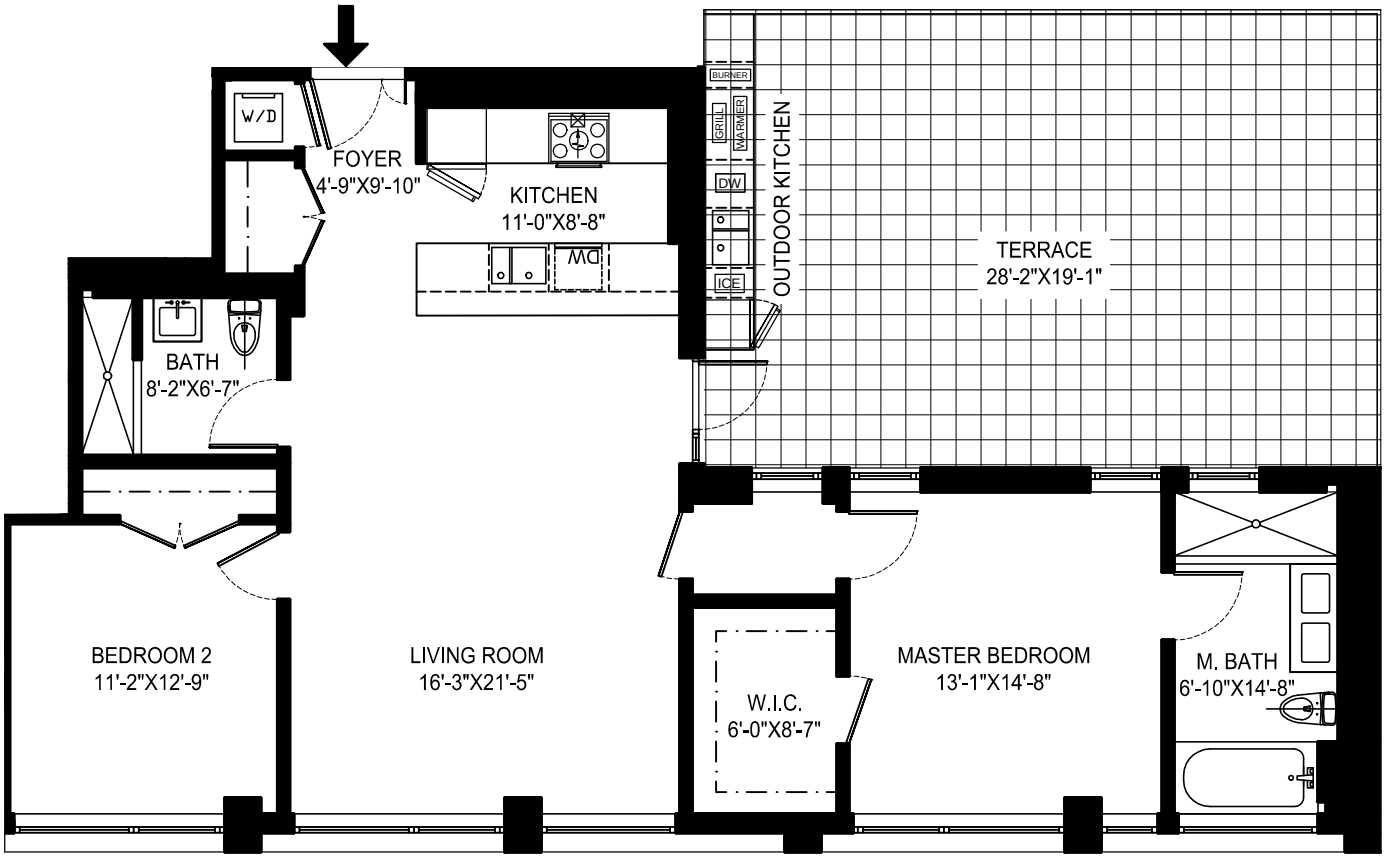
DATE: 07.29.16

N

32 EAST 1ST STREET CONDOMINIUM
7TH FLOOR PLAN



KEY PLAN



The square footage exceeds usable floor area. All dimensions are approximate and subject to construction variances. Plans and dimensions may contain minor variations from floor to floor. The complete terms are in an offering plan available from sponsor. Sponsor reserves the right to make changes in accordance with the offering plan. File No. XXXX. All rights to content, photographs and graphics reserved to Sponsor.

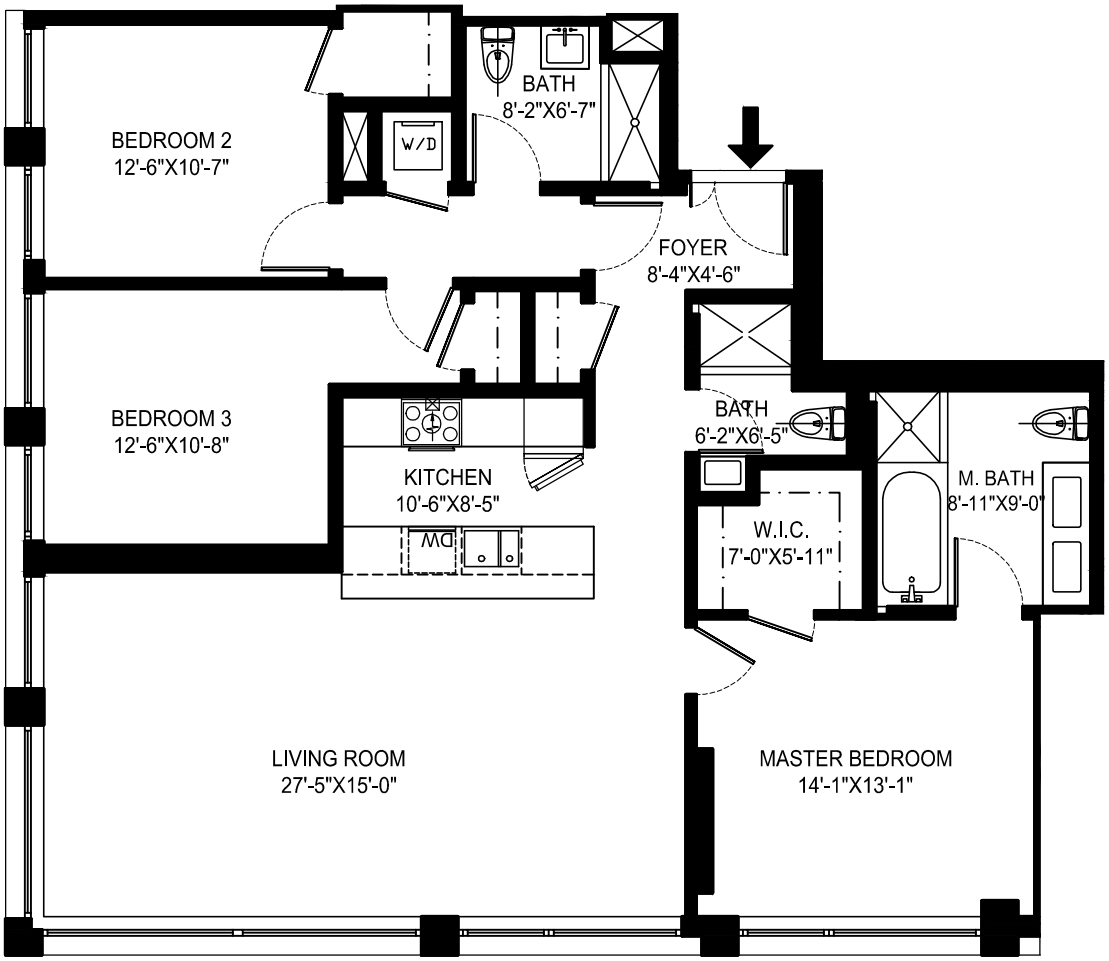
DATE: 07.29.16

N

32 EAST 1ST STREET CONDOMINIUM
UNIT 7A
2-BEDROOM/2-BATHROOM
1279 SF; TERRACE: 538 SF



KEY PLAN

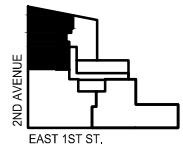


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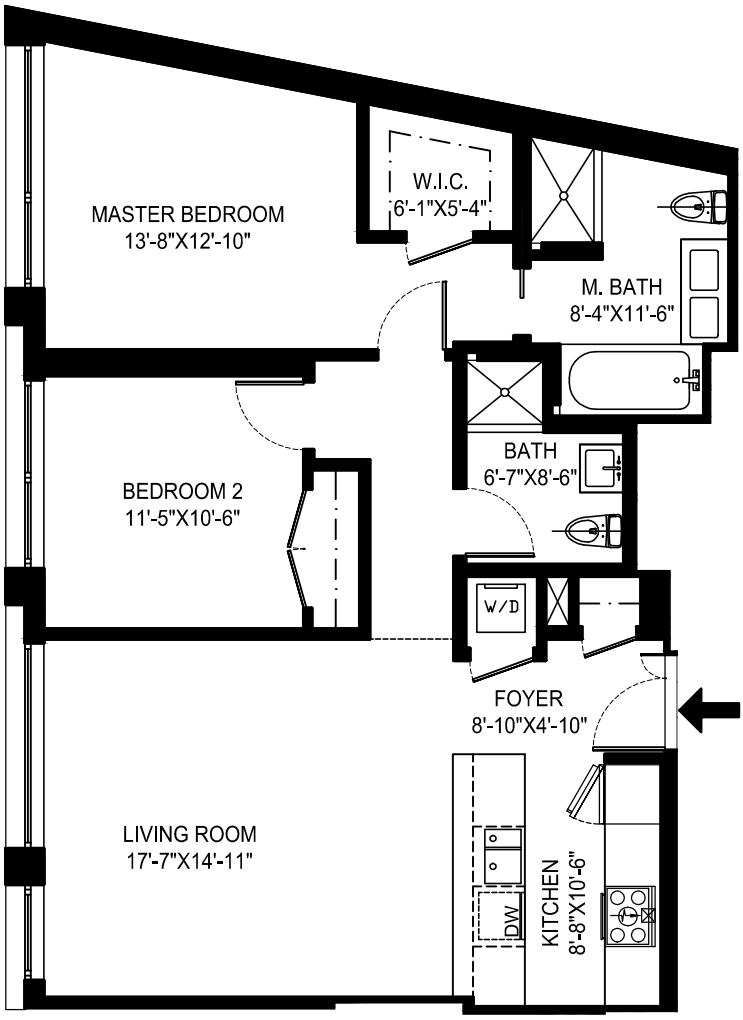
DATE: 07.29.16

N

32 EAST 1ST STREET CONDOMINIUM
UNIT 7C
3-BEDROOM/3-BATHROOM
1511 SF



KEY PLAN



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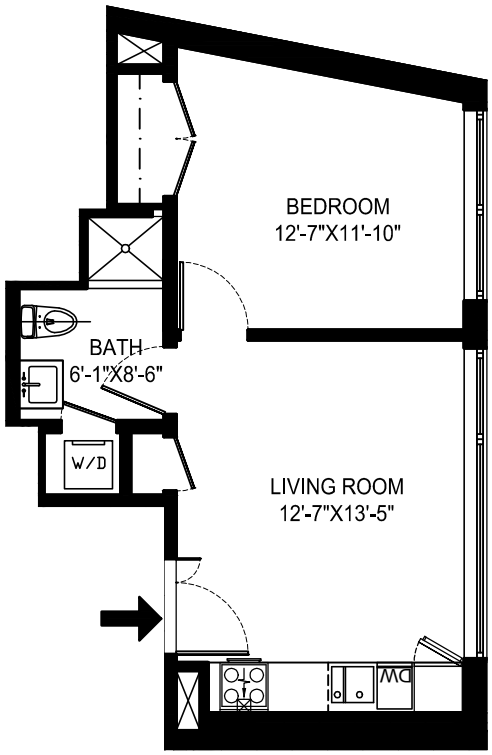
DATE: 07.29.16

N

32 EAST 1ST STREET CONDOMINIUM
UNIT 7D
2-BEDROOM/2-BATHROOM
1089 SF



KEY PLAN



The square footage exceeds usable floor area. All dimensions are approximate and subject to construction variances. Plans and dimensions may contain minor variations from floor to floor. The complete terms are in an offering plan available from sponsor. Sponsor reserves the right to make changes in accordance with the offering plan. File No. XXXX. All rights to content, photographs and graphics reserved to Sponsor.

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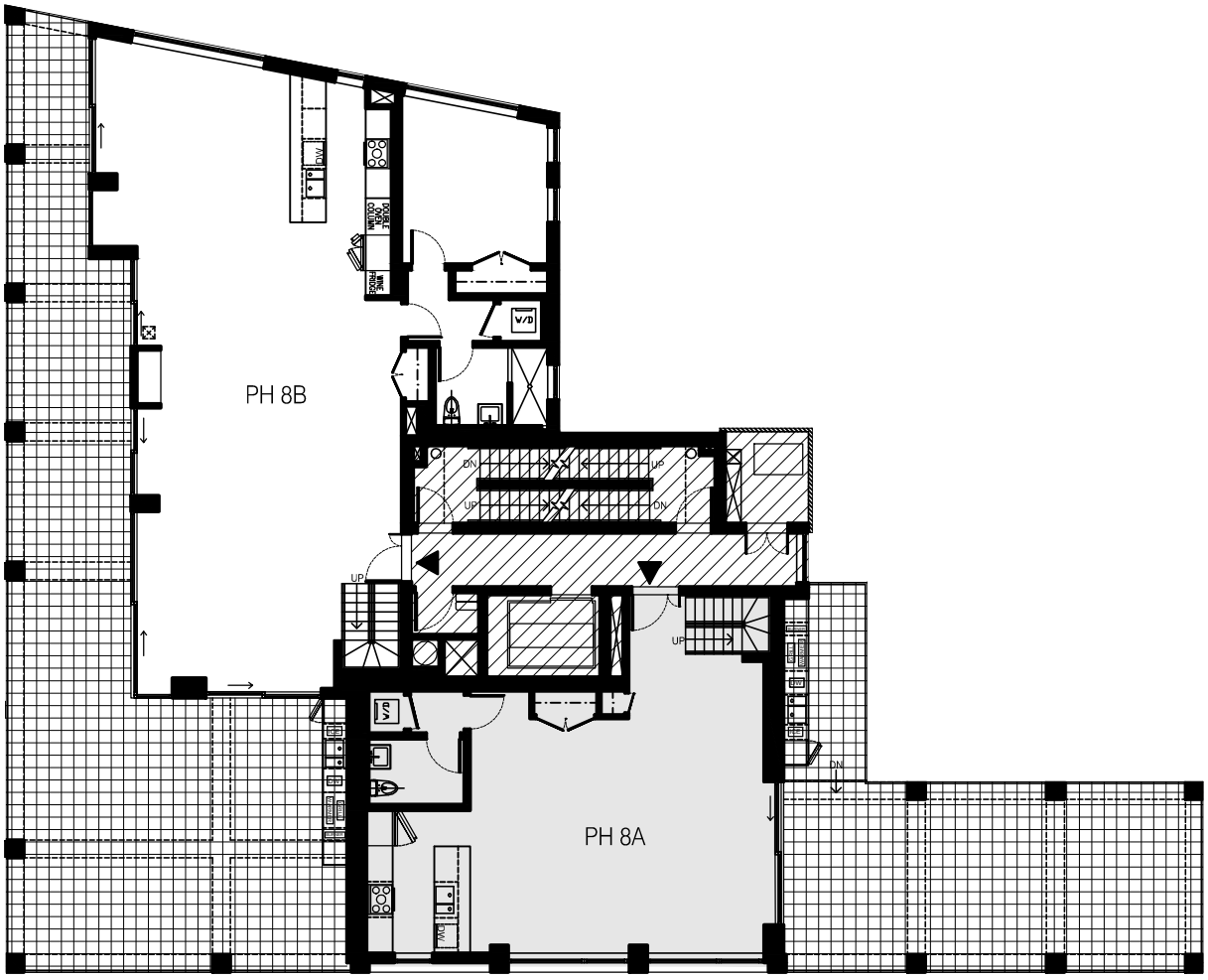
32 EAST 1ST STREET CONDOMINIUM
UNIT 7E
1-BEDROOM/1-BATHROOM
484 SF

FLOOR PLAN LEGEND

RESIDENTIAL COMMON ELEMENT

RESIDENTIAL LIMITED COMMON ELEMENT

GENERAL COMMON ELEMENT

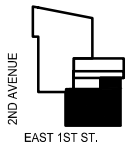


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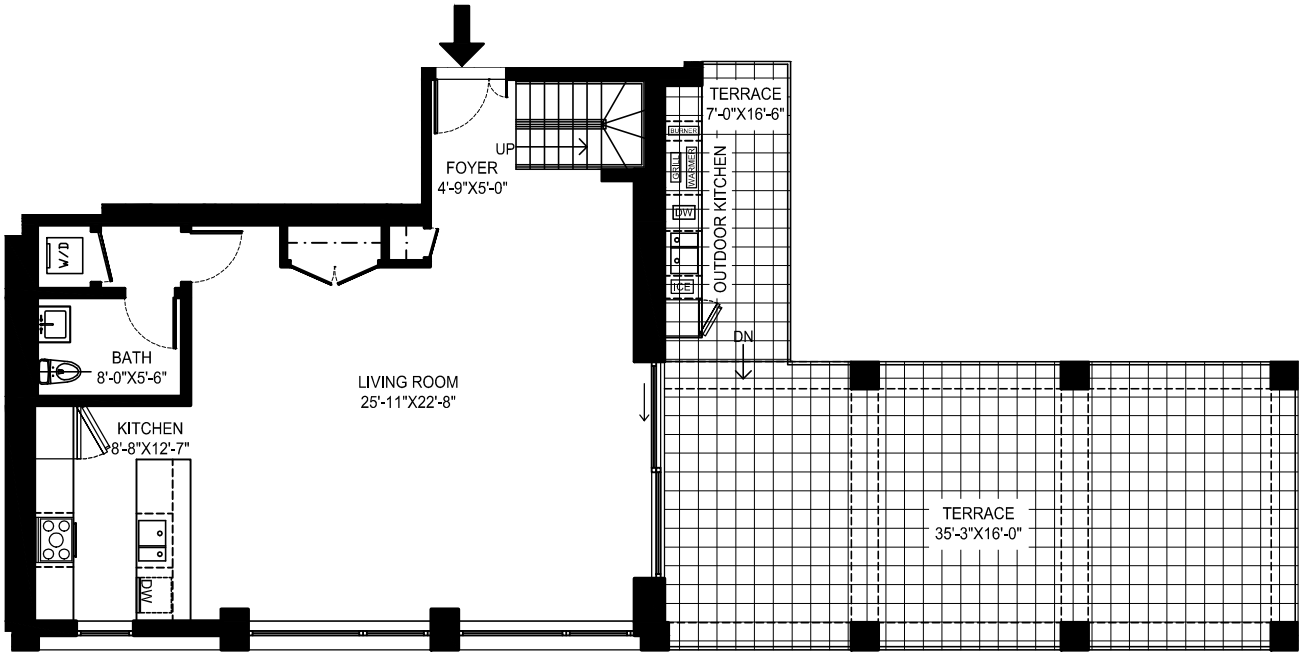
32 EAST 1ST STREET CONDOMINIUM
8TH FLOOR PLAN



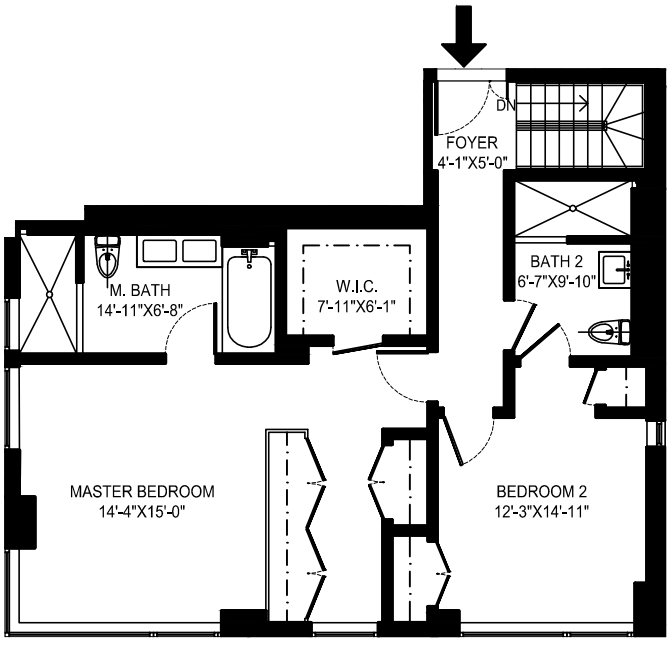
8TH FLOOR KEY PLAN



9TH FLOOR KEY PLAN



8TH FLOOR



9TH FLOOR

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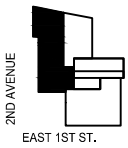
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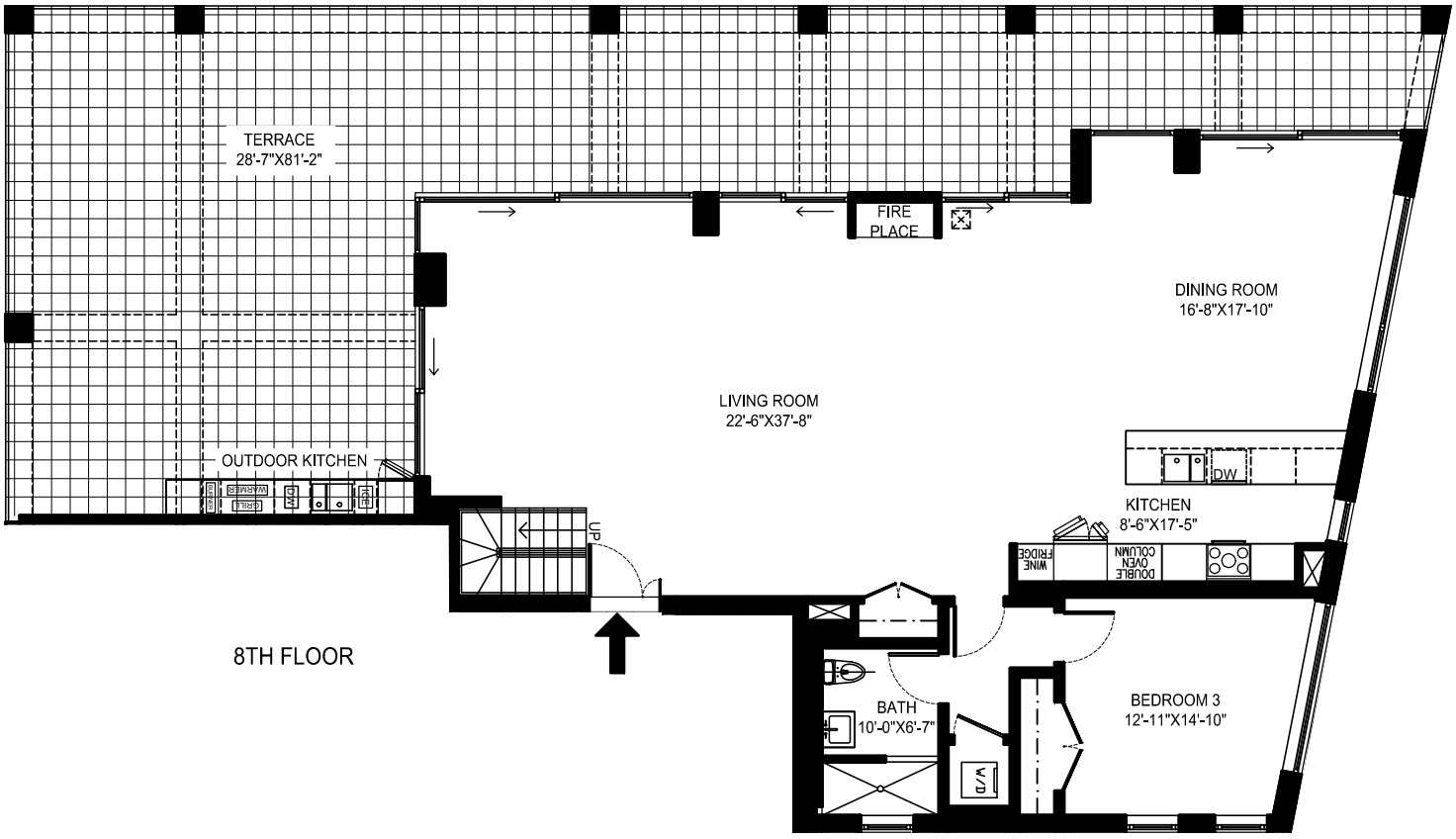
32 EAST 1ST STREET CONDOMINIUM
PH 8A
2-BEDROOM/2.5-BATHROOM
1982 SF; TERRACE: 664 SF



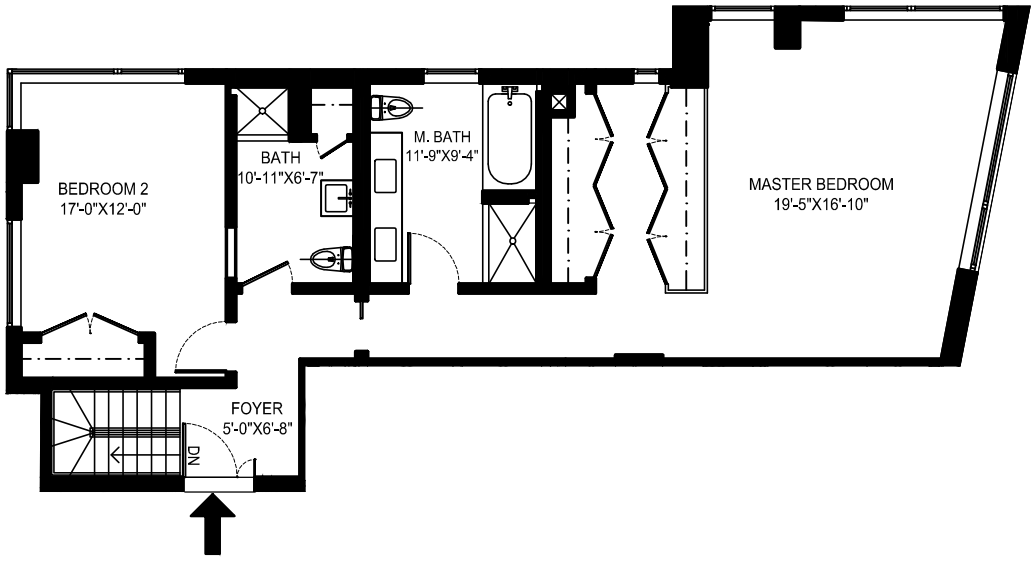
8TH FLOOR KEY PLAN



9TH FLOOR KEY PLAN



8TH FLOOR



9TH FLOOR

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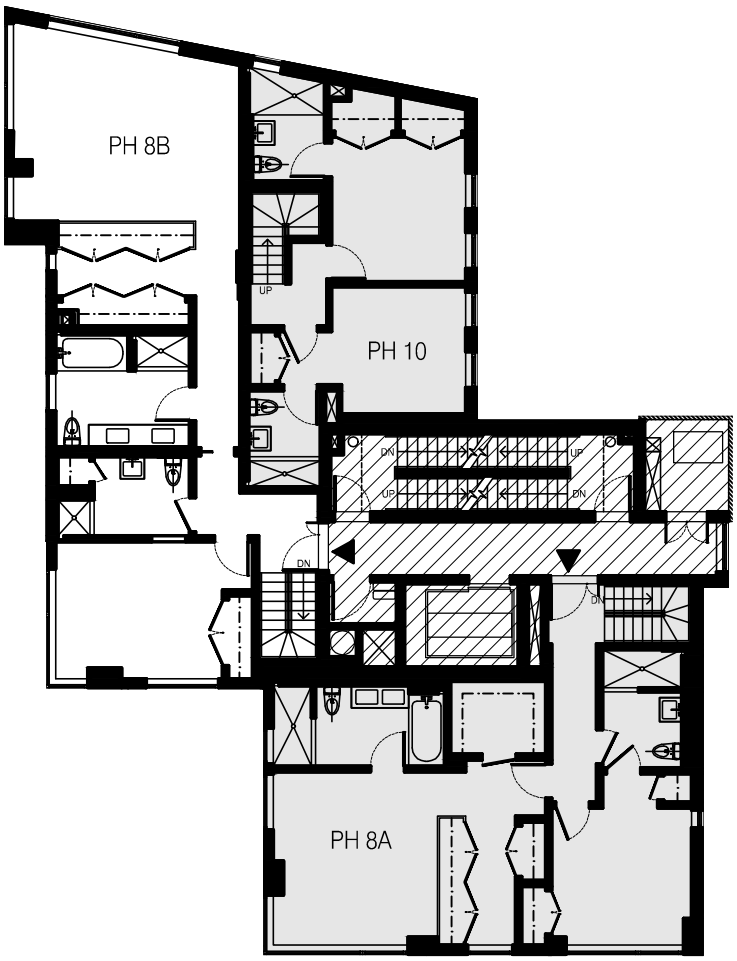
N 32 EAST 1ST STREET CONDOMINIUM
PH 8B
3-BEDROOM/3-BATHROOM
2766 SF; TERRACE: 1170 SF

FLOOR PLAN LEGEND

RESIDENTIAL COMMON ELEMENT

RESIDENTIAL LIMITED COMMON ELEMENT

GENERAL COMMON ELEMENT



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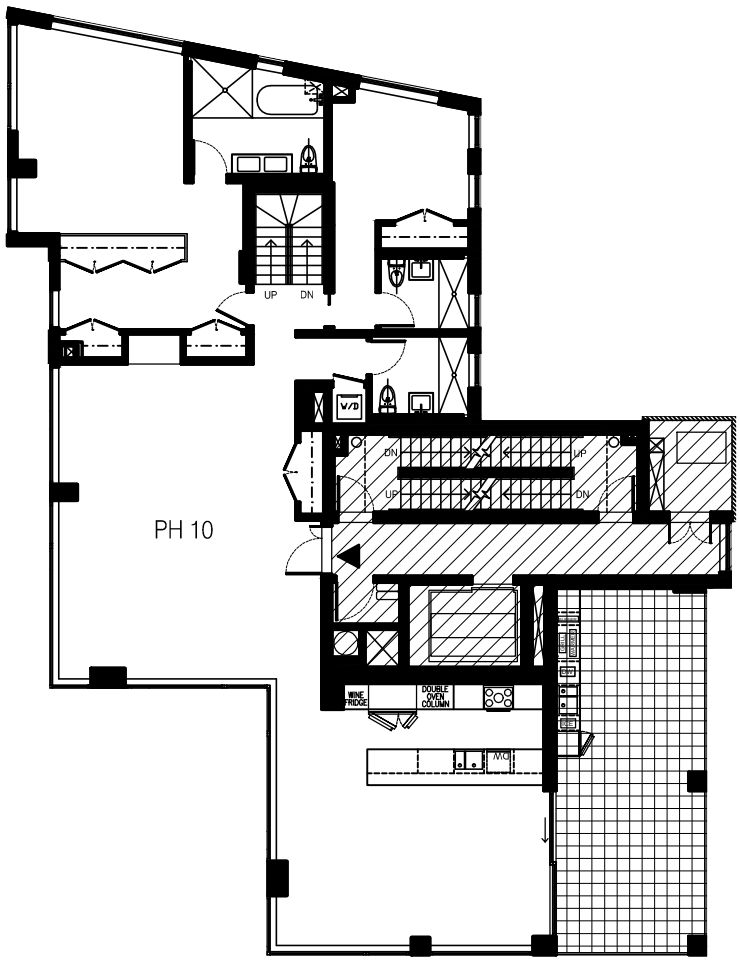
32 EAST 1ST STREET CONDOMINIUM
9TH FLOOR PLAN

FLOOR PLAN LEGEND

RESIDENTIAL COMMON ELEMENT

RESIDENTIAL LIMITED COMMON ELEMENT

GENERAL COMMON ELEMENT

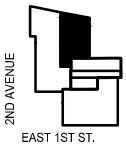


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32 EAST 1ST STREET CONDOMINIUM
10TH FLOOR PLAN

DATE: 07.29.16



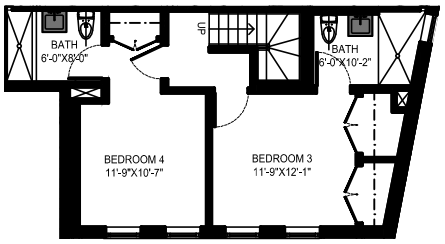
9TH FLOOR KEY PLAN



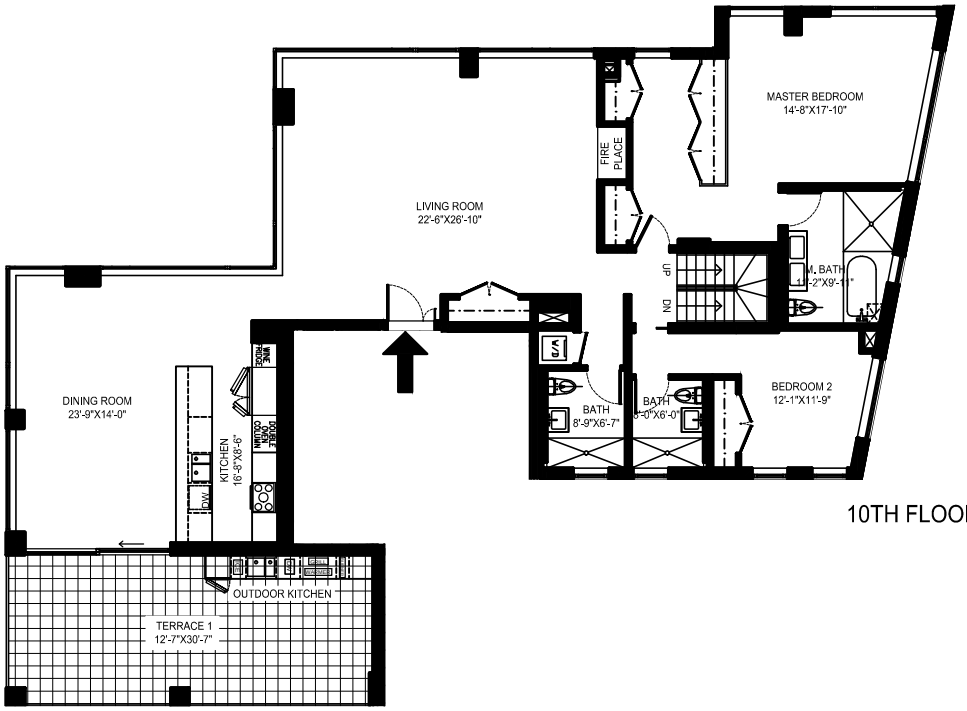
10TH FLOOR KEY PLAN



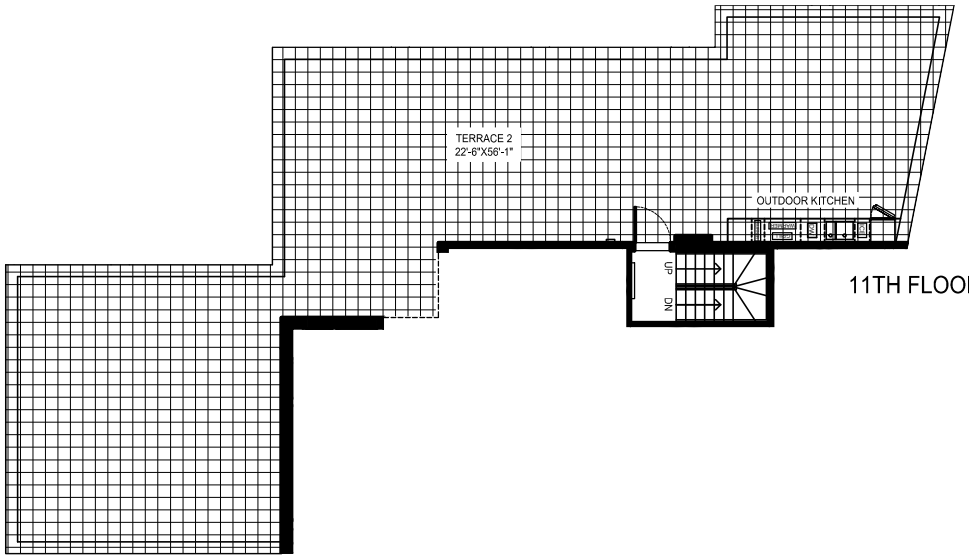
11TH FLOOR KEY PLAN



9TH FLOOR



10TH FLOOR



11TH FLOOR

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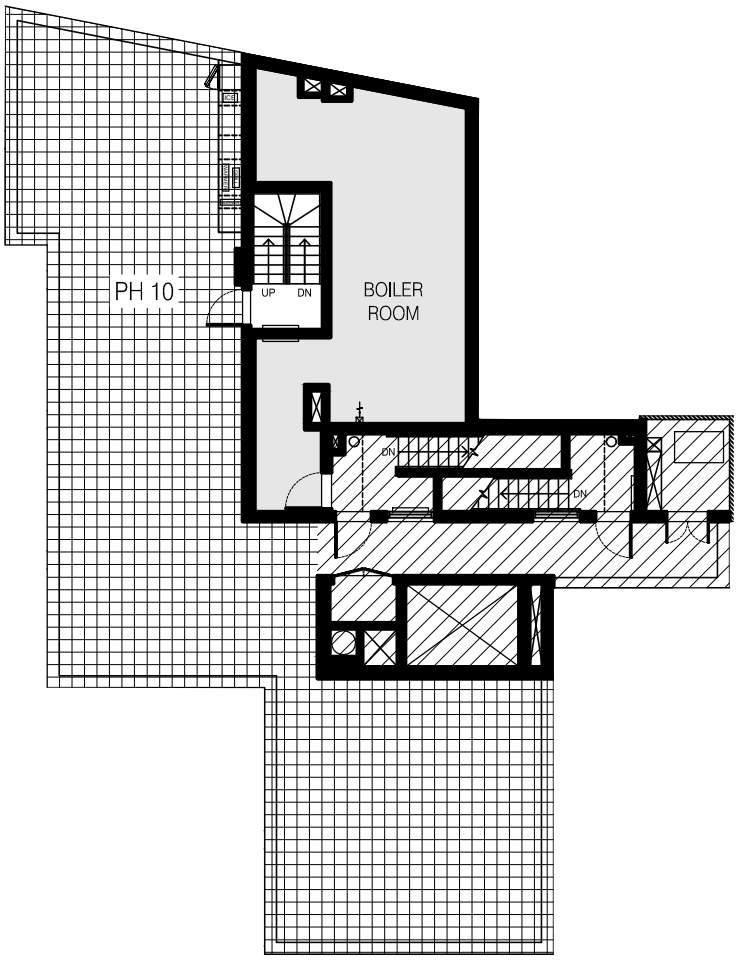
N 32 EAST 1ST STREET CONDOMINIUM
PH 10
4-BEDROOM/5-BATHROOM
2887 SF; TERR. 1: 379 SF; TERR. 2: 1591 SF

FLOOR PLAN LEGEND

RESIDENTIAL COMMON ELEMENT

RESIDENTIAL LIMITED COMMON ELEMENT

GENERAL COMMON ELEMENT



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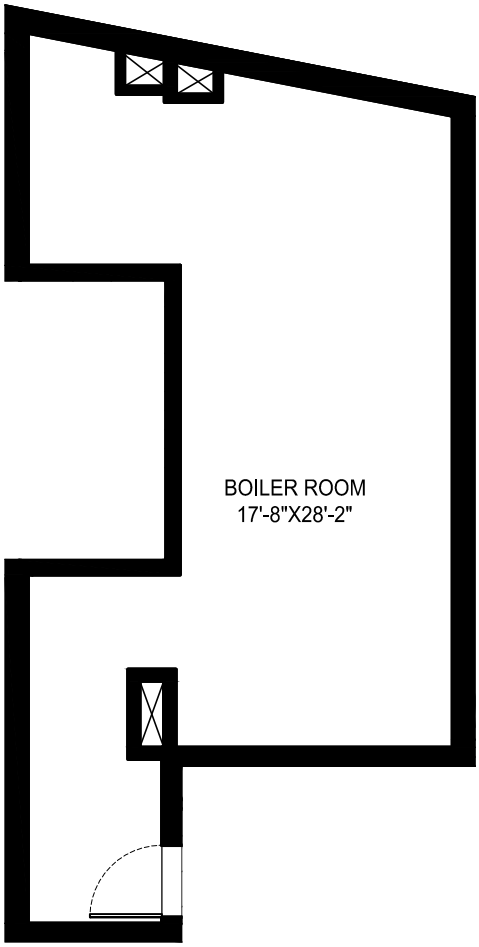
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32 EAST 1ST STREET CONDOMINIUM
ROOF FLOOR PLAN

DATE: 07.29.16



KEY PLAN



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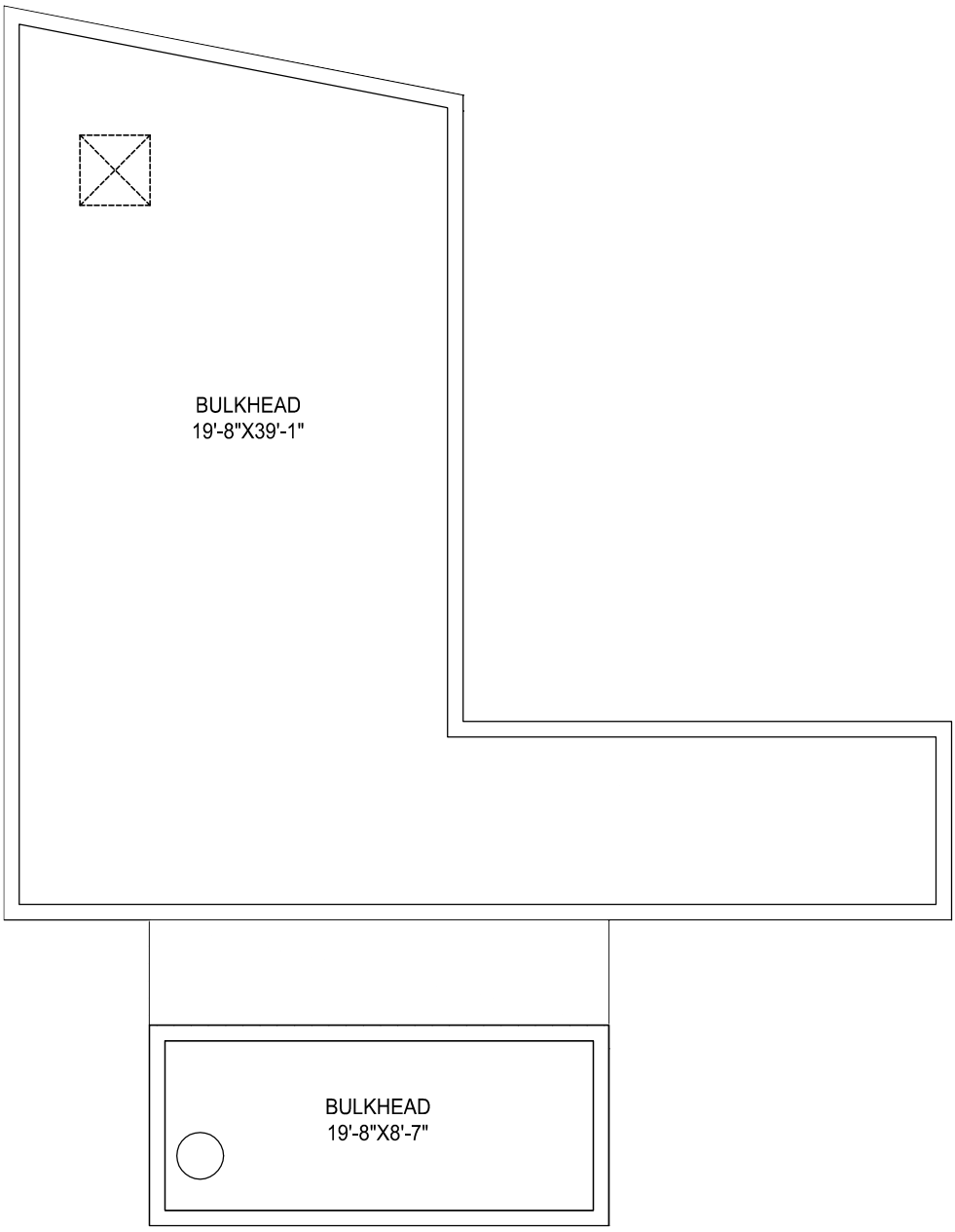
DATE: 07.29.16

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32 EAST 1ST STREET CONDOMINIUM
BOILER ROOM
536 SF



KEY PLAN



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DATE: 07.29.16

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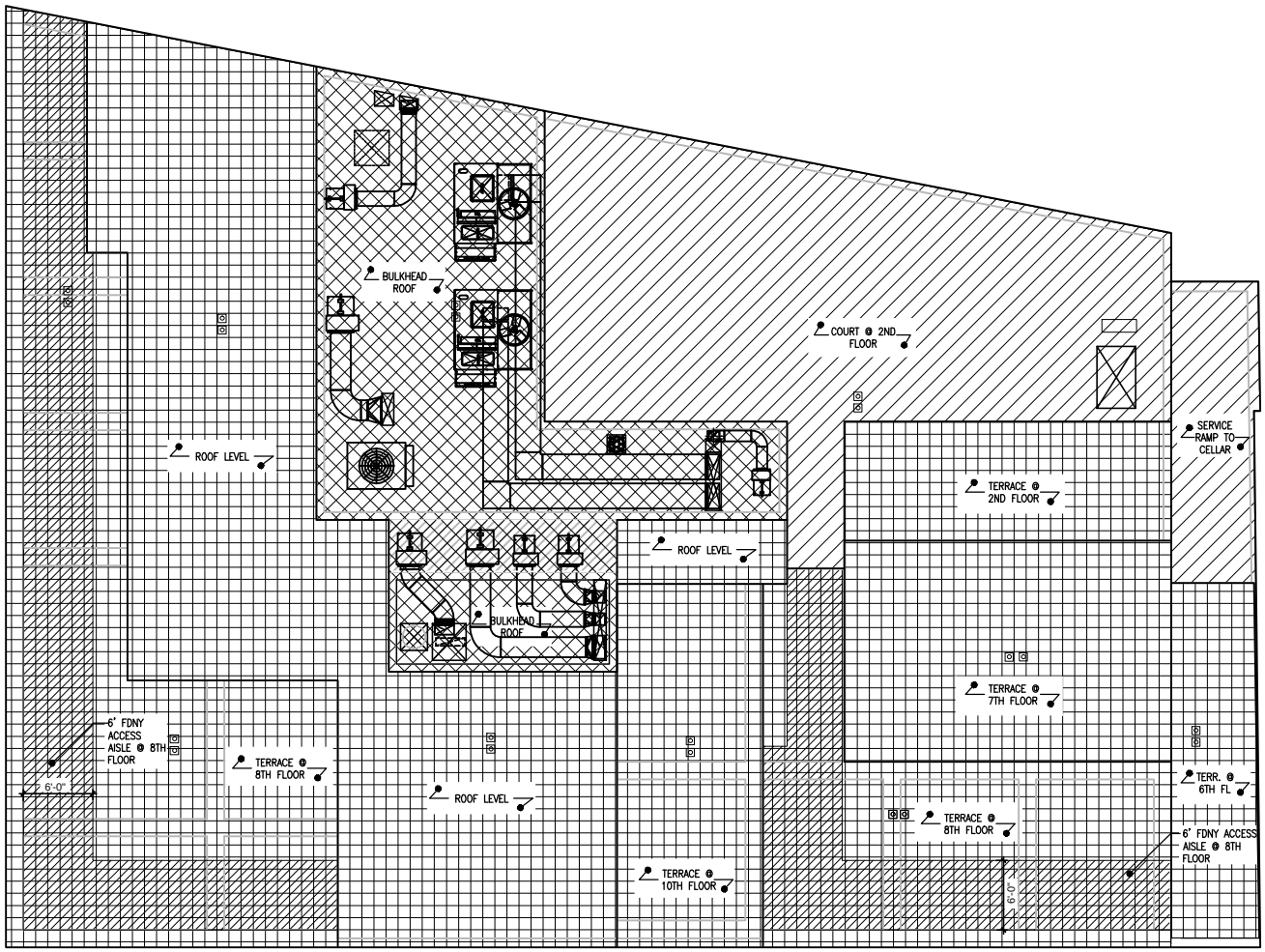
32 EAST 1ST STREET CONDOMINIUM
BULKHEAD
1078 SF

FLOOR PLAN LEGEND

RESIDENTIAL COMMON ELEMENT

RESIDENTIAL LIMITED COMMON ELEMENT

GENERAL COMMON ELEMENT

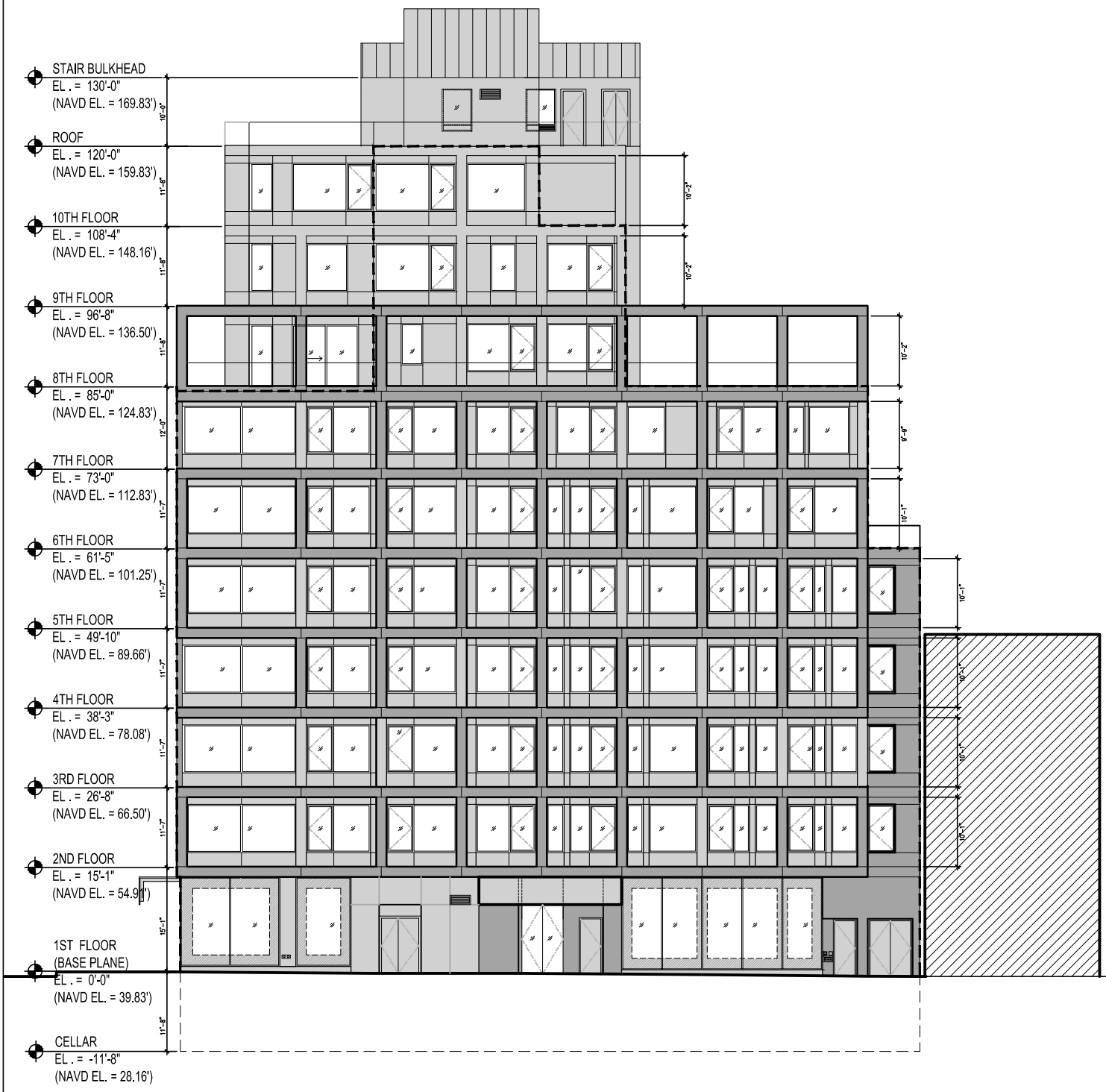


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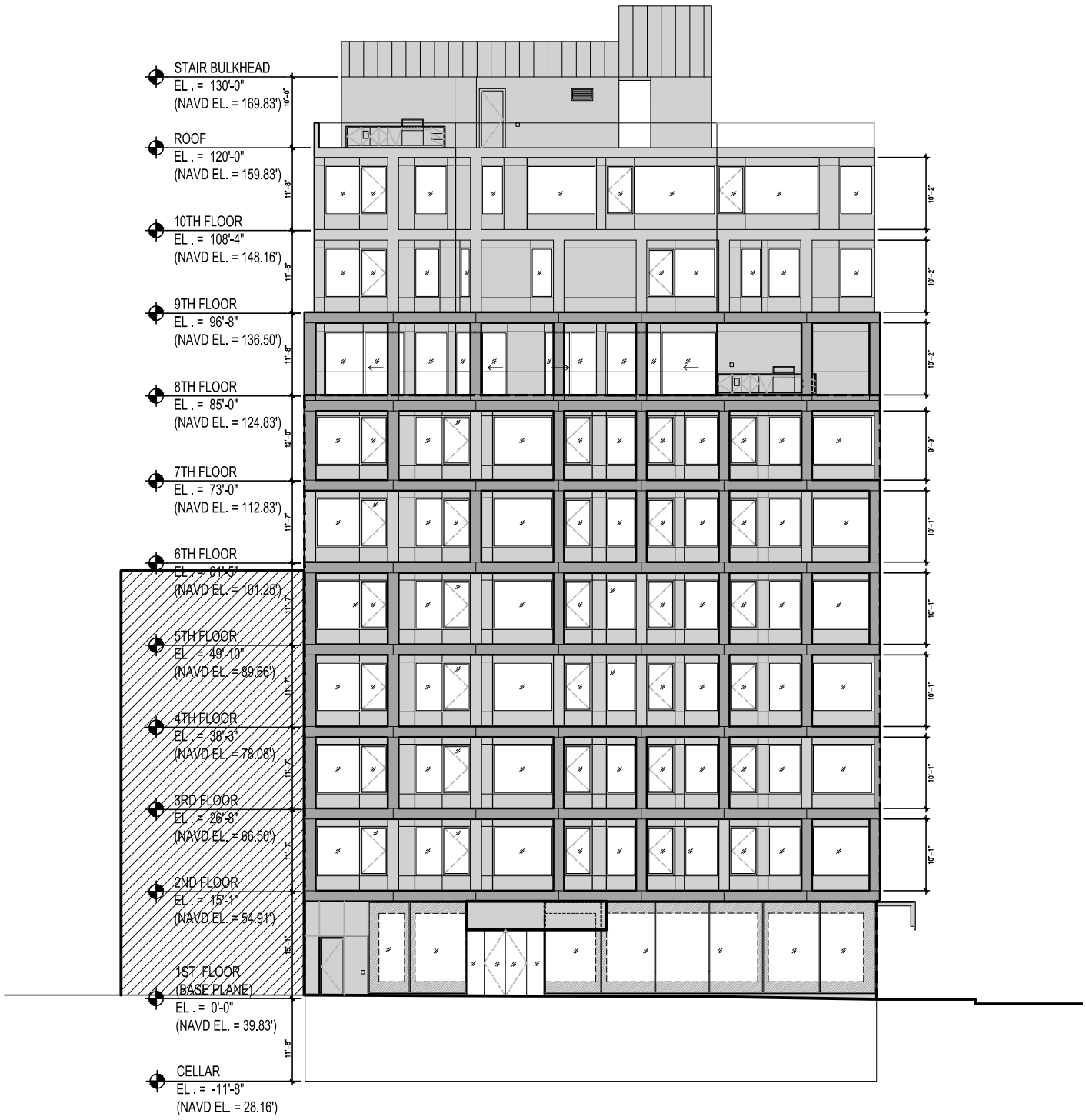
32 EAST 1ST STREET CONDOMINIUM
ROOF PLAN



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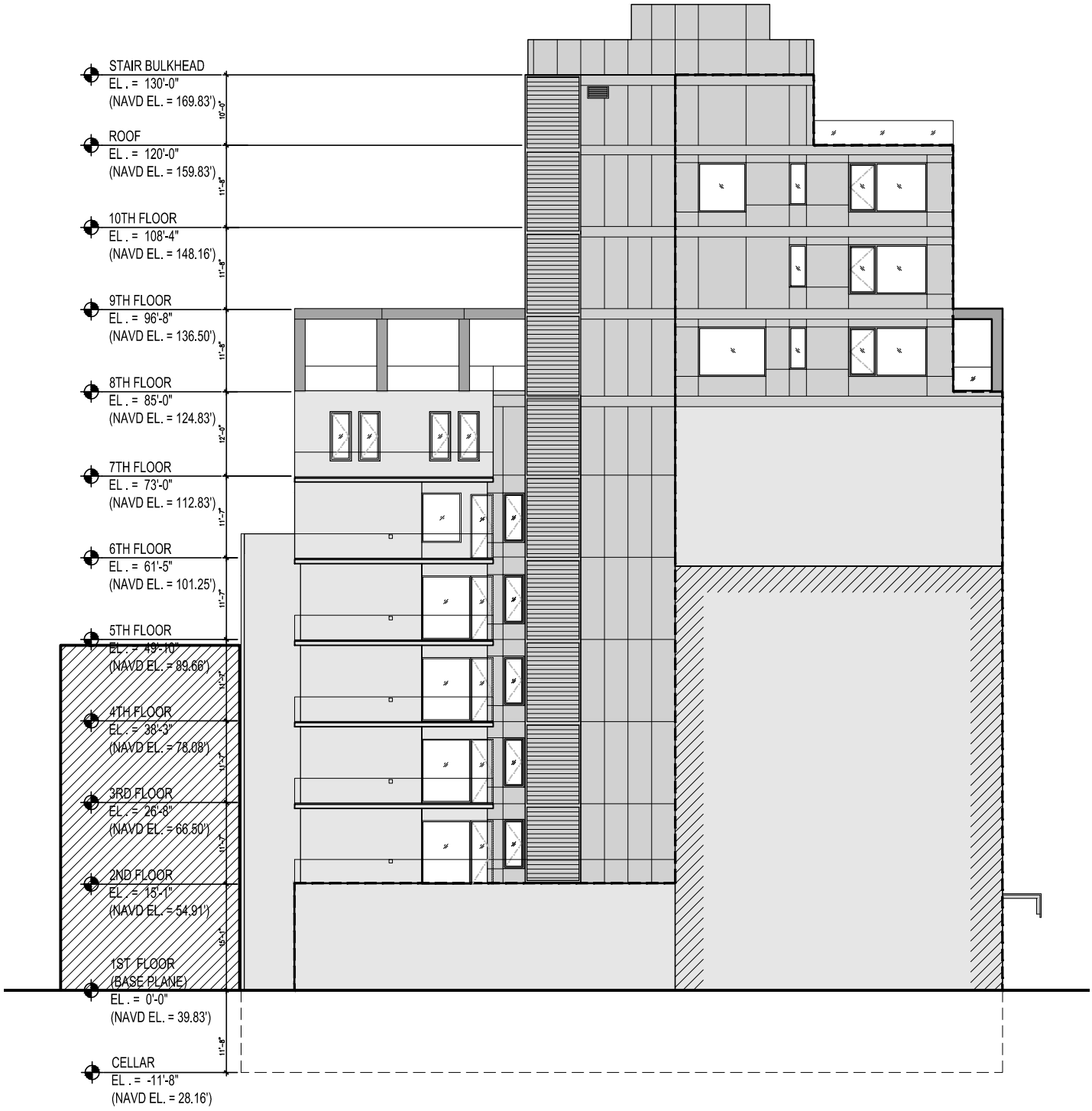
32 EAST 1ST STREET CONDOMINIUM
BUILDING SOUTH ELEVATION



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DATE: 07.29.16

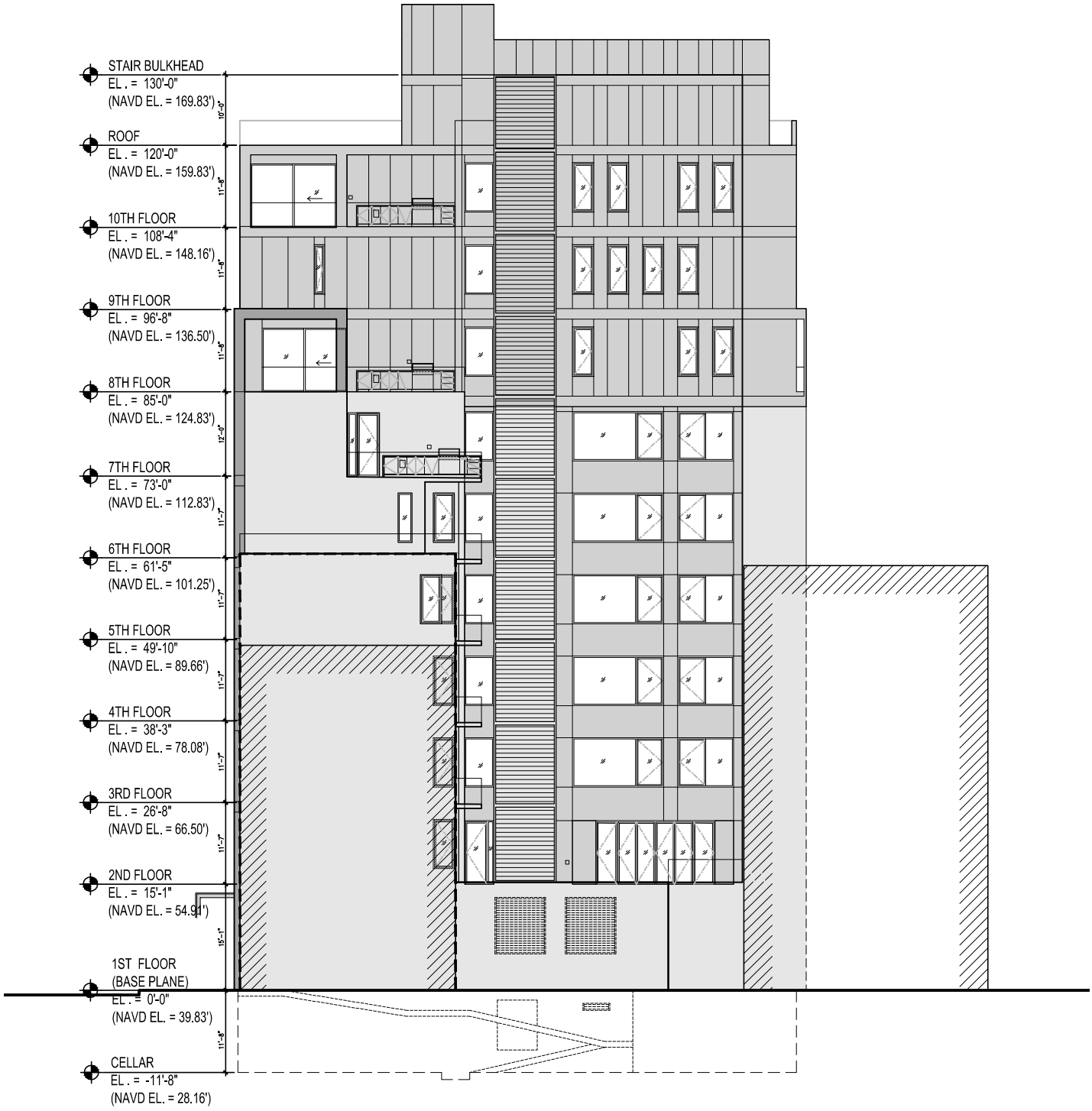
32 EAST 1ST STREET CONDOMINIUM
BUILDING WEST ELEVATION



The square footage exceeds usable floor area. All dimensions are approximate and subject to construction variances. Plans and dimensions may contain minor variations from floor to floor. The complete terms are in an offering plan available from sponsor. Sponsor reserves the right to make changes in accordance with the offering plan. File No. XXXX. All rights to content, photographs and graphics reserved to Sponsor.

DATE: 07.29.16

32 EAST 1ST STREET CONDOMINIUM
BUILDING NORTH ELEVATION



The square footage exceeds usable floor area. All dimensions are approximate and subject to construction variances. Plans and dimensions may contain minor variations from floor to floor. The complete terms are in an offering plan available from sponsor. Sponsor reserves the right to make changes in accordance with the offering plan. File No. XXXX. All rights to content, photographs and graphics reserved to Sponsor.

DATE: 07.29.16

32 EAST 1ST STREET CONDOMINIUM
BUILDING EAST ELEVATION

EXHIBIT 6

DECLARATION OF CONDOMINIUM

DECLARATION

Establishing a Plan for Condominium Ownership
of the Premises known as 24 Second Avenue
New York, New York
Pursuant to Article 9-B of the Real Property
Law of the State of New York

Name

32 EAST 1ST STREET CONDOMINIUM

Sponsor

24 SECOND AVENUE OWNER LLC

Date of Declaration

_____ __, 201___

Block 443
Lots _____-_____
(f/k/a Lot 1)

Borough of Manhattan

When Recorded, Return to:

Kramer Levin Naftalis & Frankel LLP
Attorneys for Sponsor
1177 Avenue of the Americas
New York, New York 10036
Attention: Jonathan H. Canter, Esq.

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ARTICLE 5 THE UNITS....2
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Schedule A — Description of the Land
Schedule B — Description of Units
Schedule C — By-Laws of 32 East 1st Street Condominium

DECLARATION

OF

32 EAST 1ST STREET CONDOMINIUM

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

24 SECOND AVENUE OWNER LLC, a Delaware limited liability company duly authorized to do business in the State of New York having an office at c/o AORE Holdings, LLC, 49 Bleecker Street, Suite 301, New York, New York 10012 ("Sponsor" or "Declarant"), does hereby declare as follows:

ARTICLE 1

SUBMISSION OF THE PROPERTY; BY-LAWS

1.1 Submission of Property. Sponsor hereby submits the Land and Building (each as hereinafter defined), all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith (collectively, the "Property"), to the provisions of Article 9-B of the Real Property Law of the State of New York (as the same may be amended from time to time, the "New York Condominium Act") and pursuant thereto does hereby establish a condominium to be known (subject to the provisions of this Declaration) as "32 EAST 1ST STREET CONDOMINIUM" (the "Condominium").

1.2 By-Laws. Annexed to this Declaration as Schedule C and made a part hereof are the by-laws of 32 EAST 1ST STREET CONDOMINIUM which set forth detailed provisions governing the operation, use and occupancy of the Condominium (said by-laws, as they may be amended from time to time in accordance with the provisions hereof and thereof governing amendments, are hereinafter referred to as the "By-Laws"). All capitalized terms which are not separately defined herein shall have the meanings given to such terms in the By-Laws.

ARTICLE 2

THE LAND

Included in the Property described in Article 1 is all that certain tract, plot, piece and parcel of land described in Schedule A annexed hereto and made a part hereof (the "Land"), situate, lying and being in the City, County and State of New York. The Land is owned, as of the date hereof, by Sponsor in fee simple absolute and has an area of approximately 7,619 square feet.

ARTICLE 3

THE PROPERTY

3.1 Included in the Property described in Article 1 is a building (the "Building") containing, in addition to lobbies, hallways, corridors and other service, utility and mechanical areas: (i) 31 residential units (collectively, the "Residential Units" and individually, a "Residential Unit"), located on the second through tenth Floors of the Building; (ii) 1 Retail Unit (the "Retail Unit") which will be located on portions of the cellar level and ground level of the Building with entrances on the ground level of the Building; and (iii) 32 storage closets (collectively, the "Storage Closets" and individually, a "Storage Closet")[*], located at the cellar of the Building.

3.1.1 The owner of a Residential Unit is herein called a "Residential Unit Owner" and the owners of all such Residential Units are herein collectively called the "Residential Unit Owners". The owner of the Retail Unit is herein called the "Retail Unit Owner." The Residential Units and the Retail Unit are sometimes hereinafter referred to as the "Units" and individually as a "Unit."

3.2 The street address of the Property is 24 Second Avenue, New York, New York 10003.

ARTICLE 4

THE BUILDING

The Building's exterior walls are comprised of light-gauge steel framing with exterior grade gypsum wallboard on the exterior and interior grade gypsum wallboard on the interior. The Building will have a cellar level below grade and rise 10 stories to approximately 130 feet above the street.

ARTICLE 5

THE UNITS

5.1 The location of each Unit is shown on and is governed by the floor plans of the Building certified by RSVP Architecture Studio PLLC intended to be filed in the New York County office of the Register of the City of New York (the "City Register's Office") simultaneously with the recording of this Declaration (as the same may be amended from time to time, the "Floor Plans"). Schedule B annexed hereto and made a part hereof sets forth the following supplementary data with respect to each Unit necessary for the further proper identification thereof: Unit designation; tax lot number; direction in which each Unit faces;

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[*] As shown on the Floor Plans to be filed with the City Register's Office upon the recording of this Declaration, the floors of the Building are designated as follows: Cellar (below grade); Ground Floor and Floors 2 through 10 (above grade). The lobby is on the Ground Floor.

approximate square foot area; number of rooms in the residential areas; the portions of the Common Elements (as hereinafter defined) to which the Unit has immediate access; and the proportionate undivided interest in fee simple absolute (expressed as a percentage) in the Common Elements (the "Common Interest") appurtenant to such Unit.

5.2 Each Unit includes, and each Unit Owner shall be responsible for (maintaining, insuring, repairing, replacing, etc.), all fixtures, equipment and other items of personalty, including, without limitation, front entrance door and any other entrance doors to such Unit, flooring and subflooring, wallcoverings, non-load bearing interior walls and partitions and sheet rock and plaster wall covering, smoke detectors, all plumbing, gas and heating fixtures and equipment such as heating, ventilating and air conditioning units (including the fans inside the units), as may be affixed, attached or appurtenant to such Unit and serving such Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors. Each Unit shall also include (i) all lighting and electrical fixtures, cabinets, including, without limitation kitchen and bathroom cabinetry, countertops, and appliances and appliances within the Unit, and (ii) any equipment, fixtures or Facilities (as hereinafter defined) affixed, attached or appurtenant to the Unit, to the extent located within a Unit and serving or benefiting only that Unit. Notwithstanding anything contained in this Article 5 to the contrary, each Unit Owner will have the right, subject to such rules as may be imposed by the Condominium Board, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, wall to wall carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity and mechanical and electrical systems of such Unit or of the Building.

ARTICLE 6

DIMENSIONS OF UNITS

The approximate square foot area of each Unit, within reasonable tolerances has been measured horizontally from the exterior face of exterior walls to the inside face of interior walls for common stairs and/or corridors (incorporating the full wall thickness within the Unit area) or for Units which share a demising wall, to the centerline of any such shared demising wall. Columns and mechanical pipes and trash chutes, ducts and shafts (whether along the perimeter or within the Unit), were not deducted from the square foot area of the Units. The outdoor floor area of a Terrace appurtenant to a Unit was not included in the Unit's indoor floor area. Measured vertically, each Unit will consist of the area from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling above. All Terrace and/or Balcony dimension measurements are measured from the outside of the Building face to the outside face of the Building parapet or outside edge of Building slab.

ARTICLE 7

COMMON ELEMENTS

7.1 The Common Elements of the Condominium (the "Common Elements") consist of the entire Property including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements include, but are not limited to, those rooms, areas, corridors, spaces and other parts of the Building and all facilities[1] located or contained therein for the common use of the Units and the Unit Owners (except for the Limited Common Elements, as described below) or which are necessary or convenient for the existence, maintenance, operation or safety of the Property. The Common Elements are comprised of the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements, all of which are described in Sections 7.2, 7.3 and 7.4 of this Article 7, respectively, subject in all events however to any specific designation for any portion of the Property as may be reflected on the Floor Plans (whether or not consistent with the general descriptions contained in this Article).

7.2 The General Common Elements include those portions of the Building that are designated as "General Common Elements" on the Floor Plans and, to the extent not specifically identified as part of the General Common Elements on the Floor Plans, all other parts of the Property (other than those areas and items specifically identified as part of a Unit and/or the Residential Common Elements and/or the Residential Limited Common Elements) the common use of which is necessary or convenient for the existence, maintenance, operation or safety of the Property. More specifically, the General Common Elements consist of the following (whether or not covered by the preceding sentence):

7.2.1 The Land, together with all easements, rights and privileges appurtenant thereto (except as otherwise expressly provided in this Declaration).

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[1] As used herein, the words "facility" and "facilities" include, but are not limited to, the following fixtures, apparatus, equipment, personalty, appurtenances, installations, systems and other items (grouped more or less functionally) which are set forth only for the purpose of illustrating the broad scope of those terms: convector, radiator, heater, convertor, heat exchanger, mechanism, device, machinery, induction unit, fan coil unit, motor, pump, control, tank or tank assembly, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line duct, conduit, cable, riser, main, shaft, soffit, pipe, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, incinerator, canopy, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, carpeting, tile, marble or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering, tree, shrubbery, flower or other plantings.

7.2.2 All foundations, foundation walls, exterior walls/wall systems, roofs (except as otherwise expressly provided in this Declaration), facades, footings, columns, girders, beams, supports, interior load-bearing walls, floor slabs and ceilings.

7.2.3 Any boilers, HVAC system and related support structure which are not Residential Common Elements, Residential Limited Common Elements or included in any Unit.

7.2.4 All passages and corridors, mechanical and other utility rooms, all fire staircases, landings and stairs, areas and spaces located in the Building, which are not Residential Common Elements or Residential Limited Common Elements or included in any Unit.

7.2.5 Any ventilation supply system consisting of motors, ductwork, fans and controls return piping, serving or benefiting the Building, which are not Residential Common Elements, Residential Limited Common Elements, or included in any Unit.

7.2.6 Hot water and condenser water systems which are not Residential Common Elements, Residential Limited Common Elements or included in any Unit.

7.2.7 All mechanical equipment and associated piping and controls serving or benefiting all of the Units.

7.2.8 All electrical risers, feeders, lines and equipment, including incoming service, main switchgear and distribution panelboards, conduits, wires, meters, transformers and panelboards serving or benefiting the Building, excluding, however, all such items located within the Residential Common Elements, Residential Limited Common Elements or a Unit and serving only that Unit.

7.2.9 All plumbing fixtures, equipment for distribution of cold water and equipment for producing and distributing hot and cold water, including pumps, valves, pressure reducers, meters and water heaters, excluding, however, all such items located within the Residential Common Elements, Residential Limited Common Elements or a Unit and serving only that Unit.

7.2.10 All storm and sanitary sewer equipment and pipes (including vent lines, ejectors, interceptors, filters and valves), excluding, however, all such items located within the Residential Common Elements, Residential Limited Common Elements or a Unit and serving only that Unit.

7.2.11 All electric service rooms, gas and water meter rooms, Building storage, workrooms, locker rooms, telephone rooms and other service, mechanical and utility rooms serving or benefiting the Units and not located within the Residential Common Elements or Residential Limited Common Elements.

7.2.12 All smoke detection alarm system security monitors and equipment and other security facilities servicing the Building excluding, however, all such items located

within the Residential Common Elements, Residential Limited Common Elements or Unit and serving only that Unit.

7.2.13 All other facilities of the Building (including shafts, pipes, wires, ducts, vents, flues, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Building.

7.2.14 All other parts of the Property either existing for the common use of the Units, or their respective Unit Owners or that are necessary or convenient for the existence, maintenance, operation or safety of the Property.

7.2.15 Whether or not specifically identified as part of the General Common Elements (or identified at all) on the Floor Plans, all other parts of the Property and all equipment existing in the Building or on the Property (other than those areas and items specifically identified on the Floor Plans as part of a Unit and/or Residential Common Elements and/or Residential Limited Common Elements) the common use of and/or benefit from which is necessary or convenient for the existence, maintenance, operation or safety of the Property.

7.3 The Residential Common Elements consist of those portions of the Property designated on the Floor Plans as Residential Common Elements; and also those Common Elements which serve or benefit exclusively all or a combination of the Residential Units or the Residential Unit Owners, whether or not designated as Residential Common Elements (or designated at all) on the Floor Plans (but excluding any items therein or in the Building which are not part of the Property, including, without limitation, any equipment, wiring and devices owned by telecom providers). The Residential Common Elements include, without limitation, the following:

7.3.1 Stairs and stairways in the Building shown on the Floor Plans as Residential Common Elements (excluding those stairs, stairways and fire stairways in the Building shown on the Floor Plans as constituting part of the General Common Elements or Unit).

7.3.2 All other equipment existing in the Building or on the Property servicing or benefiting all or a combination of the Residential Units or the Residential Unit Owners.

7.3.3 All boilers (and any bulkhead(s) thereto), HVAC system and related support structure servicing only the Residential Units.

7.3.4 The condensing units located in the mechanical rooms on Floors 2-10 servicing only the Residential Units.

7.3.5 Trash rooms and any trash chutes located therein on Floors 2-10 servicing only the Residential Units.

7.3.6 The residential passenger elevator servicing the Cellar through Floor 10 of the Building, including the shafts, elevator equipment, elevator pits, cabs and entrances and all appurtenant facilities.

7.3.7 The residential service entrance provided along East 1st Street servicing only the Residential Units.

7.3.8 The residential lobby providing access to the Building from East 1st Street and servicing only the Residential Units.

7.3.9 Outdoor Amenity Terrace located on Floor 2 of the Building and servicing only the Residential Units.

7.3.10 The fitness center located at the Cellar of the Building and servicing only the Residential Units.

7.3.11 The resident lounge located on Floor 2 of the Building and servicing only the Residential Units.

7.3.12 The spa located at the Cellar and comprised of the sauna, steam room, hot tub, plunge pool and changing room, servicing only the Residential Units.

7.3.13 Bicycle storage room located at the Cellar and servicing only the Residential Units.

7.3.14 Mailbox area located on the Ground Floor of the Building and servicing only the Residential Units.

7.3.15 Storage area located at the Cellar servicing only the Residential Units.

7.3.16 Private Entry Foyers located on Floor 9 and Floor 10 of the Building.

7.3.17 Any smoke detection alarm system, telephone system and cable television service servicing only the Residential Units.

7.3.18 All security monitors and equipment and other security facilities servicing only the Residential Units.

7.3.19 All passages, corridors, storage rooms, mechanical and other rooms, areas and spaces (including their respective floors, ceilings and enclosing walls) located in the Building which serve only the Residential Units, except to the extent same are part of a Unit.

7.4 The Residential Limited Common Elements consist of those portions of the Property designated on the Floor Plans as Residential Limited Common Elements; and also those Common Elements which serve or benefit exclusively one Residential Unit or Residential Unit Owner, whether or not designated as Residential Limited Common Elements (or designated at all) on the Floor Plans (but excluding any items therein or in the Building which are not part of the Property, including, without limitation, any equipment, wiring and devices owned by telecom

providers). The Residential Limited Common Elements include, without limitation, the following:

7.4.1 Any Terrace and/or Balcony or Storage Closet either appurtenant or designated to any Residential Unit (although the benefitted Residential Unit Owner shall have the responsibilities with respect thereto as are set forth in the By-Laws).

ARTICLE 8

USE OF UNITS AND COMMON AREA

8.1 Use of the Units.

8.1.1 General. As more particularly set forth and described in the By-Laws, except as otherwise herein and in the By-Law expressly provided, Residential Units may be used only for residential purposes and, subject to compliance with the By-Laws, for a lawful home occupation, as defined in the Zoning Resolution. Units may be 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). Units may only be occupied by (i) any individual who is a Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Unit Owner or permitted lessee; (iii) any partner or employee of any partnership, which is a Unit Owner or permitted lessee; (iv) any member or employee of any limited liability company, which is a Unit Owner or permitted lessee; (v) the fiduciary or beneficiary or employee of any fiduciary which is a Unit Owner or permitted lessee; (vi) any principal or employee of any other entity (including, but not limited to, embassies and consulates of foreign governments) which is a Unit Owner or permitted lessee; provided that in each instance in clauses (i) through (vi) above: (A) the individual, designated officer, director, shareholder, partner, member, fiduciary, beneficiary, principal or employee is designated as the primary occupant of the Unit and is not being designated to use the Unit on a transient basis or as other than the primary occupant; and (B) such use is not, in fact or in effect, part of or in furtherance of an Occupancy Plan; and (vii) family members, domestic partners, domestic employees and/or non-paying guests of any of the foregoing. Subject to the foregoing, Units may only be leased in accordance with the By-Laws and the Rules and Regulations. An "Occupancy Plan" means a program, plan, agreement or other arrangement for the use, occupancy, marketing, advertising or promotion of one or more Units under short-term, timeshare, fractional or shared ownership, interval exchange (whether the program is based on direct exchange of occupancy rights, cash payments, reward programs or other point or accrual systems) or other membership plans or arrangements through which a participant in the plan or arrangement acquires a direct or indirect ownership interest in the Unit(s) in question with attendant rights of periodic use and occupancy or acquires contract rights to such periodic use and occupancy of such Unit(s) or a portfolio of accommodations including such Unit(s).

8.1.2 Unsold Units. Notwithstanding the foregoing or anything contained herein, in the By-Laws or any Rules and Regulations to the contrary, Sponsor (and their its designee) may, without the permission of the Board or any other Person use or grant permission for the use of any Unsold Unit as models and sales and/or promotion offices in connection with the sale or rental of the Units, subject to compliance with applicable Laws. As

used in the Condominium Documents, "Unsold Unit" refers to any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or any of their respective designees as the holder of one or more Unsold Unit(s); any Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor or one or more of its principals is a member; or a Unit that is acquired, individually or collectively, by either the holder of a Permitted Mortgage given by Sponsor or the designee of a holder of such a Permitted Mortgage.

8.2 Notwithstanding the foregoing or anything contained herein, in the By-Laws or the Rules and Regulations to the contrary, Sponsor or its designee may, without the permission of the Board use or grant permission for the use of any Unsold Unit (as hereinafter defined) as models and sales and/or promotion offices in connection with the sale or rental of the Units, subject to compliance with applicable governmental laws and regulations as to any such use.

8.3 The Retail Unit may be used for any lawful purpose. The Retail Unit, or any portion of it, may not be used as a pornography store, massage parlor, drug treatment facility or homeless shelter. No income derived from any use of the Retail Unit will constitute income to the Board or any other Unit Owner.

8.4 The Storage Closets may be used only for storage purposes by occupants of the Residential Units, and in no event may a Storage Closet be used as a dwelling space or for the storage of toxic or inflammable items or Combustibles (as such term is defined in the New York City Building Code). No materials which pose a health or safety threat or which otherwise create a nuisance may be stored in the Storage Closets. To do so may result in a violation placed against the Building by the Department of Buildings that will be the obligation of the Residential Unit Owner to remove. The use of thereof shall be further subject to the provisions of the By-Laws.

8.5 (a) Except as otherwise provided in the By-Laws: (i) the Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited; and (ii) Terraces and/or Balconies may be used only for purposes commensurate with the uses permitted of the Units to which they are appurtenant.

(b) Subject to any easements (exclusive or otherwise) and/or rights of access provided in this Declaration with respect to the Common Elements, neither the Board nor any Unit Owner shall impede the exercise of or encroach upon the rights of the other Unit Owners or anyone claiming, by, through or under them, including, but not limited to, the occupants of the Units and their respective invitees, to use the same.

(c) No nuisance shall be allowed in the Property nor shall any use or practice be allowed in the Property which interferes with the peaceful possession or proper use thereof by the Unit Owners or the occupants of their respective Units. No improper, offensive or unlawful use shall be made of the Property or any portion thereof. All Legal Requirements relating to any portion of the Property shall be complied with at the sole expense of whichever of the Unit Owners or the Board shall have the obligation pursuant to the By-Laws or this Declaration to maintain or repair such portion of the Property.

ARTICLE 9

CHANGES IN UNSOLD UNITS

9.1 Unsold Units. Notwithstanding anything to the contrary in Article 6 of the By-Laws, except to the extent prohibited by, or to the extent that the same will cause the Property or any portion thereof not to comply with, any applicable Laws, Sponsor and any other owner of an Unsold Unit shall have the right, at any time and from time to time, without the vote or consent of the Board, any Unit Owner or other Person, to: (a) make alterations, additions, improvements, replacements and/or repairs whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon its Unsold Unit(s); (b) change the use (subject to compliance with all Laws, including, without limitation, the certificate of occupancy for such Unit) or layout of, or number of rooms in, any Unsold Unit(s) from time to time; (c) change the size and/or number of Unsold Unit(s) by subdividing one or more Unsold Units into two or more separate Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Units, converting an Unsold Unit or any portion thereof to a Common Element, altering the boundary walls between any Unsold Units, or otherwise, including incorporating the use of any portion of the Residential Common Elements adjacent or appurtenant thereto (but only to the extent that such Residential Common Elements are not required to be maintained as Residential Common Elements based upon such alterations); (d) whether in respect of subdivisions or combinations of the Unsold Units or otherwise, designate all or any part of an Unsold Unit or a Common Element as part of a newly created or expanded Unsold Unit or Common Element; (e) if appropriate, reapportion among the Units affected by such change in size, use or number pursuant to the preceding clauses (b), (c) and (d) their percentage interests in the Common Elements; provided, however, that: (i) such changes are in compliance with Section 339 of the New York Condominium Act; (ii) the Common Interest of any other Units (other than the Unsold Units (or other Units) owned by such person) shall not be changed by reason thereof unless the owners of such other Units shall consent thereto; and (iii) Sponsor or such other owner of an Unsold Unit, as the case may be, shall comply with all Laws of all governmental authorities having jurisdiction and shall agree to defend and hold the Board and all other Unit Owners harmless from any liability arising therefrom; (f) increase the number of Units contained within the Building; and (g) reclassify a Common Element as a Unit and vice versa. Sponsor also reserves the right to convert all or any portion of the Retail Unit to Unsold Residential Units and vice versa. Sponsor or such other owner of an Unsold Unit, as the case may be, shall have the right, without the consent of the Board, any Unit Owner or other Person to amend (and/or cause the Board to amend) the Declaration, the By-Laws and the Floor Plans and any other documentation to reflect the foregoing changes.

9.2 Units Generally. Subject to this Declaration (including, without limitation, Section 9.4 below) and the By-Laws, the Unit Owner(s) of one or more Units (other than Unsold Units), with the express written consent of the Board, which consent may be granted or withheld for any reason in such Board's sole discretion, any other Unit Owner may be given, with respect to its Unit(s), the same rights and be subject to the same limitations and conditions as are set forth in this Article with respect to Unsold Units, including, without limitation, the right to change, combine, subdivide and/or otherwise reconfigure two (2) or more adjacent Units owned by such Unit Owner.

9.3 Consents. Subject to the immediately succeeding sentence, the provisions of Sections 9.1, 9.3 and 9.4 of this Declaration may not be added to, amended, modified or deleted without the prior written consent of Sponsor any other owner of an Unsold Unit. Wherever the consent, approval or satisfaction of Sponsor (as the owner of any Unsold Unit(s)) or the owner of any Unsold Unit(s) is required under this Declaration or the By-Laws, such consent, approval or satisfaction of such party shall not be required when such party no longer owns any Unsold Units.

9.4 Certification Regarding Common Interest Reallocation. Notwithstanding the other provisions of this Article 9, no reapportionment of the interests in the Common Elements appurtenant to any Unit shall be made unless there is first delivered to the Board a written certification stating, in each case with respect to the Unit(s) in question that the percentage interests of the affected Unit(s) in the Common Elements, immediately after such reapportionment, are consistent with the terms of this Declaration and in compliance with the terms of Section 339-i(1) of the Condominium Act. The certification referred to herein shall be delivered: (a) in the case of any Unsold Unit(s), at the election of Sponsor, by Sponsor, the managing agent of the Condominium or any other Person reasonably acceptable to the Board; and (b) in the case of any other Unit(s) by the managing agent of the Condominium or any other person reasonably acceptable to the Board.

ARTICLE 10

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York (the "Secretary of State") is hereby designated to receive service of process in any action which may be brought against the Condominium or the Board. As of the date of this Declaration, any process received by the Secretary of State should be mailed c/o AORE Holdings, LLC, 49 Bleecker Street, Suite 301, New York, New York 10012. Thereafter, the Condominium and the Board shall each notify the Secretary of State of the address to which a copy of any process received should be mailed.

ARTICLE 11

DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

The Common Interest of each Unit has been determined, pursuant to Section 339-i(1)(iv) of the Condominium Act. In accordance with such method of calculation, the Common Interests have been determined based primarily upon a comparison of the floor areas of the Units, 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 the Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. The aggregate Common Interests of all of the Units equals 100%.

ARTICLE 12

ENCROACHMENTS

If (a) any portion of the Common Elements encroaches upon any Unit or upon any other Common Element, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements, or (c) any encroachment shall hereafter occur as a result of (i) settling or shifting of the Building, (ii) any alteration, repair or restoration made to the Common Elements in accordance with the terms of this Declaration and the By-Laws by, or with the consent (when required by the By-Laws), of the Board, or made by Sponsor or its designee, as the case may be, or (iii) any alteration, repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand (or during any period in which it is being rebuilt or restored, in accordance with the By-Laws, following any such fire or other casualty, taking or eminent domain proceeding); provided that in the case of any such encroachment described in subparagraph (c) (ii) or (iii) above, such encroachment does not unreasonably interfere with the use of any of the Units for their permitted purposes and/or the use of the Common Elements for their intended purposes.

ARTICLE 13

FACILITIES AND ALL OTHER COMMON ELEMENTS

Except as may otherwise be expressly set forth herein or in the By-Laws, each Unit Owner shall have, and is hereby granted, in common with all other Unit Owners, an easement to use any and all General Common Elements located anywhere on the Property without hindering the exercise of or encroaching upon the rights of the other Unit Owners in respect of such easement, including, but not limited to, such easement as will be necessary to maintain, such Unit Owner's Unit.

Each Residential Unit Owner will have, in common with all other Residential Unit Owners, an easement for the use of the Residential Common Elements and any facilities located therein, including, but not limited to, such easement as will be necessary to operate and maintain as necessary, such Residential Unit Owner's Residential Unit, and the Board, on behalf of all Unit Owners, shall have an easement to maintain, and to make Repairs and Alterations to, the Residential Common Elements.

Each Unit shall be subject to an easement in favor of the Board, on behalf of all Unit Owners, to use, operate, maintain, repair, alter, rebuild, restore and replace all Common Elements located in such Unit or elsewhere on the Property. In addition, Sponsor (or its designee) and the Board shall have the right to erect scaffolding on or upon any of the Terraces and/or Balconies for a temporary period of time in connection with maintenance and repairs of the Building and its Common Elements. The Board and any managing agent, manager and other persons authorized by the Board shall have a right of access to each Unit and any Residential Limited Common Element appurtenant to any Residential Unit, whether exclusive or not, (and

such is hereby granted) to inspect the same or remove violations of governmental laws or regulations against any part of the Property; to cure defaults by the owner of such Unit under the By-Laws, this Declaration or the Rules of Regulations; to perform maintenance, installations, alterations, repairs or replacements to the mechanical, plumbing or electrical systems or other portions of the Common Elements (including, without limitation, all Residential Common Elements and Residential Limited Common Elements) contained therein or elsewhere in the Property; or correcting any conditions originating in any Unit and threatening another Unit or any Common Element; provided such right of access shall be exercised in such a manner as will not unreasonably interfere with the Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of any "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building).

ARTICLE 14

EASEMENTS

14.1 Each Unit Owner shall have, in common with all other Unit Owners, and each Unit shall be subject to, an easement: (a) to install, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property; and (b) to maintain any encroachment on any Unit or the Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Units or the Common Elements; provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of an emergency.

14.2 Each Owner of a Residential Unit with a Terrace and/or Balcony shall have an easement for the exclusive use of such Terrace and/or Balcony, which use shall be subject to the terms and conditions of this Declaration and the By-Laws. Each Terrace and/or Balcony (and the Residential Unit to which such Terrace and/or Balcony is appurtenant or designated) shall be subject to the easement(s) in favor of Sponsor and the Board as set forth herein.

14.3 Each Unit Owner shall have, to the extent reasonably necessary, in common with all other Unit Owners, an easement for ingress and egress to and from its Unit, and, to the extent reasonably necessary, for the use of any Common Element (excluding all Residential Limited Common Elements). The Units shall each be subject to such easement.

14.4 Each Unit Owner shall have, in common with all other Unit Owners, and each Unit shall be subject to, an easement: (a) to install, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property; and (b) to maintain any encroachment on any Unit, the General Common Elements, Residential Common Elements or any Residential Limited Common Elements resulting from the repair, alteration, rebuilding,

restoration or replacement of the Units or the Common Elements; provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Retail Unit or with the use of the Residential Units or Storage Closets for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of an emergency.

14.5 Each Unit and the Common Elements shall have easements of subjacency, support and necessity, and the same shall be subject to such easements in favor of all the other Units and the Common Elements.

14.6 Each Unit Owner (except as otherwise set forth below) grants an easement over its Unit and the Common Elements (including, without limitation, its appurtenant Residential Limited Common Elements), and the Board grants an easement over and through the General Common Elements: (a) in the case of the Unit Owners, to the Board for the purpose of (and to the extent reasonably necessary for) maintaining, Repairing, Altering, preventing or minimizing damage to and causing to be in compliance with Laws and Insurance Requirements such granting Unit Owner's Unit, the Residential Limited Common Elements, if any, appurtenant to its Unit; (b) in the case of the Board and the Unit Owners, to each Unit Owner, in common with each other Unit Owner, for the purpose of (but only in the absence of a commercially practicable alternative and only to the extent necessary for) maintaining, repairing, altering, preventing or minimizing damage to and causing to be in compliance with Laws and Insurance Requirements any portions of the grantee Unit Owner's Unit and any appurtenant Residential Limited Common Elements; (c) to each Unit Owner, and to each Board, in common with each other, for the purpose of (but only in the absence of a commercially practicable alternative and only to the extent necessary for) installing, allowing to remain (and using for their respective intended purposes), maintaining, repairing, altering, preventing or minimizing damage to and causing to be in compliance with Laws and Insurance Requirements any Common Elements or other facilities located in or only readily accessible through such granting Unit Owner's Unit or Residential Limited Common Elements, if any, which serve other Units (including, without limitation, reading, maintaining or replacing utility meters relating to the Common Elements, such Unit or any other Unit in the Building); (d) to the Board (only to the extent permitted under the other provisions of the Condominium Documents) for the purpose of (and to the extent reasonably necessary for) preventing or minimizing damage to such Unit or to any other portion of the Property; (e) to the Board for the purpose of (and only to the extent reasonably necessary for) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property; and/or (f) to the Board for the purpose of (and only to the extent reasonably necessary for) curing defaults hereunder or under the By-Laws, or correcting any conditions originating in such Unit Owner's Unit or Residential Common Elements or Residential Limited Common Elements and threatening the health, safety and welfare of the occupants of, or the property located within, another Unit or all or any part of the Common Elements).

14.7 Sponsor (or its designee) and its successors and assigns, shall, to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs, canopies, flags or awnings or other protrusions on the Property, including without limitation, on the exterior of the walls of the Building, for the purposes of advertising the sale or

lease of any Unsold Unit, and/or the operation of any business of a tenant or occupant of all or any portion of any Unsold Units, as the case may be.

14.8 Each Unit Owner grants an easement to the Board over and through its Terrace and/or Balcony appurtenant to its Unit, to erect scaffolding or attach window washing equipment or other equipment temporarily on any Terrace and/or Balcony in connection with any window washing and/or cleaning conducted at the Building and at the request of the Board any furniture, plantings or other items placed on such Terrace and/or Balcony shall be moved promptly at the sole expense of the Unit Owner to whose Unit such Terrace and/or Balcony is appurtenant, to the extent necessary for any window washing and/or cleaning.

14.9 The Board shall grant an easement to the Retail Unit Owner to place signage on portions of the Building that are exterior to the Retail Unit and/or adjacent to the entry area to the Retail Unit provided such signs are erected and maintained in compliance with the Retail Unit Signage Guidelines and the location and/or placement thereof shall be limited to the area described in such Retail Unit Signage Standards set forth as Exhibit B to the By-Laws (the "Retail Unit Signage Guidelines").

14.10 Each easement and other right granted under this Article 14 shall be deemed to permit the benefited party's/ies' contractors, subcontractors, agents, representatives, Occupants, employees and other designees (and, in the case of a grant to the Board, the Managing Agent), to use such easement or other right, as applicable, if such Unit Owner so elects.

14.11 Any grant of an easement "on", "over", "across" or "through" a given area shall be deemed to mean "on, over, across, through, and upon" such area, unless the context otherwise requires.

14.12 Sponsor and/or its designee (and their respective successors and assigns) shall have an easement for so long as the Condominium shall remain in existence: (i) to erect, use, lease, license, maintain, repair, replace and operate a platform and other facilities for the purpose of erecting, using, leasing, licensing, maintaining, repairing, replacing and operating antennae, satellite dishes and other communications equipment on any part of the roof of the Building that is not occupied as of the date hereof for any other Building installations and that is not designated a Residential Limited Common Element for the exclusive use of a particular Unit Owner; and (ii) to erect, use, lease, maintain, repair, replace and operate related electronic and other communications equipment in any portion of any mechanical equipment room that is not occupied as of the date hereof by any other Building installations, and the right to erect partitions separating such portion from the balance of such equipment room; in each case, without the consent of, or charge by, the Board or any other Unit Owners; provided, however, that Sponsor (or its designee) shall give prior notice to the Board of the type and location of any such equipment before installation. Any obligations of Sponsor and/or its designee under any lease, license or other right of use granted by Sponsor and/or its designee with respect to the roof or the aforesaid mechanical equipment room shall be the obligation solely of the owner of Sponsor and/or its designee and not of the Condominium and any rights of Sponsor and/or its designee, including, without limitation, the right to receive rent or other consideration for such lease, license or other right of use, shall be the right solely of Sponsor and/or its designee and not of the

Condominium. In connection with such easements and related rights, Sponsor and/or its designee (and their respective successors and assigns) and the respective tenants and licensees 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. The word "utility" or "utilities" as used in this Section 14.10 shall be deemed to include fiber optic cable and other communications liens, wires, cables and conduits.

14.13 Sponsor and its designee(s) shall have the right, until the tenth (10th) anniversary of the First Closing (or until no Unsold Units remain, if earlier), to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events and/or promotional (e.g., with respect to any sales programs for Unsold Units) or otherwise.

14.14 Except as may otherwise be set forth in this Declaration, any easement created or granted hereunder shall be perpetual and irrevocable for so long as the Condominium shall remain in existence.

ARTICLE 15

POWER OF ATTORNEY TO THE BOARD

15.1 Each Unit Owner shall grant to the persons who shall from time to time constitute the Board, an irrevocable power of attorney, coupled with an interest (in such form and content as the Board shall determine): (a) to acquire or lease on behalf of all Unit Owners any Unit, together with its Appurtenant Interests (as hereinafter defined), from any Unit Owner desiring to sell, convey, transfer, assign or lease the same, upon such terms and conditions as shall be approved by the Board in its reasonable discretion; (b) to acquire on behalf of all Unit Owners any Unit, together with its Appurtenant Interests, whose Owner elects to surrender the same to the Condominium Board; (c) to acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental as the case may be, as the attorneys-in-fact deem proper, in the name of the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as the attorneys-in-fact may determine; and (d) to execute, acknowledge and deliver (i) any declaration or other instrument affecting the Condominium which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission or any other public authority applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium, or (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements which the Board, in its reasonable discretion, deems necessary or appropriate.

ARTICLE 16

ACQUISITIONS OF UNITS BY THE BOARD

16.1 If (a) any Unit Owner surrenders his or her Unit, together with (i) the undivided interest in the Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in the Common Elements and any other assets of the Condominium (such interests in (i), (ii) and (iii) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the New York Condominium Act; (b) the Board, pursuant to Article 8 of the By-Laws, acquires or leases a Unit, together with its Appurtenant Interests; or (c) the Board purchases, at a foreclosure or other similar sale, a Unit, together with its Appurtenant Interests, then, in any such event, title to any such Unit, together with its Appurtenant Interests, shall be held by the Board or its designee, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering any Unit leased or subleased by the Board or its designee shall be held by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements.

16.2 Each Unit Owner shall grant to Declarant a power of attorney to amend this Declaration and to effectuate the rights granted to Declarant under this Declaration and the By-Laws and the Offering Plan.

ARTICLE 17

COVENANTS RUNNING WITH THE LAND

17.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations (true copies of which are annexed hereto and made a part hereof), including, without limitation, the provisions of this Article 17 and of any Rules and Regulations as may be adopted and amended from time to time, 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 Unit Owners of all or any part thereof, or interest therein, and their 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 and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into 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 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 New York 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 New York 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 New York 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 New York Condominium Act.

17.3 Subject to the provisions of Section 17.2, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the New York 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 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.

ARTICLE 18

AMENDMENTS OF DECLARATION

Article 13 of the By-Laws is incorporated herein in its entirety; and, except as otherwise expressly set forth herein, the provisions thereof shall govern the amendment and/or modification of, addition to and/or deletion of any of the provisions of this Declaration.

ARTICLE 19

TERMINATION OF CONDOMINIUM

19.1 The Condominium shall continue and the Property shall not be subject to an action for partition (unless the Condominium shall be terminated by casualty loss, condemnation or eminent domain as provided in the By-Laws) until such time, if any, as the Property shall be withdrawn from the provisions of the New York Condominium Act as a result of the vote to do so of at least eighty percent (80%) in both number and aggregate Common Interests of all Unit Owners as set forth in the Declaration and the By-Laws. Sponsor will not vote its interests appurtenant to Unsold Units in favor of such withdrawal unless at least eighty percent (80%) in number and aggregate Common Interests of all other Unit Owners, as a group,

elect to withdraw, at which time Sponsor may choose to vote its Common Interests either in favor of or against withdrawal from condominium ownership, as it sees fit.

19.2 In the event of withdrawal of the Property from condominium ownership, and only to the extent the waiver of the right of partition shall be inapplicable or unenforceable, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if the Property were owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests, after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his or her Unit, in the order of priority of such liens.

ARTICLE 20

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 21

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

ARTICLE 22

CERTAIN REFERENCES

22.1 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.

22.2 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.

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

ARTICLE 23

SEVERABILITY

Subject to the provisions of Sections 17.2 and 17.3, if any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the

remainder of this Declaration and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforceable to the fullest extent permitted by law.

ARTICLE 24

COVENANT OF FURTHER ASSURANCES

24.1 Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublesee of a Unit Owner, an occupant of a Unit, a member or officer of the Board, or otherwise, shall, at the expense of any such other party (or the holder of a lien on its Unit) requesting the same, execute, acknowledge and deliver to such other party (or the holder of a lien on its Unit) such instruments, in addition to those specifically provided for herein, and take such other action, as such other party (or the holder of a lien on its Unit) 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.

24.2 If any Unit Owner, the Board or any other party which is subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after receipt of a written request therefor, to take any action which such Unit Owner or party is required to take pursuant to his Declaration and such failure continues for an additional ten (10) day period following receipt of a second written request therefor (together with written advice that the requesting party shall be entitled to take action upon the recipient's failure or refusal to perform) then the Board is hereby authorized as attorney-in-fact for such Unit Owner, or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party.

24.3 If any Unit Owner, the Board or any other party which is subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after receipt of a written request therefor, to take any action which the Board, Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration at the request of Sponsor, then Sponsor is hereby authorized as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action, in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

ARTICLE 25

NAME OF CONDOMINIUM AND BUILDING

The Condominium and the Building shall be designated and known as "32 EAST 1ST STREET CONDOMINIUM." Sponsor (or its designee) shall own and control all rights and interests, and shall be responsible for all obligations and liabilities, appurtenant to the name of the Condominium and/or the Building. Only Sponsor (or its designee) shall have the right to

change or assign the name of the Condominium and/or the Building. In addition, Sponsor shall have the right, for so long as the Property is a condominium, to maintain a plaque identifying Sponsor (or its affiliate(s)) as the sponsor of the Condominium and/or development of the Property, together with such other information as Sponsor (or its designee) determines in its sole discretion.

ARTICLE 26

SUCCESSORS AND ASSIGNS

The rights and/or obligations of Sponsor or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Sponsor or its designee or, with the consent of Sponsor or its designee, any transferee of some or all then Unsold Units. Subject to the foregoing, Sponsor or its designee shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by merger, consolidation, sale, lease, assignment or otherwise. The rights and/or obligations of the Unit Owners or their designees as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of such Unit Owners or their designee(s).

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the ____ day of _____, 20___.

24 SECOND AVENUE OWNER LLC

By: _____
Name:
Title:

State of New York)
) ss.:
County of New York)

On the _____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
(Signature and office of individual taking acknowledgment)

SCHEDULE A TO DECLARATION ESTABLISHING CONDOMINIUM OWNERSHIP OF 32 EAST 1ST STREET CONDOMINIUM 24 SECOND AVENUE NEW YORK, NEW YORK 10003

DESCRIPTION OF THE LAND

SCHEDULE B

DECLARATION ESTABLISHING CONDOMINIUM OWNERSHIP OF
32 EAST 1ST STREET CONDOMINIUM
24 SECOND AVENUE
NEW YORK, NEW YORK 10003

DESCRIPTION OF UNITS

[DESCRIPTION OF UNITS BEGINS ON THE FOLLOWING PAGE]

SCHEDULE C

BY-LAWS OF 32 EAST 1ST STREET CONDOMINIUM
24 SECOND AVENUE
NEW YORK, NEW YORK 10003

[By-Laws attached on the following page.]

EXHIBIT 7

CONDOMINIUM BY-LAWS

BY-LAWS

OF

32 EAST 1ST STREET CONDOMINIUM

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BY-LAWS

OF

32 EAST 1ST STREET CONDOMINIUM

ARTICLE 1

GENERAL

1.1 Purpose. The purpose of these By-Laws (the "By-Laws") is to set forth the rules and procedures concerning the conduct of the affairs of 32 East 1st Street Condominium (the "Condominium"). The Condominium covers the property (the "Property") consisting of approximately 7,619 square feet of land (the "Land") which forms a part of Block 443, Lot 1 on the Tax Map of the Borough of Manhattan, City, County and State of New York, the building and other improvements now or hereafter constructed thereon or therein, as the case may be (hereinafter collectively called the "Building"), including, 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; the Condominium and these By-Laws shall be subject to the provisions of a Declaration (which, as the same may be amended from time to time, is herein called the "Declaration"), which will be recorded in the New York County office of the Register of the City of New York (the "Register's Office"), together with these By-Laws. All terms used herein which are not separately defined herein shall have the meanings given to those terms in the Declaration.

1.2 Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units and their respective employees, invitees and guests, as well as all other persons who may use the facilities located on, or forming a part of, the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations (as hereinafter defined). The acceptance of a deed or conveyance, or the succeeding to title to, or the execution of a lease, sublease or license for, or the act of occupancy of, all or any portion of a Unit shall constitute an agreement that the provisions of these By-Laws, the Rules and Regulations and the Declaration, as the same may be amended from time to time, are accepted, ratified, and will be complied with.

1.3 Principal Office of the Condominium. The principal office of the Condominium shall be located either within the Property or at such other place in the Borough of Manhattan as may be designated from time to time by the Board (as hereinafter defined).

ARTICLE 2

BOARD OF MANAGERS

2.1 General Description of the Board.

2.1.1 As more particularly set forth in Section 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Board"). From and after the First Annual Meeting of Unit Owners (as hereinafter defined), as provided in Section 3.1, the Board shall consist of five (5) persons.

2.1.2 Each member of the Board, except for the First Board (as hereinafter defined), as provided in Section 2.3 and except as otherwise provided herein, shall be elected at an annual meeting of the Unit Owners and shall serve until the expiration of their term in office on the third regularly scheduled annual meeting thereafter. Notwithstanding the expiration of the term of office of a member of the Board, each member shall serve until a successor for such member has been elected and qualified.

2.1.3 Except for any Member designated by Sponsor or its designee or the Retail Unit Owner, all members of the Board must be: (i) individual Unit Owners or Permitted Mortgagees (as hereinafter defined) of Units; (ii) partners or employees of a partnership owning, or holding a mortgage encumbering a Unit; (iii) officers, directors, stockholders or employees of corporate owners or corporate Permitted Mortgagees of Units; (iv) members or employees of a limited liability company owning or holding a Permitted Mortgage; (v) fiduciaries or beneficiaries who are Unit Owners or Permitted Mortgagees of Units (or directors, officers, stockholders or employees of corporate fiduciaries or partners or employees of partnership fiduciaries); (vi) adult family members (as defined in Section 8.7) or spouses of any of the foregoing individuals; or (vii) individuals designated by a sovereign government, consulate or other similar entity that is a Unit Owner or a Permitted Mortgagee of a Unit. Other than Board members designated by Sponsor or its designee, no Board member shall continue to serve after he or she ceases to be qualified as set forth above. As used herein, the term "Permitted Mortgagee" means the holder of any mortgage ("Permitted Mortgage") of a Unit or Units which is permitted to be placed thereon in accordance with these By-Laws.

2.1.4 In no event shall any Unit Owner (or its proxy) or another interested party be eligible for election to the Board, and any such Unit Owner (or its proxy) or other party may be removed as a Board member by a majority vote of the other Board members, if such Unit Owner is then in arrears, beyond any applicable grace period, in the payment of Common Charges or any other amounts required by the Board to be paid. In addition, no member of the Board (or his or her proxy) may continue to participate as a member thereof after the Board has perfected a lien against his or her Unit, for so long as such lien remains unsatisfied.

2.2 Powers and Duties of Board.

2.2.1 The Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (except such powers and duties which by law, the Declaration or these By-Laws may not be delegated to the Board by the Unit Owners).

2.2.2 Subject to the provisions of subsection 2.2.1 and without limiting the generality thereof, (and in addition to all other powers and duties granted to the Board by law, the Declaration or these By-Laws) the Board shall be entitled to make determinations with respect to all matters relating to the operation and the affairs of the Condominium, including, without limitation, the following:

(a) Operation, care, upkeep, maintenance, repair, restoration, addition and improvement to, and alteration and replacement of the Common Elements, in the condition and otherwise in such a manner that maintains standards of quality, service and appearance which are appropriate for a luxury condominium.

(b) The amount of Common Charges and any assessments.

(c) Collection of Common Charges and any assessments from Unit Owners.

(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements, and the provision of the Building services.

(e) Adoption of, and amendments and additions to, the Rules and Regulations (as such term is hereinafter defined).

(f) Purchasing, leasing and otherwise acquiring, in the name of the Board or its designee, on behalf of all Unit Owners, those Units offered for sale or lease by, or Units surrendered by, the owners of such Units to the Board, or those Units with respect to which liens for real estate taxes are being sold.

(g) Purchasing Units at foreclosure or other similar sales (including, without limitation, in connection with the enforcement of the Board's lien for unpaid Common Charges), in the name of the Board or its designee, on behalf of all Unit Owners.

(h) Selling, leasing, mortgaging, refinancing and otherwise dealing with (but not voting the interests appurtenant to) Units acquired by, and subleasing Units leased by, the Board or its designee, on behalf of all Unit Owners.

(i) Making repairs, restorations, additions and improvement to, and alterations and replacements of, the Common Elements.

(j) Making repairs, restorations, additions and improvements to, and alterations and replacements of, the Property or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws.

(k) Enforcing obligations of Unit Owners.

(l) Levying fines against Unit Owners for violations of the Rules and Regulations (which fines shall constitute Common Charges payable by the Unit Owners against whom they are levied); provided, however, that no fine for any single infraction shall exceed $250, subject to biannual increases based upon the CPI Increase Factor in effect as of the date of

the First Closing (but every day that an infraction continues shall be considered a separate infraction subject to fine).

(m) Maintaining bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designating the signatories required therefor.

(n) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith), if the loss is to be adjusted by the Board, as provided in Article 6 hereof.

(o) Borrowing money, at any time, on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations, additions or improvements to, or alterations or replacements of, the General Common Elements or Residential Limited Common Elements, respectively; provided, however, that: (A) except as provided in Section 8.6, the consent of at least sixty-six and two-thirds (66-2/3%) percent in common interest of all Unit Owners or all Residential Unit Owners, as the case may be, shall be required for any borrowings for such purposes with respect to the General Common Elements or Residential Common Elements, respectively, if such borrowings are in excess of $100,000 (subject to increase by the CPI Increase Factor) in total any one fiscal year or $250,000 (subject to increase by the CPI Increase Factor) in the aggregate (including borrowings from prior period) at any one time; and (B) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements (except to the extent permitted by applicable law) without the prior written consent of the owner of such Unit; and (C) no Unit Owner other than the Residential Unit Owners shall be liable for the repayment of any such borrowing with respect to the Residential Common Elements, and the loan documentation in either case shall so provide. If any sum borrowed by the Board pursuant to the authority contained in this subparagraph 2.2.2(o) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his or her interest in the Common Elements bears to the interest of either all Unit Owners or all Residential Unit Owners (depending on whether the borrowing was made on behalf of all Unit Owners or only the Residential Unit Owners, respectively), in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit**,** and all loan documentation entered into by or on behalf of the Board shall specifically so provide. The dollar amounts set forth in this subsection 2.2.2(o), and all other dollar amounts referenced elsewhere in these By-Laws, shall be adjusted to reflect any increase in the cost of living, as reflected by an increase in the CPI Increase Factor.

(p) Organizing corporations, limited liability companies and/or other entities to act as designees of the Board with respect to such matters as the Board may determine, including, without limitation, in connection with the acquisition of title to, or the leasing or subleasing of, Units acquired or leased by the Board on behalf of the Unit Owners.

(q) Execution, acknowledgment and delivery of, without limitation: (i) any consent, agreement, document, covenant, restriction, easement, declaration or other instrument, or any amendment thereto, affecting the Property or the Condominium which the Board deems necessary or appropriate to comply with the Legal Requirements applicable to the maintenance,

demolition, construction, alteration, repair or restoration of the Property or the Condominium; or (ii) any consent, agreement, document, covenant, restriction, easement, declaration or other instrument, or any amendment thereto, affecting (x) the Property or the Condominium which the Board deems necessary or appropriate, or (y) a Unit, if the owner of such Unit requests, or under the Declaration or these By-Laws is required to request, that the Board take such action, and (except as otherwise provided in the Declaration or these By-Laws) the Board determines that taking such action is appropriate.

(r) Execution, acknowledgment and delivery of any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments, or in connection with any real estate tax exemption or abatement, with respect to: (i) all Residential Units for the benefit and on behalf of the Residential Unit Owners and (ii) the Retail Unit, for the benefit of the respective Owners thereof, but only to the extent requested and authorized to do so, in writing, by the respective Owners thereof; and provided, in each case, that all such Unit Owners indemnify the Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

(s) Commencing, prosecuting and settling litigation.

(t) Obtaining and reviewing insurance for the Property, including the Units, pursuant to the provisions of Section 6.4.

(u) Imposition, increase, decrease or elimination of move-in fees and charges, and transfer fees and/or "flip taxes" payable to the Managing Agent and/or the Condominium, in connection with the sale or lease of a Residential Unit, provided that no such fees or charges or any other conditions of transfer or lease may be imposed upon Sponsor or its designee (or the Retail Unit Owner) or any Units bought, sold or leased by the Board.

(v) Establishing, changing and otherwise making determinations with respect to reserves, including, without limitation, a general operating reserve or a reserve for working capital or for replacements with respect to the Common Elements.

2.2.3 Except as otherwise provided in these By-Laws or in the Declaration, the Retail Unit Owner shall be entitled to make determinations with respect to the following matters:

(a) Operation, care, upkeep, maintenance, repair and replacement of its Retail Unit.

(b) Employment and dismissal of personnel necessary for the maintenance and operation of the Retail Unit.

(c) Leasing or granting consent with respect to the sublease of all or any portion of the Retail Unit, or the use thereof by persons or for purposes otherwise permitted and the granting of other consents as in these By-Laws provided, except that the Retail Unit shall be used for any lawful purpose approved by the Board as provided in the Plan, and provided that the Unit Owner of the Retail Unit (and any lessee, sublessee and occupant) complies with any other

restrictions with respect to the Retail Unit that the Unit Owner of the Retail Unit agreed to with Sponsor.

(d) Making repairs, restorations, additions and improvements to, or alterations of, the Retail Unit, provided such repairs, restorations, additions, improvements and alterations comply with all applicable Legal Requirements and do not significantly and adversely affect all or any portion of the Building outside the Retail Unit (including, without limitation, any building systems outside of the Retail Unit).

(e) Making repairs to and restoration of its Retail Unit, or parts thereof, damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings, provided such repairs and restorations comply with all applicable Legal Requirements and do not significantly and adversely affect all or any portion of the Building outside the Retail Unit (including, without limitation, any building systems outside of the Retail Unit).

(f) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves only its Retail Unit, as set forth in Section 6.4.

(g) Borrowing money when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, its Retail Unit, or otherwise in connection with any permitted action or activity of such Retail Unit Owner; provided, however; that (i) no lien to secure repayment of any sum borrowed may be created on any other Unit or its appurtenant interests in the Common Elements without the consent of the owner of such other Unit, and (ii) Unit Owners other than such Retail Unit Owner will not be liable for repayment of any portion of any such loan, unless they otherwise agree in writing.

(h) Execution, acknowledgement and delivery of (i) any declaration or other instrument affecting its Retail Unit which the Unit Owner thereof deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission or any other public authority or agency, applicable to the maintenance, demolition, construction, alteration, repair or restoration of its Retail Unit, or (ii) any consent, covenant, restriction, easement or declaration affecting its Retail Unit which the Unit Owner there deems necessary or appropriate. The provisions of this subparagraph 2.2.3(h) are subject to the provisions of Articles 10 and 19 of the Declaration.

(i) Execution, acknowledgement and delivery of any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain a reduced real estate tax assessment solely with respect to its Retail Unit.

2.2.4 Any action required or permitted to be taken pursuant to the provisions of these By-Laws or the Declaration by the Board shall be done or performed by the Board or shall be done on its behalf and at its direction by the agents, employees or designees of the Board, and the Board may employ one or more managing agents and/or managers (individually and/or collectively, the "Managing Agent"), at a compensation established by the Board, to perform

such duties and services as the Board shall authorize. The Board may delegate to such Managing Agent or manager any powers granted to the Board by these By-Laws, except the powers set forth in subparagraphs 2.2.2(b), (e), (f), (g), (h) (k), (l), and (n) through (v).

2.2.5 Notwithstanding anything to the contrary contained in these By-Laws, (including, without limitation, in Section 2.2.2 above) for a period (the "Initial Control Period") which shall end upon the later to occur of: (a) the fifth anniversary of the First Closing of title to a Residential Unit, by the Sponsor, pursuant to an Agreement (as the terms "Sponsor" and "Agreement" are defined in that certain Offering Plan, dated as of [_____ __, 20__] for the sale of Units at the Condominium (the "Offering Plan" or "Plan"); or (b) the closing of title by Sponsor to Residential Units representing more than 90% in number and in aggregate Common Interests of all Residential Units, the Board may not, without the prior written consent of Sponsor: (i) make any addition, alteration or improvement to the Common Elements or any Residential Unit (unless required by any applicable laws, statutes and ordinances, including, without limitation, environmental laws, and all building codes and zoning ordinances) and the orders, rules, regulations, directives, binding resolutions and requirements of all governmental authorities (including, without limitation, the New York City Department of Buildings, the City Planning Commission, the boards of fire underwriters or any public authority or agency having jurisdiction), whether in force as of the date hereof or hereafter, which are or become, or purport to be, applicable to the Property or any part thereof ("Legal Requirements"); (ii) assess any Common Charges for the creation of, addition to or replacement of all or any reserve, contingency or surplus fund; (iii) increase or decrease the number of, or change the kind of, employees initially hired for the Building, as provided for in Schedule B — "Projected Budget for First Year of Condominium Operation" set forth in the Plan; (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services; (v) borrow money on behalf of the Condominium, or unless any such borrowing is approved by the owners of Units representing at least seventy-five percent (75%) both in number and aggregate Common Interests of all Units); or (vi) exercise any right of first refusal to lease or purchase a Residential Unit. However, the Board may perform any function or take any actions enumerated in subsections (i) through (v) hereinabove, without the consent of Sponsor if, and only if, the performance of such function or the carrying out of such action is necessary, and no other alternative is available, either to enable the Board to comply with any Legal Requirements, or to remedy any notice of violation entered against the Condominium, or to comply with any proper work order by an insurer of the Building, or for the health and safety (but not the general comfort or welfare) of the occupants of the Building. Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required to comply with any Legal Requirements applicable to the Building, or to remedy any notice of violation entered against the Building or to comply with any proper work order by an insurer of the Building. Sponsor may, however, exercise veto power over expenses other than those described in the preceding sentence, to the extent provided in the Plan, for a period ending not more than five (5) years after the First Closing or whenever the Unsold Units constitute less than twenty-five percent (25%) of the Common Interest, whichever is sooner.

2.3 Number and Terms of Office of Members of the Board.

2.3.1 Until the First Annual Meeting held by the Unit Owners pursuant to the terms of Section 3.1 hereof, the Board (the "First Board") shall consist of four (4) persons designated by Sponsor from time to time. Prior to the First Annual Meeting, the terms of each member of the First Board shall expire annually and, subject to the other provisions of this Section, Sponsor shall have the right to designate the replacement for each such member, even though such replacement may be the same person. In accordance with the provisions of and within the time periods set forth in Section 3.1, the First Board shall cause the President of the Condominium to call the First Annual Meeting of Unit Owners. The term of office of the four (4) members of the First Board so designated by Sponsor shall expire when the five (5) members to be elected and/or designated at the First Annual Meeting are so elected or designated, as the case may be, and qualified.

2.3.2 From and after the First Annual Meeting (or sooner, if the Retail Unit is sold prior to the First Annual Meeting), the Board shall consist of five (5) persons: (i) four (4) members elected by the Residential Unit Owners (including Sponsor), subject to subsection 2.4.3 below (although until the First Annual Meeting, Sponsor shall designate all four (4) of such members), and (ii) one (1) member designated by the Retail Unit Owner. The Retail Unit Owner shall at all times have the right to designate such one (1) Board member as aforesaid. For so long as Sponsor is entitled to designate one Member, as provided for in subsection 2.4.3 hereof, the Board may not be expanded beyond five (5) members without the prior consent of Sponsor.

2.3.3 The term of office of each of the five (5) members comprising the Board will usually be three (3) years, except that the terms of office with respect to the first five (5) member board shall be fixed at the First Annual Meeting as follows: (a) two (2) of such members will serve for a term of approximately three (3) years; (b) two (2) of such members will serve for a term of approximately two years; and (c) one (1) of such members will serve for a term of approximately one year. At the expiration of the initial term of office of each member of the Board, each such member's successor will be elected (or designated, as the case may be) to serve for a term of three (3) years. The Members of the first Board elected at the First Annual Meeting who receive the highest number of votes will serve for the longest terms; but except as set forth in subsection 2.4.4 hereof, any members designated by Sponsor or its designee pursuant to the terms of subsection 2.4.3, or designated by the Retail Unit Owner, will serve for the shortest terms. At each annual meeting of Unit Owners subsequent to the First Annual Meeting, the Unit Owners shall elect, subject to subsection 2.4.3 below (or in the case of the Retail Unit Owner(s), designate), as the case may be, pursuant to the terms of Section 2.4 hereof, Board members to replace the Board members whose terms of office are then expiring, each to serve a term of office fixed at three (3) years. Notwithstanding the expiration of the term of office of a member of the Board or anything contained herein to the contrary, each member of the Board shall serve until his or her successor shall be elected and qualified. There shall be no limit on the number of terms of office, successive or otherwise, that a member of the Board (including any Member designated by Sponsor, or its designee, or the Retail Unit Owner) may serve until his or her successor shall be elected and qualified.

2.4 Election of Board Members; Rights of Sponsor.

2.4.1 Subject to the terms of subsections 2.4.2, 2.4.3 and 2.4.4, all Members of the Board shall be determined by plurality of the votes cast by the Unit Owners (including

Sponsor or its designee, for so long as Sponsor or such designee owns at least one Unit) who are present (in person or by proxy) and voting at a meeting at which a quorum of all Unit Owners is present or not required.

2.4.2 When voting for members of the Board, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting, the Units owned by such Unit Owner and the percentage of Common Interest attributable to each Unit owned by such Unit Owner, and in addition, the name of the proxy if such ballot is cast by a proxy. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

2.4.3 Notwithstanding any other provision of this Section 2.4 or of these By-Laws or otherwise to the contrary, at the First Annual Meeting and at all times theretofore and thereafter, Sponsor and/or its designee and/or any owner of Unsold Units shall be able to vote in accordance with its/their ownership of Units and thus may be able to elect members of the Board by virtue of its/their ownership of Units. In addition: (a) at elections of members to the Board held before the expiration of the Initial Control Period, if (i) if Sponsor (or its affiliate) owns the Retail Unit, Sponsor, and/or its designee shall designate the one member of the Board to be designated by the Retail Unit Owner and three additional members of the Board (all of whom may be persons related to or affiliated with Sponsor and/or its designee or other Unsold Unit Owner) and Sponsor, such designee and all other Residential Unit Owners shall elect the remaining Board member (who shall not be related to or affiliated with Sponsor and/or its designee or other Unsold Unit Owner); and (ii) Sponsor (or its designee) is not entitled to appoint the member of the Board to be designated by the Retail Unit Owner, Sponsor and/or its designee shall designate three (3) members of the Board (all of whom may be persons related to or affiliated with Sponsor and/or its designee of other Unsold Unit Owner), the Retail Unit Owner shall designate the one member of the Board to be designated by the Retail Unit Owner, and Sponsor and/or its designee and all other Residential Unit Owners shall elect the one remaining Board member (who shall not be related to or affiliated with Sponsor and/or its designee or other Unsold Unit Owner).

In addition, at elections of members to the Board held after the expiration of the Initial Control Period but while Sponsor and/or its designee still owns at least one Unit, Sponsor and/or its designee shall have the right to designate one (1) member of the Board (in addition to any member(s) designated by Sponsor as the Unit Owner of the Retail Unit), who may be related to or affiliated with Sponsor, such designee or other Unsold Unit Owner; and Sponsor, such designee and all other Residential Unit Owners shall have the right to elect (or in the case of the Retail Unit Owner, to designate) the remaining members of the Board.

There is no restriction on the right of Sponsor and its designee(s) or any Unsold Unit Owner to vote for members of the Board who are not related to or affiliated with Sponsor or such designee or Unsold Unit Owner; however, after the expiration of the Initial Control Period, neither Sponsor nor its designee will designate a majority of the Members.

2.4.4 In the event that after notice of an annual meeting of Unit Owners is given to all Unit Owners in the manner prescribed by Section 3.4 of these By-Laws, the Unit Owners present in person or by proxy at such annual meeting constitute less than a quorum, and consequently new members of the Board to replace those whose terms expire as of such annual

meeting cannot be elected, the remaining Members of the Board shall fill any resulting vacancies at a special meeting of the Board held for that purpose promptly thereafter, even though the members of the Board present at such meeting may themselves constitute less than a quorum. The Board shall request the Unit Owners present (in person or by proxy) at the annual meeting to express their preferences for the Board members to have been elected at such annual meeting, but such expression of preferences shall be non-binding on the Board. Any person so elected by the Board shall be a member of the Board until the next annual meeting of Unit Owners, when a successor shall be elected for the remainder of the term.

2.5 Resignation and Removal.

2.5.1 Any member of the Board may resign at any time by written notice given in accordance with the terms of Section 5.1 of these By-Laws to the President or Secretary of the Condominium and, with respect to members of the Board designated as such or elected by Sponsor (or its designee), by also giving such written notice to such party. Any such resignation shall take effect at the time specified in such notice and, unless specifically requested by the resigning member, acceptance of such resignation shall not be necessary for the effectiveness thereof.

2.5.2 Subject to the provisions of Sections 2.3 and 2.4, and except as provided in the following sentence, any Member elected by the Board pursuant to the terms of Sections 2.4 or 2.6 hereof, respectively, may be removed from office, with or without cause, by a Majority of Unit Owners (as hereinafter defined.) Any Member who was designated or elected as such by Sponsor (or its designee), in Sponsor's capacity as a Unit Owner, pursuant to the terms of Sections 2.4 or 2.6, may be removed from office (x) for cause, by a Majority of Unit Owners and (y) without cause, only by Sponsor (or its designee). In the event of any removal described in the previous sentence, whether with or without cause, Sponsor (or its designee) shall have the sole right to designate the replacement of the member which had been designated or elected by Sponsor (or its designee). Any Board member whose removal for cause has been proposed shall be given an opportunity to be heard at the meeting of Unit Owners at which such removal is to be considered.

2.6 Vacancies on Board. Subject to the provisions of Sections 2.3, 2.4 and 2.5, any vacancy on the Board for whatever reason shall be filled by the members of the Board then in office, at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and any person so elected shall be a member of the Board until the next annual meeting of Unit Owners when a successor shall be elected for the remainder of the term of the member creating such vacancy. However, any vacancy on the Board created by the resignation, removal or any other reason of any Board member designated as such by Sponsor (or its designee) shall be filled only by Sponsor (or its designee, as the case may be).

2.7 Organizational Meetings of Board. The first meeting of the Board following each annual meeting of Unit Owners shall be held within ninety (90) days after such annual meeting at such time and place in the Borough of Manhattan as shall be fixed by a majority of the Members thereof, and no notice shall be necessary to the Board Members in order to legally constitute such meeting, provided that a majority of the members of the Board shall be present thereat.

2.8 Regular Meetings of Board. Regular meetings of the Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by a majority of the members thereof, provided that at least two (2) such meetings shall be held during each fiscal year of the Condominium. Notice of regular meetings shall be given to each member thereof, by personal delivery, nationally recognized overnight courier, electronic mail or facsimile, at least five (5) business days prior to the day named for such meeting.

2.9 Special Meetings of Board. Special meetings of the Board may be called by the President or Vice President of the Condominium by giving at least five (5) business days' prior written notice to each member of the Board, by personal delivery, nationally recognized overnight courier, electronic mail or facsimile, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting. In addition, the President shall call a special meeting upon the written request of two (2) or more members of the Board.

2.10 Waiver of Notice. Any member of the Board may at any time waive notice of any Board meeting in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver by such member of notice of the time and place thereof. If all the members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

2.11 Determinations by Board; Quorums.

2.11.1 Except as otherwise set forth in subsections 2.4.4., 2.6 and 2.11.3, all determinations of the Board shall be made at a meeting of the Board at which a quorum thereof is present. At any Board meeting, a majority of the members thereof shall constitute a quorum except as may otherwise be provided herein, and the votes of a majority of such members present shall constitute the decision of the Board.

2.11.2 If at any Board meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum exists or may reconvene the meeting to a time (specified on at least three (3) business days' notice, by personal delivery, nationally recognized overnight courier or telecopy, to the absent members) when no quorum requirement shall apply. At any such adjourned meeting at which a quorum is present or is not required, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.11.3 Members of the Board may participate in a meeting thereof by means of a conference telephone call or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of the Board may be taken without a meeting if all members of the Board consent thereto in writing.

2.11.4 The Board member designated by the Retail Unit Owner shall not be permitted to vote on any matter coming before the Board which pertains to and/or affects only the Residential Units in the Building.

2.12 Compensation. No member of the Board shall receive any compensation for acting as such.

2.13 Liability of Board and Unit Owners.

2.13.1 To the extent permitted by applicable law, no member of the Board shall have any personal liability with respect to any contract, act or omission of the Board or of the Managing Agent, building engineer or superintendent in connection with the affairs or operation of the Condominium (except in its or their capacities as Unit Owners), and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by the Board or by the Managing Agent shall state that it is made by the Board or the Managing Agent only as agent for all Unit Owners, and that the Board members or the Managing Agent shall have no personal liability thereon (except in its or their capacities as Unit Owners) and may also state the applicable limitations of liability of the Unit Owners provided for in the next sentence; however, the absence of such statement or statements in any such contract shall not be deemed to imply any personal liability on the part of the Board or the Managing Agent or any greater liability on the part of any Unit Owner than as provided in the next sentence. The liability of any Unit Owner for any contract, act or omission with respect to the Condominium shall be limited to such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners; and in each case, to the extent permitted by applicable law, the liability of any Unit Owner shall be limited to such Unit Owner's interest in its Unit and its appurtenant Common Interest, so that such Unit Owner shall have no personal liability for any such contract, act or omission.

2.13.2 Nothing in the preceding section shall limit a Unit Owner's liability for the payment of Common Charges. To the extent permitted by applicable law, Board members shall have no liability to Unit Owners except that a Board member shall be liable for its or his or her own bad faith, willful misconduct, illegal acts, fraud or gross negligence. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Board member against any liability or claim except those arising out of such Board member's own bad faith, willful misconduct, illegal acts, fraud or gross negligence. The Board may contract or effect any other transaction with any member of the Board, any Unit Owner, Sponsor, Sponsor's designee or any affiliate of any of them without incurring any liability for self-dealing, except in cases of bad faith or willful misconduct.

2.13.3 Neither the Board nor any member thereof shall be liable for either (i) any failure or interruption of any utility or other services to be provided or obtained by, or on behalf of, the Board or to be paid for as a Common Expense except when any such failure or interruption is caused by the acts of bad faith, willful misconduct, illegal acts, fraud or gross negligence of the Board or such member thereof, as the case may be; or (ii) any injury, loss or damage to any individual or property, occurring in or upon either a Unit or any Common Element, which is either: (a) caused by the elements, by any Unit Owner or by any other individual, (b) resulting from electricity, or from water, snow or ice that may leak or flow from a Unit or any portion of any Common Element, or (c) arising out of theft or otherwise; except in each case when caused by the acts of bad faith, willful misconduct, illegal acts, fraud or gross negligence of the Board or such member thereof.

2.14 Crime Insurance/Fidelity Bonds. All officers, Board members and employees of the Building will be covered by crime insurance or fidelity bonds (or similar insurance or bonds) at all times from and after the First Closing, and the premiums on such bonds shall constitute Common Expenses.

2.15 Committees. The Board may, subject to such limitations and exceptions as the Board may prescribe, appoint such committees as the Board may deem appropriate, each to consist of two or more members of the Board. Each such committee, to the extent provided in the resolution which creates it, shall have and may exercise all the powers designated to it by the Board during the intervals between the meetings of the Board insofar as may be permitted by law. For so long as Sponsor is entitled to designate members to the Board, any committee appointed by the Board shall have as at least one (1) of its members a member of the Board appointed by Sponsor.

2.16 Status of Board. In addition to the status conferred upon the Board under or pursuant to the provisions of the New York Condominium Act, the Board shall, to the extent permitted by applicable law, be deemed to constitute a separate unincorporated association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation or organization of the Board pursuant to the provisions of Section 2.17, the provisions of this Section 2.16 shall no longer be applicable to the Board.

2.17 Incorporation and Organization of Board. To the extent and in the manner provided in the New York Condominium Act, the Board may, by action of the Board as provided in this Article 2, be organized as a limited liability company or incorporated under the applicable statutes of the State of New York. In the event that the Board so organizes or incorporates, it shall have, to the extent permitted by applicable law, the status conferred upon it under such statutes in addition to the status conferred upon the Board under or pursuant to the provisions of the New York Condominium Act. The certificate of incorporation and By-Laws of any such resulting corporation or the articles of organization and operating agreement of such resulting limited liability company, as the case may be, shall conform as closely as practicable to the provisions of the Declaration and these By-Laws; and the provisions of the Declaration and these By-Laws shall control in the event of any inconsistency or conflict between the provisions thereof and the provisions of such certificate of incorporation and By-Laws or articles of organization and operating agreement.

2.18 Board as Agent of Unit Owners. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Board shall act as, and shall be, the agent of the Unit Owners, subject to and in accordance with the provisions of the Declaration and these By-Laws.

2.19 Prohibited Transactions. Each member of the Board shall perform his or her duties, and shall exercise his or her powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by applicable law, no contract or other transaction between the Board and either: (i) any of its members; or (ii) any corporation, partnership, fiduciary, firm, limited liability company, association or other entity in which any of the members of the Board are officers, directors, shareholders, employees, partners, fiduciaries,

beneficiaries, members or principals, or are otherwise interested, pecuniary or otherwise, shall be deemed either void or voidable because either: (a) any such member of the Board was present at the meeting or meetings of the Board during which such contract or transaction was discussed, authorized, approved or ratified, or (b) the vote of any such member was counted for such purpose; provided, however, that either: (1) the fact thereof is disclosed to, or known by, the Board or a majority of the members thereof and noted in the minutes thereof, and the Board shall authorize, approve or ratify such contract or transaction in good faith by a vote of a majority of the entire Board, less the number of such members involved in such contract or transaction; or (2) the fact thereof is disclosed to, or known by, a majority of Unit Owners and a majority of Unit Owners, present at a duly constituted meeting, shall in good faith authorize, approve or ratify such contract or transaction less the number of such Unit Owners who are also such members involved in such contract or transaction; and (3) the contract or transaction is commercially reasonable to the Board at the time the same is authorized, approved, ratified, executed or otherwise consummated. Any such members of the Board may be counted in determining the presence of a quorum of any meeting of the Board or of the Unit Owners which authorizes, approves or ratifies any such contract or transaction, but no such member shall be entitled to vote thereat in order to authorize, approve or ratify such contract or transaction.

2.20 Principal Office of Board. The principal office of the Board shall be located either within the Property or at such other place in the Borough of Manhattan, as may be designated from time to time by the Board.

ARTICLE 3

UNIT OWNERS

3.1 Annual Meetings. The first annual meeting of Unit Owners (the "First Annual Meeting") shall be held within thirty (30) days following the second anniversary of the First Closing. At such meeting, a new Board shall be elected and/or designated (as provided in Sections 2.3 and 2.4) consisting of five (5) persons and the incumbent Board shall resign. Thereafter, annual meetings of Unit Owners shall be held within approximately four weeks after the anniversary of such first meeting in each succeeding year on a date to be set by the Board. At such meetings, the Unit Owners shall elect, or designate, as the case may be, successors to the members of the Board whose terms of office are due to expire on or about the day of such meeting or have already expired and there shall also be transacted such other business as may properly come before such meeting.

3.2 Place of Meetings. Meetings of Unit Owners shall be held at the principal office of the Condominium or at such other place in the Borough of Manhattan as may be designated from time to time by the Board.

3.3 Special Meetings. The President or the Vice President of the Condominium shall call a special meeting of Unit Owners if so directed by resolution of the Board or upon a petition signed and presented to the Secretary of the Condominium by Unit Owners owning Units representing not less than 50% of the Common Interests of all of the Units. Each such resolution or petition shall state, in reasonable detail, the purposes for calling such meeting.

3.4 Notice of Meetings and Actions Taken. Notice of each annual or special meeting of Unit Owners shall be given by the Secretary of the Condominium to all Unit Owners of record entitled to vote thereat, at their address at the Condominium (or at such other address as any Unit Owner has designated by notice in writing to the Secretary of the Condominium at least 15 business days prior to the giving of notice of the applicable meeting). Each such notice shall state the purposes of the meeting and the time and place where it is to be held, and no business shall be transacted at such meeting except as stated in the notice. All notices hereunder shall be given by personal delivery, mail, nationally recognized overnight courier or telecopy, at least 10 business days prior to the date fixed for the meeting. However, if the business to be conducted at any meeting of the Unit Owners shall include consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be given to all Unit Owners in the manner provided above, at least thirty (30) days prior to the date fixed for such meeting and such notice shall be accompanied by a copy of the text of such proposed amendment.

3.5 Lack of Quorum. Subject to the terms and provisions of subsection 2.4.4, if any meeting of Unit Owners cannot be held because a quorum is not present, the Unit Owners who are present at such meeting, either in person or by proxy, may act by majority vote to either: (a) adjourn the meeting from time to time until a quorum exists; or (b) reconvene the meeting at a time (specified on not less than three (3) business days' notice, by personal delivery, nationally recognized overnight courier or telecopy, to the absent Unit Owners) when no quorum requirement shall apply.

3.6 Order of Business. The order of business at all regular meetings of Unit Owners shall be as follows:

(a) Call to order.

(b) Roll call.

(c) Proof of notice of meeting.

(d) Reading of minutes of preceding meeting.

(e) Reports of officers.

(f) Reports of members of the Board.

(g) Reports of committees.

(h) Election of inspectors of election (when so required).

(i) Election of members of the Board.

(j) Unfinished business.

(k) New business.

(l) Adjournment.

3.7 Title to Units. Title to Units may be taken by any individual, corporation, partnership, limited liability company, association, trust, fiduciary or other entity, or any two or

more of such owners as joint tenants, tenants in common or tenants by the entirety, as may be appropriate.

3.8 Voting.

3.8.1 Each Unit Owner, or a person designated by such Unit Owner to act as proxy on its behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit as set forth herein and in the Declaration at all meetings of Unit Owners and at all joint meetings of Unit Owners. The designation of any such proxy shall be made in a signed and dated writing to the Secretary of the Condominium and shall be revocable at any time by written notice actually delivered to such Secretary by the Unit Owner who had made the designation; provided, however, that no designation to act as a proxy shall be effective for a period in excess of six (6) months (except that the designation of a Permitted Mortgagee to act as the proxy of its mortgagor shall be effective until duly revoked).A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity.

3.8.2 If two (2) or more persons or entities own a Unit, they shall designate one (1) person or entity amongst them to vote the entire 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 such designors. Failing such a designation, all of such persons or entities shall mutually vote such Common Interest under one ballot, without division, and the concurrence of such persons or entities shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being made contemporaneously to the party 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.

3.8.3 Neither the Board nor its designee shall be entitled to vote the interest appurtenant to any Unit owned by the Board or such designee, and the Common Interest of such Unit shall be excluded from the total Common Interests when computing the interests of Unit Owners for quorum and voting purposes.

3.8.4 Except as otherwise set forth herein or in the Declaration, at all meetings of Unit Owners, each Unit Owner (or its proxy) entitled to vote thereat (including Sponsor or its designee with respect to Unsold Units) shall be entitled to cast one (1) vote for each .0001% (rounded off to the nearest .0001%) of Common Interest attributable to its Unit or Units including without limitation, for each Board member to be elected.

3.8.5 Whenever a particular percentage of Common Interest must be reached for voting purposes and such required percentage is described in terms of a percentage of a particular class of Unit Owners, as a group (e.g. x% of all Residential Unit Owners), as opposed to a percentage of all Unit Owners, such required percentage shall mean a percentage in terms of the total Common Interests attributable to the particular class of Unit Owners and not the percentage of Common Interests attributable to all Unit Owners.

3.9 Majority of Unit Owners. Except as may otherwise be provided by law, as used in these By-Laws and in the Declaration, the term “Majority of Unit Owners” means those Unit

Owners having more than fifty percent (50%) of the total authorized votes of all Unit Owners (determined in accordance with the provisions of Section 3.8), who are present in person or by proxy and voting at a duly constituted meeting at which a quorum is present or is not required.

3.10 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners owning Units to which more than fifty percent (50%) of the aggregate Common Interests attributable to all Units are appurtenant, shall constitute a quorum at all meetings of Unit Owners.

3.11 Majority Vote. Except where otherwise provided by law, the Declaration or these By-Laws, at all meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

ARTICLE 4

OFFICERS

4.1 Designation. The principal officers of the Condominium shall be a President, Vice President, and Secretary/Treasurer thereof, all of whom shall be elected by the Board. The Board may elect more than one (1) Vice President, or an Assistant Treasurer, or Assistant Secretary and such additional officers as in its judgment may be desirable. Unless prohibited by applicable law, any two (2) or more offices of the Condominium may be held by the same person. None of the officers of the Condominium need be Unit Owners or have any interest therein until the first organizational meeting of the Board, which shall be held within 90 days after the First Annual Meeting. Thereafter, the President of the Condominium must be a member of the Board.

4.2 Election of Officers. The officers of the Condominium shall be elected annually by the Board at the organizational meetings thereof and at any other meeting as may be required to fill a vacancy, and shall serve at the pleasure of the Board; except that the initial officers of the Condominium shall be elected by the First Board and shall hold office at the pleasure of such First Board and until their successors are elected.

4.3 Resignation and Removal of Officers. Any officer may resign at any time by written notice given in accordance with the terms of Section 5.1 of these By-Laws to the Board; such resignation shall take effect at the time specified and, unless specifically requested by the resigning officer, acceptance of such resignation shall not be necessary to make it effective. Except as otherwise required by these By-Laws with respect to designation of officers of the Condominium, upon the affirmative vote of a majority of the members of the Board present in person or by proxy at a regular meeting of the Board, or at a special meeting of the Board called for such purpose, at which a quorum is present or is not required pursuant to Section 2.11.2, any officer may be removed, either with or without cause, and his or her successor shall be elected.

4.4 President. The President of the Condominium shall be the chief executive officer of the Condominium and shall preside at all meetings of Unit Owners and of the Board. The President shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of

New York, including, but not limited to, the power to appoint committees from among Unit Owners from time to time as such President, in his or her discretion, may decide are appropriate to assist in the conduct of the affairs of the Condominium. From and after the first organizational meeting of the Board after the First Annual Meeting, the President of the Condominium must be a member of the Board.

4.5 Vice President. The Vice President of the Condominium shall take the place of the President under whom he or she serves and shall perform the duties of the President whenever the President shall be absent or unable to act. If both the President and the Vice President of the Condominium are unable to act, the Board shall appoint some other member of the Board to act in the place of such President and Vice President on an interim basis. The Vice President shall also perform such other duties as, from time to time, shall be imposed by the Board or by the President.

4.6 Secretary/Treasurer. The Secretary/Treasurer of the Condominium shall keep the minutes of the meetings of the Unit Owners and of the Board. The Secretary/Treasurer shall have charge of such books and papers as the Board shall direct and, in general, shall perform all of the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York. In addition, the Secretary/Treasurer of the Condominium shall have the care and custody of the funds and securities of the Condominium, and shall be responsible for keeping full and accurate financial records and books of account thereof showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Board (or in the name of the managing agent or manager appointed by the Board) in such depositories as may from time to time be designated by such Board and shall, in general, perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.7 Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by the President or Vice-President, acting alone, or by any other two officers thereof or by such other person or persons as may be designated by the Board. In addition to the foregoing, the Board may authorize the managing agent serving on its behalf to execute checks, provided that the expenditures, and the managing agent's paying for same, have been approved in advance by resolution of the Board or have been authorized by two (2) officers of the Condominium.

4.8 Compensation of Officers. Except as otherwise determined by the Board, no officer shall receive any compensation for acting as such.

4.9 Liability of Officers.

4.9.1 To the extent permitted by applicable law, no officer of the Condominium shall have any personal liability with respect to any contract, act or omission of the officers in connection with the affairs or operation of the Condominium (except in their capacities as Unit Owners). To the extent permitted by applicable law, officers shall have no liability to Unit Owners except that an officer shall be liable for his or her own bad faith, willful misconduct, illegal acts, fraud or gross negligence. All Unit Owners shall severally, to the extent of their

respective interests in their Units and their appurtenant Common Interests, indemnify, defend and hold harmless each officer against any liability or claim except those arising out of such officer's own bad faith, willful misconduct, illegal acts, fraud or gross negligence.

4.9.2 None of the officers of the Condominium shall be liable for either (i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, any such officer or to be paid for as a Common Expense, except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of such officer; or (ii) any injury, loss or damage to any individual or property, occurring in or upon either a Unit or any Common Element, which is either: (a) caused by the elements, by any Unit Owner or by any other individual, (b) resulting from electricity, or from water, snow or ice that may leak or flow from a Unit or any portion of any Common Element, or (c) arising out of theft or otherwise; except in each case when caused by the acts of bad faith, willful misconduct, illegal acts, fraud or gross negligence of such officer.

ARTICLE 5

NOTICES

5.1 Notices. Except as otherwise provided in these By-Laws: (a) all notices required or desired to be given hereunder to the Board shall be in writing and either delivered in person (only in the case of a notice to any officer of the Board) or sent by registered or certified mail, return receipt requested, or by nationally recognized overnight courier service to the principal office of the Board (or to such other address as the Board may designate from time to time by notice in writing to all Unit Owners and to all Permitted Mortgagees) and a duplicate shall be sent in like manner to the Managing Agent; (b) all notices required or desired to be given hereunder to any Unit Owner shall be in writing and either delivered in person or sent by registered or certified mail, return receipt requested, or by nationally recognized overnight courier service to the address of such Unit Owner at the Property or to such other address as may have been designated by such Unit Owner from time to time in writing to the Board; and (c) all notices required or desired to be given hereunder to Permitted Mortgagees shall be in writing and either delivered in person or sent by registered or certified mail, return receipt requested, or by nationally recognized overnight courier service to their respective addresses, as may have been designated by such Permitted Mortgagees from time to time in writing to the Board. All notices shall be deemed to have been given when delivered in person (to the extent permitted herein) or three (3) days after deposit in a depository maintained by the U.S. Postal Service in a postage prepaid sealed wrapper, or the first business day after deposit with an overnight courier service, as the case may be, except that notices of change of address shall be deemed to have been given when received.

5.2 Waiver of Service of Notice. Whenever any notice is required to be given by law, the Declaration or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 6

OPERATION OF THE CONDOMINIUM

6.1 Determination of Common Expenses and Fixing of Common Charges.

6.1.1 The Board shall, from time to time, but at least annually, prepare or cause to be prepared a budget setting forth its projections of the costs and expenses associated with the repair, maintenance, replacement, restoration, care, upkeep and operation of, and any alteration, addition or improvement to, the Common Elements, the provision of services to Unit Owners and the business and affairs of the Condominium (the "Common Expenses") for the next fiscal year and will allocate and assess charges (such charges, together with all such other amounts denominated or payable as common charges in or under the Declaration or these By-Laws, being collectively, the "Common Charges") on the Residential Units and the Retail Unit. Residential Unit Owners will be assessed Common Charges to meet the Residential Units' allocated share of Common Expenses and the Common Charges payable by each Residential Unit Owner will be in proportion to such Unit's percentage Common Interest compared to the total of all Residential Units. The Retail Unit Owner will be assessed Common Charges to meet the share of only those Common Expenses allocated to the Retail Unit by the Board. The Retail Unit Owner's share of Common Expenses will be limited to a share of only certain components of the Common Expenses. The Retail Unit Owner will therefore pay only allocated percentages of such components of the Common Expenses, which percentages may be less (or more) than their Common Interest. The allocated percentages represent a projection of the proportionate usage of the services and facilities in question by the Retail Unit Owner, and (other than those which relate to utility consumption, which shall be fairly adjusted based upon such consumption) shall remain fixed from and after the First Year of Condominium Operation. The Board shall advise all Unit Owners promptly in writing of the amount of Common Charges payable by each of them and shall furnish copies of each budget on which such Common Charges are based to all Unit Owners and, if requested, to Permitted Mortgagees thereof.

6.1.2 The Board may, in 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. However, a prior period's deficit may be included in Common Charges for a subsequent period or levied from a special assessment levied against all Unit Owners or Residential Unit Owners, as the case may be.

6.1.3 The failure or delay of the 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 the event of such failure by the Board, the Common Charges thereafter allocable to the Units until a new determination of Common Charges is made shall be computed as set forth in the By-Laws. 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 can be made.

6.1.4 In addition to the foregoing duty to determine the amount of and to assess Common Charges, the Board shall have the right to levy special assessments to meet the Common Expenses (or a prior period's deficit, in accordance with subsection 6.1.2). All special assessments shall be levied against all Unit Owners (or, as applicable, all Residential Unit Owners) in proportion to their respective Common Interests. The 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, perfecting a lien against the defaulting Unit).

6.1.5 The excess of all rents, profits and revenues derived from the rental or use of any space or facility forming part of or included in any General Common Element or Residential Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by the Board, as agent for and on behalf of all Unit Owners (in the case of any General Common Element) or the Residential Unit Owners (in the case of the Residential Common Elements), and shall constitute income of the Unit Owners or the Residential Unit Owners, as applicable. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, in no event shall any rent, profit or revenue derived from the rental, licensing or use of any space in the Building be deemed to be derived from the rental, licensing or use of any floor slabs, ceilings or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

6.1.6 Subject to the terms of this Article 6, the Common Expenses shall initially be allocated among (a) the Residential Units and (b) the Retail Unit, as set forth in the footnotes to Schedule B in the Plan. The Common Charges payable by each Residential Unit Owner will be in proportion to such Unit's percentage Common Interests compared to the total of all Residential Units, except as indicated in Section 6.1.3 above. The Retail Unit Owner will be assessed Common Charges to meet the share of only those Common Expenses allocated to its Unit as provided in Section 6.1.1 above.

6.2 Payment of Common Charges.

6.2.1 All Unit Owners shall be obligated to pay to the Board Common Charges assessed by the Board pursuant to the provisions of Section 6.1 at such time or times as the Board determines. Unless otherwise determined by the Board, Common Charges shall be payable monthly, in advance, on the first day of each month.

6.2.2 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against such Unit Owner's Unit subsequent to a permissible sale, transfer or other conveyance by it (made in accordance with these By-Laws) of such Unit, together with its appurtenant Common Interest, except as expressly provided herein. Any Unit Owner may, subject to the terms and conditions of these By-Laws, convey its Unit, together with its appurtenant Common Interest, without consideration, to the Board or its designee, on behalf of all Unit Owners, and in such event (except as hereinafter set forth), be exempt from Common Charges thereafter accruing, provided that: (a) such Unit is free and clear of liens and encumbrances other than the statutory lien for unpaid Common Charges (provided that no

amounts are owing under any such lien); and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then exists with respect to such Unit. However, in no event may a Unit Owner exempt itself from liability for Common Charges by waiving use of any of the Common Elements or by abandoning its Unit. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to its acquisition thereof, except that, to the extent permitted by law, a Permitted Mortgagee acquiring title to a Unit at a foreclosure sale shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Charges assessed against such Unit subsequent to the recording of such Permitted Mortgage and prior to the acquisition of title to such Unit by such mortgagee; the foregoing is subject to the provisions of the last sentence of subsection 6.3.1 hereof. However, in the event of a foreclosure of a Unit by a Permitted Mortgagee (whether by sale, deed in lieu of foreclosure or otherwise) or by the Board of its lien on any Unit for unpaid Common Charges, if the net proceeds of the foreclosure sale actually received (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred by such Permitted Mortgagee in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale, as provided in these By-Laws.

6.2.3 Notwithstanding the provisions of subsection 6.2.1, any Unit Owner that is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by any foreign government (i.e. diplomatic or sovereign immunity) shall deposit with the Board an amount equal to the Common Charges for such Unit for a period of two (2) years as security for the faithful observance by such Unit Owner of the terms, provisions and conditions of these By-Laws. In the event that such Unit Owner defaults in respect of the terms, provisions and conditions of these By-Laws, the 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 as to which Unit Owner is in default.

6.2.4 Sponsor reserves the right, in its sole and absolute discretion, to cause the Board to waive the collection of Common Charges for a period of time prior to full occupancy of the Building (the "Waiver Period"); provided, however, that Sponsor shall be solely responsible for payment of all expenses to operate the Building during the Waiver Period (the "Operating Expenses"). All Operating Expenses paid by Sponsor during the Waiver Period are based on the actual costs of operating the Building and not on estimates set forth in Schedule B – Projected Budget for First Year of Condominium Operation." The Schedule B budget will not be in effect until the expiration of the Waiver Period. Notwithstanding anything to the contrary set forth above, the Operating Expenses shall not include real estate taxes regardless of whether the Unit has been separately assessed. In all instances, the Unit Owners will remain responsible for the payment of real estate taxes. Sponsor, in its sole and absolute discretion, may upon thirty (30) days prior written notice to Unit Owners terminate the Waiver Period.

6.3 Default in Payment of Common Charges; Lien for Unpaid Common Charges; Other Remedies.

6.3.1 Except to the extent prohibited by law, the Board, on behalf of all Unit Owners, shall have a lien for Common Charges unpaid by any Unit Owner, together with interest thereon, on all Units owned by such Unit Owner. Such lien for Common Charges shall be subordinate only to liens for real estate taxes and to prior recorded Permitted Mortgages, which are first mortgages of record.

6.3.2 In the event any Unit Owner fails to make payment of Common Charges when due, such Unit Owner shall be obligated to pay: (a) a "late charge" of $.04 for each dollar of such amounts which remain unpaid for more than 10 days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid); and (b) interest at the rate of one and one-half percent (1.50%) per month (but in no event in excess of the maximum rate permitted by law) on such unpaid amounts (exclusive of any "late charges" theretofore assessed on such amounts) computed from the due date thereof, together with all expenses, including, without limitation, attorneys' fees and expenses paid or incurred by the Board or by the Managing Agent in any proceeding brought to collect such unpaid Common Charges or in an action to foreclose the lien on such Unit arising from said unpaid Common Charges, whether as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by law. In addition, if the Board shall bring an action to foreclose such lien because of unpaid Common Charges, the defaulting Unit Owner shall be required to pay a reasonable fee for the use and occupancy of its Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. All such "late charges", interest, expenses and fees shall be added to and shall constitute Common Charges payable by such Unit Owner; and the lien for unpaid Common Charges shall also secure the payment of such additional sums. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges.

6.3.3 In any action brought by the Board to foreclose a lien on a Unit because of unpaid Common Charges, the Board, acting on behalf of all Unit Owners, shall have the power (but shall not be obligated) to purchase any 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 interests appurtenant thereto). In the event the net proceeds received on a foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit, as provided in these By-Laws.

6.3.4 For the purposes of this subsection 6.3.4, "non-occupying owner" shall mean a Unit Owner who or which does not occupy its Unit.

(a) If a non-occupying owner rents any Unit to a rental tenant and then fails to make payments due for Common Charges or any other amounts payable by such Unit Owner to the Board, including, without limitation, assessments and/or late fees (all of the foregoing, collectively, "Payments") for such Unit within sixty (60) days of the expiration of any grace period after the same are due, upon notice in accordance with subdivision (b) of this subsection, all rental payments from the tenant shall be directly payable to the Board.

(b) If the Payments for any Unit have not been paid in full, within sixty (60) days after the expiration of any grace period of the earliest due date, the Board shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all Payments are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the Board at the address listed on the notice. Where a majority of the Board has been elected by and from the Unit Owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the Board. At such time as Payments from the non-occupying owner are once again current, notice of such fact shall be given within three (3) business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the Board's claim to rental payments pursuant to this subsection shall be entitled to present facts supporting such Unit Owner's position at the next scheduled meeting of the Board, which must be held within 30 days of the date that such Board receives notice that such owner seeks to dispute such claim.

(c) Nothing in this subsection shall limit any rights of any Unit Owner or the Board existing under any other law or agreement.

(d) Payment by a rental tenant to the Board made in connection with this subsection shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

6.4 Insurance.

6.4.1 The Board shall be required to obtain and maintain, to the extent obtainable at commercially reasonable rates, and to the extent determined by the Board to be appropriate, the following insurance:

(a) Special causes of loss property insurance with common coverage extensions insuring the entire Building (including each Unit, but excluding fixtures, furniture, furnishings, decorations, improvements, appliances within a Unit or other personal property located within a Unit but not constituting a part of such Unit), together with all service machinery contained therein, and covering the interests of the Condominium, the Board and all Unit Owners and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building on a replacement cost basis (exclusive of foundation and footings), without deduction for depreciation. Such insurance shall include coverage for plate glass to the extent if any determined by the Board, as well as flood (including sewer backup) and earth movement coverage (which may contain a sublimit per occurrence and in the annual aggregate). Such insurance policy shall not include a co-insurance provision;

(b) Boiler and machinery insurance on a replacement cost basis with limits of not less than Building Limit for all mechanical and electrical equipment against physical damage and rent loss, covering the interests of the Condominium, the Board, Unit Owners and Permitted Mortgagees, as their respective interests may appear. Such insurance policy shall not include a co-insurance provision;

(c) Commercial general liability insurance against claims for personal injury, death or property damage, including products and completed operations liability, as well as owned, hired and non-owned automobile liability occurring upon, in or about the Property, in such amounts as from time to time are carried by prudent owners of comparable properties in the City of New York, and in such limits as the Board, from time to time, may determine, all covering: (i) the Board, the Managing Agent, each Board member, each officer and employee of the Condominium, and (ii) each Unit Owner and their agents and Permitted Mortgagees, if any, except that such policy will not cover liability of a Unit Owner arising from occurrences within or about its own Unit or within or about the Common Elements, if any, exclusive to its Unit. The Board shall review such limits once each year. Until the first meeting of the Board following the first annual meeting of Unit Owners, such liability insurance shall be at least $1,000,000 with respect to any occurrence and $2,000,000 annual aggregate for this location, with umbrella liability coverage of at least $5,000,000 and at no time and in no event during this time period shall such general liability insurance afford protection to the limit of less than such amounts;

(d) Workers' compensation and New York State disability benefits insurance as required by applicable law; provided, however, that if the Board does not have any direct employees, such insurance may be purchased if the Board so determines on an "if any" basis;

(e) Crime or fidelity insurance covering all officers, Board members, directors and employees of the Condominium and of the Managing Agent who handle funds of any of the foregoing with limits of not less than $250,000 and with such deductible as is commercially reasonable and maintained by owners of properties similar in type, location and quality as the Building;

(f) Directors' and officers' liability coverage with limits of not less than $1,000,000 and with such deductible as is commercially reasonable and maintained by owners of properties similar in type, location and quality as the Building;

(g) Terrorism coverage except as otherwise provided in Section 6.4.10; and

(h) Such other insurance as the Board may determine advisable or necessary from time to time. The Board shall review the insurance being carried and limits thereof at least once each year.

6.4.2 Each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee, as its interest may appear, subject, however, to the loss payment provisions hereinafter set forth. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a Common Expense and shall be allocated among the Units on the basis of Common Interests. In the event that assessing insurance premiums on the basis of Common Interests does not substantially reflect the premium charges for actual coverage for any of the Residential Units or the Retail Unit, and the Board fails to agree on a manner to accurately allocate the premiums, the matter shall be determined by Arbitration.

6.4.3 To the extent obtainable at commercially reasonable premiums, all fire, casualty and general liability insurance policies which the Board is required to maintain must provide that each Unit Owner is an additional insured party, to the extent of their respective interests, and contain waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) pro rata reduction of liability, and shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to all of the insureds, including the Board, all Unit Owners and Permitted Mortgagees, who have requested the same from the Board in writing. Duplicate originals or certificates of insurance of all policies of insurance and of all renewals thereof, if obtainable, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees who have requested the same from the Board in writing. Renewals shall be obtained at least ten (10) days prior to the expiration of the then current policies.

6.4.4 All such policies shall provide that adjustment of loss shall be made by the Board unless the loss involves solely the Retail Unit, in which event adjustment shall be made by the Retail Unit Owner. Insurance proceeds with respect to any loss shall be payable to the Board or Unit Owners entitled to adjust such loss, as aforesaid, except that the proceeds of all policies of physical damage insurance, if in excess of $1,000,000, shall be payable to a New York City bank or trust company designated by the Board as Insurance Trustee (as hereinafter defined) pursuant to the provisions of Section 12.7. Any dispute between the Board and the Retail Unit Owner under this subsection 6.4.3 shall be determined by Arbitration.

6.4.5 The amount of fire insurance and special causes of loss property insurance with common coverage extensions to be maintained with respect to the Condominium (including each Unit, but excluding such items noted in subsection 6.4.1 to be excluded) until the first Board meeting following the First Annual Meeting of Unit Owners shall be 100% of the full replacement cost of the Property.

6.4.6 All policies of physical damage insurance shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees, who have requested the same from the Board in writing. Duplicate originals or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, if obtainable, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees who have requested the same from the Board in writing.

6.4.7 Any insurance maintained by the Board may provide for such deductible amounts as the Board determines, taking into account market conditions and/or any such conditions that may be required by the holder of a mortgage covering the Building.

6.4.8 If the use of any Unit causes an increase in the premium for the insurance which the Board is required to obtain and maintain, as set forth herein or otherwise, then the owner of such Unit shall be obligated to pay to the Board a sum equal to the amount of such increase attributable to such use.

6.4.9 The Board is not required to obtain or maintain any insurance with respect to any personal property, additions, improvements and betterments contained in a Unit or any liability with respect to occurrences within or about a Unit or the Common Elements, if any, exclusive and/or appurtenant thereto. Consequently, all Unit Owners are required, at the Unit Owners sole cost and expense, to obtain and maintain in full force and effect: (i) a liability policy insuring against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, on or about such Unit Owner's Unit and the Common Elements, if any, exclusive and/or appurtenant to his or her Unit affording protection of at least $500,000 per occurrence; (ii) umbrella liability coverage of at least $5,000,000; and (iii) "special causes of loss" property insurance in respect of property damage occurring in, upon, to, or from the Unit or any part thereof (including, but not limited to appropriate coverages for additions, alterations, improvements and betterments). The limits of liability set forth in (i) and (ii) above may be increased by the Board from time to time provided that for so long as Sponsor owns at least one (1) Unsold Unit, any change or elimination of the requirements set forth above may only be made upon Sponsor's prior written consent. Sponsor shall be named as additional insureds on any such insurance policies obtained by the Board. Subject to the requirements herein, Unit Owners shall not be prohibited from carrying other insurance for their own benefit, at their own expense and the Board shall not be prohibited from carrying additional insurance; provided, however, all policies of insurance obtained by any Unit Owner with respect to occurrences within or about a Unit or the Common Elements appurtenant thereto shall contain a waiver of the insurer's rights of subrogation against the Board. The liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. To the extent any party is insured, or required to be insured for loss or damage to property hereunder, each party will look to its own insurance policies for recovery.

6.4.10 All insurance policies required or permitted to be maintained by Unit Owners hereunder shall be primary with respect to the risks insured thereunder and shall contain waivers of subrogation, if available, and further provide that the liability of the carriers issuing insurance obtained by the Unit Owner shall not be affected or diminished by reason of any additional insurance carried by any Unit Owner or the Board. Further, as a result of current fluctuations in the insurance market, the Board will not be required to obtain or maintain terrorism or mold coverage but may do so, and in such event, the cost thereof shall be a Common Expense. On or prior to the date upon which any given Unit Owner acquires title to its Unit, each such party shall deliver to the Board certificates evidencing the insurance required to be maintained by such Unit Owner hereunder. Evidence of each renewal or replacement of a policy shall be delivered by Unit Owner to the Board at least ten (10) days prior to the expiration of such policy.

6.4.11 If the fire and casualty insurance for the Building is increased because all or part of the Retail Unit is or ever becomes used as a restaurant, then the Unit Owner of all or the part of the Retail Unit so used shall pay such increased cost to the Board upon demand therefor by the Board.

6.4.12 Any insurance coverage(s) required to be obtained by the Board may be satisfied by any so-called builder's risk policy obtained by Sponsor in connection with the construction of the Building, provided the limits and terms of such policy are adequate to meet

the terms and conditions set forth in this Article 6. To the extent any such policy obtained and paid for by Sponsor shall satisfy the insurance requirements of the Board for the Condominium in respect of any period following the First Closing, the Board shall reimburse Sponsor for its prorated share of the cost of such coverage.

6.4.13 Until payment of the debt under the mortgage securing Sponsor's Construction Loan (the "Construction Mortgage") is made in full or until such mortgage is assigned by Construction Lender to Sponsor's designee, whichever occurs first, the Board must comply with the obligations of the Construction Mortgage (which provisions set forth the Board's obligations with respect to the maintenance of insurance during such period). For so long as Sponsor's Construction Loan is outstanding, Sponsor's Construction Lender shall have the right to serve as Insurance Trustee.

6.5 Repair or Reconstruction after Fire or Other Casualty.

6.5.1 In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty (unless three-fourths or more of the Building is destroyed or substantially damaged and seventy-five (75%) or more of all Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Board will arrange for the prompt repair and restoration thereof (including each Unit, but excluding appliances, improvements, betterments, equipment, furniture, furnishings within a Unit, or other personal property located in any such Unit) and the Board or the Insurance Trustee (as defined in Section 12.7 below), as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. If only the Retail Unit is destroyed or damaged by fire or other casualty and if the net insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the Retail Unit Owner will bear the entire amount of the deficit, or shall receive all of the surplus, as the case may be, in proportion to its respective Common Interests. Similarly, if only the Residential Units, Residential Common Elements and/or the Residential Limited Common Elements are 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 borne or shared entirely by all Residential Unit Owners in proportion to their respective Common Interests. If said damage or destruction by fire or other casualty affects the General Common Elements, or any combination of the Residential Units and the Retail Unit, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners, or by the Unit Owners of the affected portions of the Building, as appropriate, in proportion to their respective Common Interests. Any surplus payable to any Unit Owner pursuant to this subsection 6.5.1 shall be lessened by such amounts as may be required to discharge unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order of priority of such liens.

6.5.2 If three-fourths or more of the Building is destroyed or substantially damaged and if seventy-five (75%) or more of all Unit Owners do not duly resolve within sixty (60) days from the date of such damage or destruction to proceed with the repair or restoration thereof, the Building (or so much thereof as remains) will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, as if the Building were 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 accordance with their respective Common

Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of his or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens.

6.5.3 As used in this Section 6.5, the words "promptly resolve" shall mean not more than 60 days after the date of the damage of destruction in question occurs.

6.5.4 Any dispute between the Board and a Unit Owner under this Section 6.5 shall be settled by Arbitration (as provided in Article 11).

6.6 Maintenance and Repairs.

6.6.1 Except as otherwise provided in the Declaration or these By-Laws: (a) all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, and all maintenance, repairs and replacements of all plumbing, heating and lighting fixtures, heating and air-conditioning units and appliances (i) in or to any Unit (other than, in general, to the Common Elements included therein) will be made by the Owner of such Unit at its sole cost and expense; provided that, except in the case of work to be done in Unsold Units or in the Retail Unit, the Unit Owner thereof will utilize only such contractors, workers or suppliers as are approved by the Managing Agent or Board; (ii) in or to the General Common Elements will be made by the Board and the expense thereof will be charged to the Unit Owners as a Common Expense, or (iii) in or to the Residential Common Elements (unless caused by or attributable to a Unit Owner, in which case such Unit Owner shall be responsible for the entire cost) shall be made by the Board, and the cost and expense thereof shall be charged to all Residential Unit Owners in the proportion that their respective Common Interests bear to the aggregate Common Interests of all Residential Unit Owners. Notwithstanding the foregoing, (1) a Residential Unit Owner having use of a Terrace/Balcony and/or Storage Closet (or any other Residential Limited Common Element) shall be responsible for all ordinary maintenance and cleaning thereof including replacement of the Terrace/Balcony surface; and (2) the costs and expenses of any structural repairs or repairs or replacements caused by the need for such structural repairs to any Terrace/Balcony or Storage Closet, including work necessary to repair any leaks (unless caused by or attributable to the Unit Owner thereof), shall be charged to all Residential Unit Owners as a Common Expense; (b) a Unit Owner shall not be responsible for the cost of painting, decorating, maintenance, repairs or replacements on or to any Unit other than to its own Unit (and any Residential Limited Common Elements included in or appurtenant to any such Unit), except to the extent otherwise provided herein; and (c) each Unit and all portions of the Common Elements shall be kept in a clean and sanitary condition, and in good working order (and all portions thereof exposed to public view shall be kept in a neat appearance and in first-class condition in accordance with the high quality, character and dignity of the Building), in each case, by the Unit Owner or the Board, whichever is responsible, under the By-Laws, for the maintenance thereof. In the event that any Unit Owner fails to keep his or her Unit in such condition, the Board, at the expense of such Unit Owner, may enter such Unit and perform such acts as are necessary to cure such default. Without limiting the foregoing, Unit Owners shall be responsible for all maintenance, repairs and replacements of all plumbing, appliances and lighting fixtures, and heating, ventilation and air conditioning units in their respective Units.

6.6.2 Notwithstanding the provisions of subsection 6.6.1:

(a) In the event that any painting, decorating, maintenance, repairs or replacements to the Property or any part thereof (including, without limitation, any Unit) is necessitated by or attributable to the negligence, misuse, neglect or abuse of (i) any one or more Unit Owner(s) or its or their tenants, agents, invitees, licensees or guests, the entire cost thereof shall be borne entirely by such Unit Owner, or (ii) the Board or its tenants, agents, invitees, licensees or guests, the entire cost thereof shall be charged to all Unit Owners as a Common Expense, except to the extent in any case that such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof.

(b) Except as may otherwise be expressly provided herein, no Residential Unit Owner may install, inscribe or expose any signage on or at any window or any other part of the Common Elements. Notwithstanding the foregoing, (i) there are no restrictions on the ability of the Retail Unit Owner to place any signs inside the Retail Unit, provided such signs comply with all applicable Legal Requirements and do not significantly and adversely affect all or any portion of the Building outside the Retail Unit and (ii) the Retail Unit Owner will be permitted, without the consent of the Board, to place signs on the exterior of the Retail Unit and/or adjacent to the entry area to the Retail Unit provided such signs are erected and maintained in compliance with the Retail Unit Signage Standards and the location and/or placement thereof shall be limited to the area described in such Retail Unit Signage Guidelines set forth as Exhibit B hereto (the "Retail Signage Guidelines"). The Retail Unit Owner may not install any signage which would deviate from the Retail Signage Standards without the consent of the Board (and Sponsor, for so long as Sponsor owns at least one (1) Unsold Unit), which consent may be withheld in the Board's (or, if applicable, Sponsor's) sole discretion. All costs and expenses associated with the erection of signs by the Retail Unit Owner shall be at its sole expense. Additionally, notwithstanding the foregoing, Sponsor and any holder of Unsold Units and the Board shall have an easement to erect, maintain, repair and replace signs, notices, advertisements and illuminations on portions of the Property, including, without limitation, on the exterior of the Building, on or at windows and in interior public spaces of the Building (but in no event within the interior of or on the exterior of the Unit owned by any other party), for the purposes of advertising the availability of Units for sale or lease by Sponsor or its designee and/or, in the case of the Board, for any other valid business purpose.

(c) The Building does not feature a window washing rig and accordingly the washing and cleaning of the interior glass surfaces of all windows located in any Unit (other than the Retail Unit, with respect to which the provisions of Section 6.6.4 hereof shall apply) shall be the responsibility of the respective Unit Owner. All window interiors shall be cleaned a minimum of two (2) times per calendar year. The washing of window exteriors shall be the responsibility of the Board and shall be performed by an insured window washing professional a minimum of two (2) times per calendar year and the cost thereof shall be charged to the Unit Owners as a Common Expense. The Board may from time to time enforce the responsibility of Unit Owners to wash and clean the interior surfaces of windows located in their respective Units and charge the defaulting Unit Owner therefor. Unit Owners are prohibited from cleaning or allowing to be cleaned any window from the outside in violation of Section 202 of the New York State Labor Law, any other applicable Legal Requirements, any insurance policy or requirement or otherwise.

As provided in Section 14.8 of the Declaration, each Unit Owner grants an easement to the Board over and through its Terrace and/or Balcony appurtenant to its Unit, to erect scaffolding or attach window washing equipment or other equipment temporarily on any Terrace and/or Balcony in connection with any window washing and/or cleaning conducted at the Building and at the request of the Board, any furniture, plantings or other items placed on such Terrace and/or Balcony shall be moved promptly at the sole expense of the Unit Owner to whose Unit such Terrace and/or Balcony is appurtenant, to the extent necessary for any window washing and/or cleaning.

In the event that, under applicable Legal Requirements, any exterior windows in the Residential Units must be reduced in size or closed, the owner of the affected Unit shall solely bear the costs relating to such reduction or closure and, in the event that closure is required, such windows will be enclosed by the Board, at the sole cost of the affected Residential Unit Owner.

(d) Except as otherwise provided in Section 6.6.1, all normal maintenance, repairs and replacements of any Residential Limited Common Element appurtenant to a Unit shall be made by the Unit Owner having exclusive access thereto, at its own cost and expense; any structural or extraordinary repairs or replacements thereto (including, without limitation, leaks) shall be made by the Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Common Expense, unless due to the negligence, misuse, neglect or abuse of such Unit Owner or its tenant, agent, invitee, licensee or guest, in which event such Unit Owner shall bear the entire cost thereof, and the same shall, for all purposes hereunder, constitute part of the Common Charges payable by such Unit Owner.

(e) Except as otherwise provided in Section 6.6.1, in the event that any portion of the glass of a Residential Unit's window is broken from the interior of such Unit (or otherwise due to the actions of such Unit Owner), the replacement and/or repair of such glass will be made by the Owner of such Residential Unit at his, her or its expense; and, in the event that any portion of the glass of a Residential Unit's window is broken from the outside of such Unit, the replacement and/or repair of such glass will be made by the Board and the expense thereof will be charged to the Residential Unit Owners as a Common Expense. Any replacement of glass windows in the Retail Unit, because of breakage or otherwise, shall be promptly performed by the Retail Unit Owner at its sole cost and expense (except to the extent the need to replace same results from the negligence, misuse or abuse of another Unit Owner or the Board.)

(f) The Residential Unit Owners through the Board shall be responsible for keeping the sidewalks directly in front of the residential lobby and the residential service entrance provided along East 1st Street (the "Residential Sidewalk Area") clean and free of dirt, ice, snow and the cost of all necessary repairs or replacements, including snow removal thereto, shall be the responsibility of the Residential Unit Owners.

6.6.3 Each Unit and all portions of the Common Elements shall be kept in the condition and otherwise in such manner that standards of quality and appearance are maintained which are appropriate for a luxury residential condominium project (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 Board, whichever is responsible for the maintenance thereof under the Declaration or these By-Laws, and such Unit Owner or the Board shall promptly make or perform, or cause to be made or performed, all maintenance work, repairs and replacements necessary in connection therewith. In addition, the public areas of the Building and those areas which are exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by: (a) the Board, with respect to such parts of the Building it is required to maintain under the Declaration or these By-Laws; and (b) each Unit Owner, with respect to the windows and window shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to its Unit, as well as those other areas of such Unit and its appurtenant Residential Limited Common Elements (if any) which are exposed to public view. In order to promote a consistent appearance of the Building from the outside, unless waived by the Board, each Residential Unit Owner will be required to install and maintain window treatments having a neutral colored backing on the sides facing the windows in his or her Unit, which window treatments and backings must conform to any specifications (including a new color) established from time to time by the Board. Neither the interior nor the exterior glass surfaces of any windows located in any Unit may be altered, colored or painted.

6.6.4 Without limiting the generality of the other provisions of these By-Laws (including, without limitation, Section 6.6.3 hereof and the Rules and Regulations), the Retail Unit Owner, at its sole cost and expense, shall:

(a) clean the interior and exterior of the windows and doors (including, in each case, the frames thereof) in its Unit and in the perimeter walls thereof whenever necessary, and clean and polish the inside and outside of the store fronts of the Retail Unit whenever reasonably necessary;

(b) keep its Unit clean, and in a sanitary condition, keep all plumbing and sanitary systems and installations serving its Unit in a good state of repair and operating condition to the points they connect with the main vertical risers and stacks of the Building;

(c) comply with all sanitary codes, bag and remove all rubbish and other debris from the subleased premises daily between the hours of 6:00 P.M. and 8:00 A.M., keep the sidewalks in front of its Unit clean and free from any garbage, debris, or obstruction and place all garbage away from the residential lobby;

(d) use reasonable efforts to eliminate all noxious fumes, odors or gases originating from its Unit and vent the foregoing;

(e) utilize all reasonable measures to keep its Unit free from rats, mice, insects, and other vermin;

(f) on a daily basis and at its sole cost and expense, keep all sidewalks at the Property other than the Residential Sidewalk Area clean and free of trash, refuse and rubbish, dirt, ice, snow, including snow removal thereto, and shall further be solely responsible for all costs and expenses whatsoever related thereto. Additionally, in the event any violations are issued by the City of New York in connection with trash, refuse, rubbish located on the sidewalks directly in front of the Retail Unit, the Retail Unit Owner shall be solely responsible

for such violations and any costs and expenses associated therewith. Further, in the event the Retail Unit Owner fails to fulfill its obligations hereunder, the Board shall have the right to step in and conduct any necessary cleaning and/or removal of trash, refuse, rubbish, dirt, ice, snow, including snow removal thereto, and in turn bill the Retail Unit Owner directly for all costs and expenses associated with such cleaning and/or removal;

(g) as soon as reasonably practicable after any glass (including mirrors) in its Unit and the perimeter and the demising walls thereof is broken or cracked, including a so-called "bulls eye" break in the glass, replace such glass with glass of substantially the same kind and quality as may be necessary or desirable in connection with such replacement, repair or replace the frames for such glass and in the event such Retail Unit Owner shall fail to so replace such glass and if necessary repair or replace such frames as aforesaid, then the Board may replace the glass, if necessary, and repair or replace such frames on such Retail Unit Owner's behalf and the Retail Unit Owner shall, within ten (10) days after the Board's demand therefor, pay to the Board the costs incurred by the Board in so doing; and

(h) in the event that any part or all of the Retail Unit is ever used for restaurant purposes, install, over and adjacent to the areas used for cooking or baking the proper exhaust hoods and equipment which will be equipped in self-extinguishing fire control system, which shall be approved by the Board of Fire Underwriters for such use.

6.6.5 In the event that any Unit Owner, after receipt of written notice from the Board, fails or neglects in any way to perform any of its obligations with respect to the maintenance, repair or replacement in or to its Unit as provided in this Article 6 or of any Common Element for which such Unit Owner is responsible under the Declaration or these By-Laws, the Board may perform or cause to be performed such maintenance, repair or replacement unless such Unit Owner, within ten (10) days after receiving notice of such default by the Board, (except in the event of an "emergency", i.e., a condition requiring repairs, replacements or installations immediately necessary for the preservation or safety of all or any portion of the Property 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 or with respect to all or any portion of the Property), cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences (within such ten (10) day period) and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred by the Board in connection with the making of any such maintenance, repair or replacement in or to such Unit Owner's Unit or to any such Common Element for which such Unit Owner is responsible as aforesaid, together with interest thereon at the rate of one and one-half percent (1.5%) 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 Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

6.7 Alterations of Units.

6.7.1 Except as otherwise provided in the Declaration or these By-Laws:

(a) No Residential Unit Owner (other than Sponsor or its designee as the owner of Unsold Units) shall make any alterations, additions, installations, improvements,

replacements or repairs (all of the foregoing being, collectively, "Alterations") in or to its Unit which affects the structure or systems of the Building (including, without limitation, the mechanical, electrical, plumbing, heating, ventilating and/or air-conditioning systems thereof), without obtaining the prior written consent of the Board thereto. Prior to, and as a condition of, the granting of its consent to the making of any such Alteration in or to a Unit, the Board, at its option, may require any Residential Unit Owner to execute an agreement, in form and substance satisfactory to the Board, setting forth the terms and conditions under which such Alteration (as defined below) may be made. Any Unit Owner seeking to perform such work requiring the consent of the Board shall be liable for all costs and expenses incurred by the Board in obtaining such consent.

(b) All repairs which would affect the structure or systems of the Building (including, without limitation, the mechanical, electrical, plumbing, heating, ventilating and/or air-conditioning system thereof, but excepting any system which exclusively serves the Unit in question) and all Alterations to any Residential Unit shall be made in accordance with plans and specifications, which plans and specifications shall be subject to review and approval by the Board.

(c) The Board may impose fees upon any Unit Owner to reimburse the Condominium for costs incurred by the Board in connection with the review and supervision of such Unit Owner's work.

6.7.2 Alterations to Residential Units.

All Alterations by a Unit Owner shall be performed:

(a) at the Unit Owner's sole cost and expense (which shall include, without limitation, the reasonable costs of the Board incurred in reviewing and approving such Unit Owner's submission for approval (if such approval is required under these By-Laws) and in monitoring such Unit Owner's compliance with the provisions of this Section 6.7);

(b) in a manner which will not interfere with, or cause any labor disturbances or stoppages in, the work of Condominium employees or other contractors or subcontractors employed in the Units or the Building;

(c) only during such days and hours as may be specified by the Board in its reasonable judgment;

(d) only after obtaining such insurance, naming the Board, the Managing Agent and Sponsor as additional insureds, as the Board or the Managing Agent may require and indemnifying the Board, all other Unit Owners and the Managing Agent against any liability arising from the work;

(e) In the case of a Residential Unit**,** employing such architects, engineers, contractors, subcontractors, workers, suppliers and other laborers who are on the Managing Agent's then approved list, as such list may change from time to time, in the sole discretion of the Board or the Managing Agent; and

(f) in compliance with the Declaration, these By-Laws, the Rules and Regulations, the overall Building standards and all applicable laws, ordinances, orders, rules, regulations and requirements of all governmental and quasi-governmental authorities, including, without limitation, the requirements of the New York City Department of Buildings and the boards of fire underwriters having jurisdiction thereof (all such laws, ordinances, orders, rules, regulations and requirements being sometimes hereinafter collectively referred to as "Legal Requirements"), including, without limitation, Legal Requirements relating to licensing of contractors, obtaining of all necessary governmental permits, authorization, certificate and licenses for the commencement and completion of any Alterations and obtaining of any amendment to the Certificate of Occupancy for such Unit, if necessary.

6.7.3 In addition to the requirements set forth above in this Section 6.7, the Board shall have the right to impose certain requirements in connection with Alterations of Residential Units, including but not limited to:

(a) the Residential Unit Owner shall deposit with the Board an amount equal to ten percent (10%) of the cost of completing the Alterations submitted for the Board's approval;

(b) the Residential Unit Owner shall be required to complete any Alterations within a reasonable amount of time as determined by the Board;

(c) the Residential Unit Owner shall obtain all necessary or required signoffs from the applicable governmental authority for any Alterations performed within thirty (30) days of completion of such Alterations; and

(d) the Board may impose a limit on the number of Units in the Building undergoing Alterations at the same time.

6.7.4 The Unit Owner performing, causing, permitting or suffering such Alterations to be performed shall, if required by the Board, pay the cost of: (i) any amendment of the Declaration and the floor plans of the Condominium, if required by the Board or by any applicable Legal Requirements, to reflect any such Alterations, (ii) obtaining all necessary governmental permits, authorizations, certificates and licenses for the commencement and completion of any Alterations (copies of which shall be delivered to the Board promptly after the issuance thereof and prior to the commencement of any Alterations), and obtaining any amendment to the Certificate of Occupancy for such Unit, if necessary; provided that no work or change by or on behalf of a Residential Unit Owner will be permitted without the consent of the Board (which consent may be withheld or conditioned in the sole discretion of such Board) if such work or change would result in a delay in obtaining a temporary or permanent Certificate of Occupancy for the Building, or any amendment to, or extension of, the same if theretofore issued; and (iii) in the case of a Residential Unit, any reasonable architectural, engineering and legal fees incurred by the Board in connection with such work. Neither the Board nor any Unit Owner (other than the Unit Owner making, permitting or suffering any Alterations to be made in or to its Unit) shall incur any liability, cost or expense either: (A) in connection with the preparation, execution or submission of the applications referred to above; (B) to any contractor, subcontractor, supplier, architect, engineer or laborer on account of any Alterations made or

permitted or caused to be made by any Unit Owner; (C) to any person or entity asserting any claim for personal injury or property damage arising therefrom; or (D) arising out of a Unit Owner's failure to obtain any permit, authorization, certificate or license, or to comply with the Declaration, these By-Laws, the Rules and Regulations and the provisions of any Legal Requirements insofar as the same relates to Alterations. A Unit Owner making or causing, permitting or suffering any tenant or occupant to make, any Alteration shall be deemed to have agreed to indemnify, defend and hold the Board, the Managing Agent and all other Unit Owners harmless from and against any liability, loss, cost, or expense arising therefrom, and from and against any and all loss, cost, expense (including, but not limited to, attorneys' fees and disbursements), damage, injury or liability, whether direct, indirect or consequential, resulting from, arising out of, or in any way connected with, any of the foregoing.

6.7.5 Any application to any department of the City of New York or to any other governmental authority having jurisdiction thereof for a permit to make an Alteration in or to any Unit shall, if and to the extent required by law or such department or authority, be executed by the Board, in the case of any Alteration which such party has approved (or for which its approval is not required), provided that the Board shall not incur any liability, cost or expense in connection with or by reason of executing such application.

6.7.6 Notwithstanding anything to the contrary contained in this Section 6.7 (but subject to all Legal Requirements), however, Sponsor and its designees shall each have the right pursuant (and subject) to the terms of the Declaration, without the approval of the Board: (i) to make any Alterations in or to any Unsold Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary (including, without limitation, those required under the Offering Plan, any Purchase Agreement or otherwise); and (ii) to subdivide, combine and change the boundary walls of Unsold Units. Additionally, any initial purchaser of any Unsold Unit shall have the right, without approval of the Board, to make any Alterations in or to its Unit, provided that Sponsor or its designee has consented to the same in writing at or prior to the closing of title to such Unit (which consent may be withheld or conditioned in Sponsor's sole discretion), that such purchaser obtains all necessary approvals required by law, and that such purchaser complies with all of the other requirements of this Section 6.7.

6.7.7 In addition to the requirements set forth above in this Section 6.7, until a permanent Certificate of Occupancy is obtained for the Building, no Residential Unit Owner shall make any Alterations in or to its Unit without first notifying Sponsor of the same in writing and complying with Sponsor's requirements with respect to the same. Such requirements may include, without limitation, the following:

(a) such work not include any change that would result in a delay in obtaining a temporary or permanent Certificate of Occupancy for the Building, or any amendment to, or extension of, the same if theretofore issued;

(b) such Unit Owner post a bond or other similar security that is reasonably acceptable to Sponsor in an amount sufficient (in Sponsor's reasonable judgment) to ensure the diligent completion of the work and the filing of any required notices or certificates with respect to such work and the completion of the same with all governmental authorities having jurisdiction;

(c) such work not be commenced until such 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;

(d) 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;

(e) Sponsor and its representatives shall be given reasonable opportunity, from time to time, to inspect such work as it progresses;

(f) promptly after the completion of such work, all necessary inspections and approvals of the same 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;

(g) such Unit Owner shall indemnify, defend 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 a Legal Requirement or due to any delay in obtaining a temporary or permanent Certificate of Occupancy for the Building (or any amendment to, or extension of, the same if theretofore issued) as a result of such work or the failure to timely make all appropriate governmental filings in connection with the same; and

(h) all contractors shall be duly licensed to the extent required by applicable Legal Requirements 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 Board), such work shall be performed solely by union members.

If any Residential Unit Owner commences any such Alterations in violation of the foregoing terms and conditions, or fails to comply with the reasonable requirements of Sponsor in connection with the same, Sponsor shall be entitled to cause such work by such Unit Owner to be halted, including, without limitation, causing the Managing Agent to deny access to the Building to the Unit Owner's workers and suppliers, until such Unit Owner so complies. During the period until such Unit Owner is permitted hereunder to resume its work, Sponsor shall have the right to cause to be performed (whether by Sponsor, its designee or otherwise) any and all work in and to such Unit Owner's Unit as shall be necessary, in Sponsor's or its designee's sole judgment, in order to avoid any delay in obtaining a temporary or permanent Certificate of Occupancy for the Building (or any amendment to, or extension of, the same if theretofore issued), 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 so performed shall be borne by such Unit Owner and shall be paid to Sponsor within fifteen (15) days of Sponsor's written demand therefor.

6.7.8 Alterations to Retail Unit. The Retail Unit Owner may make Alterations in or to its (including any decorations that are compatible with the first class character and location of the Building and installing equipment on any rooftop area (as described below)) which, in each such case, comply with applicable Legal Requirements, without obtaining the approval of the Board, except that Alterations which would affect the structural, mechanical, electrical or plumbing elements of the Building, or the exterior appearance of the Building, shall be subject to the approval of the Board, which shall not be unreasonably withheld. In the event that a dispute arises between the Retail Unit Owner and the Board regarding any Alteration subject to the Board's approval (or which the Board asserts is subject to its approval), such dispute shall be submitted to arbitration in accordance with the terms of Article 11 of these By-Laws, provided that the parties shall cause such arbitration to proceed in an expedited manner. The Retail Unit Owner will be granted reasonable access to all parts of the Building (other than the interior of Residential Units) to which such Retail Unit Owner reasonably requires access in order to perform any work or alterations desired by such Retail Unit Owner thereof and permitted or required to be made by such Retail Unit Owner hereunder.

6.8 Alterations to Common Elements. Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions or improvements in or to the Common Elements will be made by the Board. Except as otherwise expressly provided in these By-Laws, the costs of alterations, additions or improvements to the General Common Elements will be charged to all Unit Owners as a Common Expense; and costs attributable to the Residential Limited Common Elements will be charged to all Residential Unit Owners in the proportion that their respective Common Interests bear to the aggregate Common Interests of all Residential Unit Owners. Whenever, in the judgment of the Board, the Common Elements require additions, alterations, improvements, or repairs which are capital in nature and would cost more than $250,000 (subject to increase by the CPI Increase Factor), in the aggregate, in any calendar year, such additions, alterations, improvements or repairs may not be made unless the same have been approved by the Unit Owners owning a majority of the Common Interests of all Units liable for the cost thereof pursuant to the preceding sentence, including Sponsor, if it then owns any Unit, at a duly constituted meeting of Unit Owners and by the representatives of institutional mortgagees of Units, if any, appointed pursuant to the By-Laws (the "Mortgagee Representatives"), or unless the same is a non-capital repair or necessary to comply with applicable Legal Requirements, to remedy any violation imposed against the Property, to comply with a proper work order of an insurer of the Property, or for the health or safety (but not the general comfort or welfare) of the residents or occupants of the Property. In any such event, the Board may, in its discretion, assess each Unit Owner liable therefor for his or her pro-rata share of the cost of such additions, alterations, or improvements, according to his or her Common Interest, as part of the Common Charges. Any additions, alterations, or improvements costing $250,000 (subject to increase by the CPI Increase Factor) or less, in the aggregate, in any calendar year or which is a non-capital repair may be made by the Board without the approval of the Unit Owners.

6.9 Use of Residential Units. A Residential Unit may be used only for residential purposes and, subject to compliance with these By-Laws, for a lawful home occupation as defined in the Zoning Resolution (a New York City zoning resolution affecting use and occupancy). A Residential Unit may only be occupied by: (i) any individual who is a Residential Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any

corporation which is a Residential Unit Owner or permitted lessee; (iii) any partner or employee of any partnership which is a Residential Unit Owner or permitted lessee; (iv) any member or employee of any limited liability company which is a Residential Unit Owner or permitted lessee; (v) the fiduciary or beneficiary or employee of any fiduciary which is a Residential Unit Owner or permitted lessee; (vi) any principal or employee of any other entity (including, but not limited to, embassies and consulates of foreign governments) which is a Residential Unit Owner or permitted lessee; provided that in each instance in clauses (ii) through (vi) above: (A) the designated officer, director, shareholder, partner, member, fiduciary, beneficiary, principal or employee is designated as the primary occupant of the Residential Unit and is not being designated to use the Residential Unit on a transient basis or as other than the primary occupant; and (B) such use is not, in fact or in effect, part of in furtherance of a program, plan, entity, agreement or other arrangement providing for short-term, fractional or shared use and/or ownership of such Unit; and (vii) family members, domestic employees and/or non-paying guests of any of the foregoing.

6.10 Use of Storage Closets.

6.10.1 Permitted Users

(a) To help protect the security of the Building, a Storage Closet must at all times be used by a Residential Unit Owner, provided, however, that the foregoing restriction shall not apply: (i) to Sponsor or its designee; or (ii) to the Board or its designees. Purchasers of Residential Units will be assigned a Storage Closet at Closing. Storage Closets are designated as Residential Limited Common Elements for the exclusive use of the Residential Unit Owners of the Residential Units to which such Storage Closet is appurtenant.

(b) The Board has the authority to promulgate additional rules regarding the use of and access to the Storage Closets.

6.10.2 Storage Closets may only be used for storage purposes, and in no event may a Storage Closet be used as a dwelling space or for the storage of toxic or inflammable items or Combustibles (as such term is defined in the New York City Building Code). No materials which pose a health or safety threat or which otherwise create a nuisance may be stored therein. Notwithstanding the foregoing, Sponsor or its designee shall have the right to use any unassigned Storage Closets for any lawful purpose or to change the permitted use of any unassigned Storage Closets, subject, however, to the provisions of the Declaration.

6.10.3 Each Residential Unit Owner shall be liable for all damage arising out of such Residential Unit Owner's use or misuse of its Storage Closet. Neither the Sponsor, nor its respective agents or employees shall be liable for any theft or damage to any property stored in the Storage Closets. Each Residential Unit Owner shall indemnify and hold Sponsor and its respective directors, officers, partners, parent and subsidiary and affiliated companies, agents and employees, harmless from and against any and all liabilities, claims, causes of action, damages, lawsuits, penalties, judgments and liens, together with any related costs and expenses, including but not limited to reasonable legal fees, asserted against or sustained by any of them in connection with any act, omission or negligence of a Residential Unit Owner or a Residential

Unit Owner's family, servants, employees, agents, guests and invitees in connection with the use of a Storage Closet.

6.11 Use of Common Elements; Use of Adjacent Sidewalks.

6.11.1 Except as otherwise provided herein or in the Declaration, Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.11.2 In no event shall any Unit Owner impair, restrict or impede the use of the Common Elements by any other Unit Owner or anyone claiming by, through or under any other Unit Owner.

6.11.3 The Owner or Owners of any one or more Residential Units, which Unit or Units are the only Unit or Units serviced or benefited by any Common Element adjacent or appurtenant thereto (for example, that portion at the end of any hallway which is directly adjacent to any such Units located on opposite sides of such hallway) and not affecting access in any material way or service (including, without limitation, heating, ventilating and air conditioning) to any other Unit or to any other portion of the Common Elements shall, to the extent permitted by applicable law and subject to the consent of the Board (which consent may be granted or withheld in the Board's sole discretions and shall not be required if the Unit Owner or Owners shall be Sponsor or its designee), have the exclusive right to use that portion of the Common Elements as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion) and no amendment to the Declaration nor reallocation of Common Interests shall be made by reason thereof; provided, however, that notwithstanding the provisions of Subsection 6.1 hereof, such Unit Owner or Owners, at their sole cost and expense, shall (a) be responsible for the operation, maintenance and repair of that portion of the Common Elements for so long as such Unit Owner or Owners exercise such exclusive right of use, and (b) restore that portion of the Common Elements to its original condition, reasonable wear and tear excepted, after such Unit Owner or Owners cease to exercise such exclusive right of use. The owner of any such Units which are Unsold Units shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board.

6.11.4 Notwithstanding the foregoing and subject to any easements set forth in Article 14 of the Declaration, the shared common corridor (the "Private Entry Foyer"), as shown on the Floor Plans, which are immediately outside Residential Unit PH-10, PH-8A and PH-8B, shall be for the exclusive use of the Owner of such Residential Units, and may be decorated and/or furnished by such Residential Unit Owners, at their sole cost and expense. Such Residential Unit Owner, and not the Condominium Board, will be responsible for keeping the décor and furnishings in each Private Entry Foyer in a first class condition and state of repair and performing, at such Residential Unit Owner's sole cost and expense., all repairs and maintenance necessary or desirable in order to accomplish the same. Notwithstanding the foregoing, no decoration or alteration shall be made in or to the Private Entry Foyer and no items of personal property shall be placed whether temporarily or permanently therein, to the extent same shall: (i) constitute a violation of any applicable law or insurance requirement; (ii) cause the building or any part thereof to fail to comply with any applicable law or insurance requirement, including,

but not limited to, obstruct the fire stairs and required clearance of and access thereto; or (iii) affect any building systems, equipment or structures including, without limitation, HVAC, electrical, plumbing or life safety.

6.11.5 Notwithstanding anything to the contrary contained herein, Sponsor and its designees shall have the right, until the tenth (10th) Anniversary of the First Closing (or until no Unsold Units remain, if earlier), to use portions of the General Common Elements, without charge, for exhibitions or for other promotional functions with respect to the sale and leasing of Unsold Units.

6.11.6 The Retail Unit Owner shall not:

(a) permit its or its occupants' respective employees, agents, heirs, distributees, executors administrators, legal representatives, successors, and assigns, to enter or use the Building's lobby or other public areas of the Building, nor have access or use of any kind of the Building's elevators, except in an emergency.

(b) except in an emergency, permit, bring into, or have delivered from the street, any deliveries whatsoever, to its Retail Unit through the lobby of the Building; and all deliveries of any kind on behalf of a Retail Unit Owner or any other occupant of a Retail Unit, shall be made through the Retail Unit;

(c) display, or permit to be displayed, any merchandise, nor maintain, or permit to be maintained, any stand or counters upon any part of the sidewalk in front of or adjoining its Retail Unit or the Building; or

(d) permit or allow to be placed any table, seat, bench, or other form of outside seating on the sidewalks outside of its Retail Unit.

6.12 Right of Access.

6.12.1 Each Unit Owner grants a right of access to its Unit to the Board, the Managing Agent and/or any other person authorized by any of the foregoing, for the purposes, among others, of: making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property; curing defaults hereunder or under the Declaration or Rules and Regulations by such Unit Owner or correcting any conditions originating in its Unit and having a reasonable likelihood of causing damage to another Unit or all or any part of the Common Elements; performing maintenance, installations, alterations, repairs or replacements to the mechanical, plumbing or electrical services or other portions of the Common Elements within its Unit or elsewhere in the Building; reading, maintaining or replacing utility meters relating to the Common Elements, its Unit or any other Unit in the Building; or correcting any condition which violates the provisions of any Permitted Mortgage covering another Unit; provided that (a) requests for entry to any Unit are made not less than one day in advance and (b) any such right shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business by tenants and occupants of the Retail Unit or with the use of the other Units for their permitted purposes. In case of an "emergency", as defined in subsection 6.6.4, such right of entry shall be immediate, without advance notice, whether or not the Unit Owner or tenant is present.

6.12.2 Each Unit Owner grants a right of access to its Unit and, in the case of a Residential Unit, any Residential Limited Common Elements appurtenant thereto, and the Board shall grant rights of access to the General Common Elements, to Sponsor and its contractors, subcontractors, agents and employees, for the purpose of complying with and fulfilling each such party's obligations as set forth in the Offering Plan, provided that access thereto shall be exercised by such party, with respect to any Unit or Residential Limited Common Element, in such a manner as will not unreasonably interfere with the use of the Unit or Residential Limited Common Element for its or their permitted purposes.

6.13 Rules and Regulations. Annexed hereto as Exhibit A and made a part hereof are rules and regulations (the "Rules and Regulations") concerning the use of the Units and Common Elements. The Board may from time to time modify, amend or add to such Rules and Regulations, except that (a) a Majority of Unit Owners may overrule the Board with respect to any such modification, amendment or addition and (b) no such adoption, modification, amendment or addition affecting Sponsor or the Unsold Units may be made unless agreed to, in writing, by Sponsor or its designee; and (c) any such adoption, modification, amendment or addition which adversely affects the Retail Unit shall require the consent of the subject Retail Unit Owner. Copies of any newly adopted Rules and Regulations, or any modifications, amendments or additions thereto shall be furnished by the Board to each Unit Owner not less than 30 days prior to the effective date thereof.

6.14 Real Estate Taxes, Water Charges and Sewer Rents.

6.14.1 Water and sewer services for the Building shall be supplied by the City of New York or other utilities servicing the Property. Unless and until water charges and sewer rents are billed directly to Unit Owners by the proper authority, the Board shall promptly pay such charges, together with all related sewer rents arising therefrom, and allocate such costs as a Common Expense among the Unit Owners, or the Residential Unit Owners, as applicable, as reasonably determined by the Board, based on Common Interests, and the Unit Owners shall be required to reimburse the Board, as a Common Charge, for their share of such charges and rents. In the event Sponsor pays such charges on behalf of the Board, (a) the Board and/or Unit Owners shall be required to reimburse Sponsor for such charges, or (b) Sponsor shall be entitled to offset the amount paid for such charges against future costs allocated to Sponsor.

6.14.2 Until the Units are separately assessed and billed for real estate tax purposes, the Board will pay all real estate taxes with respect to the Property to the Department of Finance of the City of New York (or directly to Sponsor if Sponsor has paid such taxes) and allocate the cost thereof among all Units in proportion to their respective Common Interests. Each Unit Owner will then reimburse the Board for his or her allocated share. Such reimbursement shall be payable as if it were a Common Charge. In the event Sponsor pays such taxes on behalf of the Board, Sponsor shall be entitled to offset the amount paid against future costs allocated to Sponsor. Such taxes will be paid in a timely manner so that no lien will be placed on the Condominium Property or any Unit. If Sponsor fails to pay real estate taxes attributable to any Unsold Unit in a timely manner and as a result of such failure a lien is placed on the Condominium Property and/or any other Unit, Sponsor will immediately cause such lien to be removed at its sole cost and expense.

6.14.3 In the event of a proposed sale of any Unit, the Board (so long as the Board is still collecting and paying such real estate taxes and/or water charges and sewer rents), upon the written request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to such purchaser's title company, a letter agreeing to promptly pay all such taxes, charges and rents affecting such Owner's Unit to the date of the closing of title to such Unit.

6.14.4 The Board shall commence, pursue, compromise and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to any or all of the Residential Units on behalf of and as agent for the respective Residential Unit Owners thereof, but only with respect to such Residential Units as to which the respective Unit Owners thereof have, in writing requested and authorized the Board to do so, and indemnified the Board from and against all claims, costs and expenses (including, without limitation, attorneys' fees) resulting from such proceedings. All Residential Unit Owners making such request to the Board will share the costs in connection therewith in proportion to the benefits derived therefrom by such Unit Owners. In the event any Unit Owner individually seeks to have the assessed valuation of its Unit reduced by bringing a separate certiorari proceeding, the Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing, such reduction, provided that such Unit Owner indemnifies, defends and holds the Board harmless from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) resulting from such proceedings.

6.15 Electricity. Electricity for each Unit will be directly metered to the Owner thereof. Consumption with respect to the Common Elements will be determined by a separate meter and allocated by the Board among the Units or the Residential Units, as applicable, on the basis of percentage of Common Interest.

6.16 Gas. Gas for the Residential Units will be directly metered to the Residential Unit Owners for gas consumed in the Residential Units. Consumption with respect to the Common Elements will be determined by a separate meter and allocated by the Board among the Units or the Residential Units, as applicable, on the basis of percentage of Common Interests. There is no gas service at the Building for the Retail Unit.

6.17 Dispute as to Utilities Charges. In the event that there is a dispute as to the accuracy of assessing the charges for a utility upon the basis of usage, and the disputing Unit Owners and/or the Board fail to agree on a manner to accurately allocate such costs, the matter shall be determined by Arbitration.

6.18 Remedies for Violations of By-Laws or Rules and Regulations by Unit Owners.

6.18.1 The violation of any of the Rules and Regulations or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to any other rights set forth in these By-Laws or the Declaration, (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 Board shall not thereby be deemed guilty or liable in any matter of trespass, and/or (ii) to enjoin, abate or remedy by appropriate legal

proceedings, either at law or in equity, the continuance of any such violation or breach, provided that the Board gives the Unit Owner notice (which may be by telephone, electronic mail or facsimile) that such violation exists, that repairs or replacements are necessary and that the 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 Board may deem appropriate, and the Board shall have the same remedies for non-payment of such fines and penalties as for non-payment of Common Charges.

6.18.2 The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Sponsor or its designee shall give to Sponsor and its designee the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

6.19 Use of Retail Unit. The Retail Unit may be used for any lawful purpose. No part of the Retail Unit may be used as a pornography store, massage parlor, drug treatment facility or homeless shelter. No income derived from any use of the Retail Unit will constitute income to the Board or the Residential Unit Owners.

ARTICLE 7

MORTGAGES

7.1 Notice to Board. Each Unit Owner shall have the right to mortgage its Unit, subject only to the terms and conditions set forth in this Article 7. A Residential Unit Owner who mortgages its Unit owned by such Unit Owner, or the holder of such mortgage, shall notify the Board of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Board, and such Unit Owner shall, prior to the making of such mortgage, satisfy all unpaid liens against its Unit, other than Permitted Mortgages. A Residential Unit Owner who satisfies a mortgage covering its Unit shall so notify the Board and shall file a conformed copy of the satisfaction of mortgage with the Board. The Retail Unit Owner may mortgage its Unit(s) without any restriction or limitation.

7.2 Notice to Mortgagees of Default and Unpaid Common Charges. Whenever so requested in writing by a Permitted Mortgagee of a Unit, the Board shall promptly report to such Permitted Mortgagee any default in the payment of Common Charges or any other default by the Unit Owner of such Unit under any of the provisions of the Declaration or these By-Laws which, to the Board's knowledge, may then exist. The Board, when giving notice to a Unit Owner of any such default, shall also send a copy of such notice to any Permitted Mortgagee thereof, if so requested in writing by such Permitted Mortgagee; however, the Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of such default by its mortgagor, provided that the Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure.

7.3 Performance by Permitted Mortgagees. The Board shall accept payment of any sum of money or performance of any act by any Permitted Mortgagee of a Unit Owner required

to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations, with the same force and effect as though paid or performed by such Unit Owner.

7.4 Examination of Books. Each Unit Owner and Permitted Mortgagee shall be permitted to examine the books of account of the Condominium upon reasonable prior notice, at reasonable times on business days, but not more frequently than once a month.

7.5 Representatives of Mortgagees.

7.5.1 The holders of Institutional Mortgages constituting a majority of the outstanding principal amount of all Institutional Mortgages encumbering the Residential Units may, at their election, designate in writing to the Board one or more (but not more than three (3)) representatives ("Residential Mortgagee Representatives"), which Residential Mortgagee Representatives shall be empowered to act on behalf of all holders of Institutional Mortgages encumbering the Residential Units with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. The holders of Institutional Mortgage(s) encumbering the Retail Unit may, at their election, designate in writing to the Board the holder of the highest mortgage encumbering the Retail Unit, or its designee, corporate or otherwise, as their representative (the "Retail Mortgagee Representative"), which Retail Mortgagee Representative shall be empowered to act on behalf of all holders of Institutional Mortgages encumbering the Retail Unit with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Mortgagee Representatives are so designated and notice thereof is given to the Board, the act of any such Representative (or a majority of such Representatives, if more than one is so designated) shall be deemed binding upon the holders of all Institutional Mortgages encumbering the Residential Units or the Retail Unit, respectively. As used herein, the term "Institutional Mortgage" means any first mortgage covering a Unit or Units, (a) which is a Permitted Mortgage or a mortgage encumbering a Unit then owned by Sponsor or its designee, and (b) the initial holder of which is (i) Sponsor or its designee, (ii) a savings bank, savings and loan association, bank, trust company, insurance company, real estate investment trust or mortgage trust, or (iii) a Federal, state, municipal, teachers', union or corporate employee, welfare, pension or retirement fund or system. The Residential Mortgagee Representatives and Retail Unit Mortgagee Representative are sometimes referred to collectively herein as the "Mortgagee Representatives."

7.5.2 Any designation of a Residential Mortgagee Representative or Retail Unit Mortgagee Representative shall remain effective until a subsequent designation is made pursuant to the provisions hereof and notice of such subsequent designation is given to the Board.

7.6 Consent of Mortgagees. Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any Mortgagee shall be required with respect to any determination or act of the Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against its mortgagor.

ARTICLE 8

SELLING, LEASING AND MORTGAGING OF UNITS

8.1 Sales and Leases of Units. No Unit Owner (other than Sponsor or its designee) may sell or lease its Unit except by complying with the provisions of this Article 8 and, specifically, this Section 8.1. Subject to the terms of Section 8.7 hereof, each Residential Unit Owner may sell its Unit, or lease its Unit for terms of one (1) year or more only (or for such other period of time as may be determined by the Unit Owners pursuant to an amendment of this provision in accordance with Section 13.1).

8.1.1 Subject to the terms of Section 8.8, any contract to sell a Residential Unit, together with its appurtenant Common Interest, or any lease of a Residential Unit (collectively, the "Sale Agreement or Lease") shall contain the following provision: "This Agreement, and the rights and obligations of the parties hereunder, are hereby expressly subject to the right of first refusal of the Board of Managers of 32 East 1st Street Condominium in respect of the transaction described herein, pursuant to the terms of Article 8 of the By-Laws of 32 East 1st Street Condominium." (The Residential Unit Owner who has entered into a Sale Agreement or Lease is herein referred to as the "Offeree Unit Owner" and the prospective purchaser or tenant is herein referred to as the "Outside Offeror.")

(a) Promptly after a Sale Agreement or Lease has been fully executed, the Offeree Unit Owner shall send written notice thereof to the Board, by certified or registered mail, return receipt requested, or by reputable courier providing overnight delivery; such notice shall be accompanied by a fully completed application package, which the Offeree Unit Owner shall obtain from the Managing Agent, together with a fully executed duplicate original of the Sale Agreement or Lease and any and all related agreements, containing all of the terms offered in good faith by the Outside Offeror. The giving of such notice to the Board shall constitute an offer by the Offeree Unit Owner to sell its Unit, together with its appurtenant Common Interest, or to lease its Unit, as the case may be, to the Board, or its designee, (as the representative of all Residential Unit Owners), upon the same terms and conditions as contained in such Sale Agreement or Lease, and shall also constitute a representation and warranty by the Offeree Unit Owner to the Board (as the representative of all Residential Unit Owners), that such Sale Agreement or Lease is bona fide in all respects and contains the complete terms of the transaction. The Offeree Unit Owner shall promptly submit in writing such further information with respect thereto as the Board may reasonably request. Not later than twenty (20) days after receipt of such information, the Board may elect, by sending written notice, by certified or registered mail, return receipt requested, or by nationally recognized overnight courier, to such Offeree Unit Owner before the expiration of such twenty (20) day period either to purchase such Unit, together with its appurtenant Common Interest, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee), on behalf of all Unit Owners, upon the same terms and conditions as contained in the Sale Agreement or Lease, as such terms and conditions may be modified or supplemented by any additional information provided by the Offeree Unit Owner in response to the Board's requests for information as provided above.

8.1.2 If the Board shall timely elect to purchase such Unit, together with its appurtenant Common Interest, or to lease such Unit, as the case may be, or to cause the same to

be purchased or leased by its designee, title shall close or a lease shall be executed at the office of the attorneys for the Board, in accordance with the terms of the Sale Agreement or Lease within sixty (60) days after the giving of notice by the Board of its election to accept such offer. However, if the closing date of the purchase or the commencement date of the term of the lease, as the case may be, set forth in the Sale or Lease Agreement shall be later than sixty (60) days after the giving of notice by the Board of its election to accept the aforesaid offer, the Board shall be required to perform or cause to be performed all of the terms of the Sale Agreement or Lease that are required to be performed by the Outside Offeror (except as otherwise expressly set forth in this Article 8), including, but not limited to, payment of a downpayment or advance rentals and security deposits, or closing of title or acceptance of occupancy, as the case may be, and such closing of title or the commencement of the term of the Lease shall be on the date set forth in the Sale Agreement or Lease as the intended closing date or commencement date, as the case may be. If, pursuant to such Sale Agreement or Lease, the Outside Offeror was to assume or take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, in the case of a sale, the Board may purchase the Unit and assume or take title to the Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Unit (together with its appurtenant Common Interest) is to be sold, shall convey the same to the Board, or its designee, as the representative of all Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York. Real estate taxes (including water charges and sewer rents, if separately assessed), mortgage interest, if applicable, Common Charges and rent, if applicable, shall be apportioned between the Offeree Unit Owner and the Board, or its designee as of the closing date. In the event such Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Board, or its designee, a lease between the Offeree Unit Owner, as landlord, and the Board, or its designee, as tenant, covering such Unit, for the rental and term contained in the Lease.

8.1.3 If the Board or its designee shall fail to accept such offer within twenty (20) days after receipt of notice and all other documents and information to be provided under this Article 8, or waives such election in writing within such twenty (20) day period, the Offeree Unit Owner shall have until (a) an additional sixty (60) days after the earlier of (i) the expiration of such twenty (20) day period or (ii) the Board's waiver in writing by the Board or (b) such later date for closing or occupancy provided in the Sale Agreement or Lease, as applicable to consummate the transaction set forth in the Sale Agreement or Lease. In the event the Offeree Unit Owner shall not, within such sixty (60) day period (or by such later date for closing or occupancy provided in the Sale Agreement or Lease, as applicable), so consummate the transaction, or should the terms of the Sale Agreement or Lease be amended or modified in any way (whether orally, in writing or by a side agreement) to be on terms less favorable to the Offeree Unit Owner, then the Offeree Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1.

8.1.4 Any deed to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the provisions of the Declaration, these By-Laws and the Rules and Regulations, in each case as the same may be amended from time to time, and, in the absence of such express language, the same shall be conclusively deemed to have been included therein.

8.1.5 Any Lease to an Outside Offeror shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned without the prior consent in writing of the Board, that the tenant shall not assign its interest in such Lease or sublet the demised premises or any part thereof without the prior consent in writing of the Board and that the Board shall have power to terminate such Lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of: (i) a default by the tenant in the performance of its obligations under such Lease or a default by or caused by such tenant under any of the provisions of these By-Laws; or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York, the Declaration, these By-Laws or otherwise. Such Lease shall also provide that it is and shall be subject and subordinate to the Declaration, these By-Laws and the Rules and Regulations. In the event a tenant under a Lease acts in violation of the provisions of the Rules and Regulations, the Board shall have the right to deny any request for renewal of the term of such Lease without having to waive its right of first refusal as is otherwise required pursuant to Sections 8.4 and 8.5 herein.

8.1.6 Except as hereinbefore set forth, the form and substance of any such Lease executed by the Board or an Outside Offeror shall be the then current form of lease approved by the Board (as the same may be changed from time to time). Any Lease executed by the Board as tenant shall provide that the Board may enter into a sublease of the demised premises without the consent of the landlord and without paying to the landlord any portion of the rent received from the subtenant.

8.1.7 If an Offeree Unit Owner is a corporation, any sale, assignment, transfer or other disposition of any of its stock or if an Offeree Unit Owner is a partnership, limited liability company or other entity, any sale, assignment, transfer or other disposition of any interest in such partnership, company or other entity, in each case, other than through any recognized national securities exchange or "over-the-counter" market, which results in a change in the majority beneficial or legal ownership of such entity, shall also subject the Unit owned by such entity to the requirement that the Unit first be offered to the Board, as described in this Section 8.1.

8.1.8 Any purported sale or lease of a Unit in violation of this Section 8.1 shall be voidable at the election of the Board and if the Board shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board to institute legal proceedings to eject or evict the purported purchaser or tenant, as the case may be, in the name of such Unit Owner as the purported seller or landlord, as the case may be. Such Unit Owner shall reimburse the Board for all expenses (including, without limitation, attorneys' fees and expenses) incurred in connection with such proceedings, promptly upon demand therefor. In no event shall any purported sale or lease of a Unit in violation of this Section 8.1 release the Unit Owner who is the purported seller or lessor, as the case may be, from any of its obligations under the Declaration or these By-Laws, whether or not such sale or lease is voided by the Board.

8.1.9 If the Board exercises its right of first refusal to purchase or to lease pursuant to Section 8, the Offeree Unit Owner shall have the right to proceed with sale or lease to the Board, or alternately, shall have the right to withdraw the Sale Agreement or Lease, as applicable, as presented to the Board. The Offeree Unit Owner must notify the Board of any

such withdrawal within five (5) days of the Offeree Unit Owner's receipt of notice of the Board's exercise of its right of first refusal.

8.2 Consent of Unit Owners to Purchase or Lease of Units by Board. Subject to the remaining provisions of these By-Laws and the Declaration, the Board may not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority in interest of the Unit Owners. Any such lease shall be in the form and substance then approved by the Board (as the same may be changed from time to time), including provisions such as a prohibition on assignment or subletting. The Board shall have the right to release or waive such option without the prior approval or a vote of the Unit Owners.

The Board, in its sole discretion and without the approval of the Unit Owners, may obtain and close on mortgage loan financing in such amount as it determines, subject to limitations hereafter set forth, to finance the purchase of any Unit as to which the Board exercises its right of first refusal pursuant to Section 8.1, provided that: (i) such mortgage is secured by a first lien on the Unit being purchased, and (ii) the principal amount of such mortgage does not exceed the purchase price for the Unit plus the amount of closing costs incurred by the Board in connection with such purchase and related mortgage financing.

As to any purchase of a Unit by the Board, and related mortgage loan financing, pursuant to the exercise by the Board of its right of first refusal under Section 8.1: (i) the Board shall be required to comply with all terms related to financing of purchase of such Unit as are contained in the Sale Agreement for such Unit as negotiated by the Unit Owner and as presented to the Board pursuant to Section 8.1, and (ii) the Board shall be required to close on its purchase of such Unit within sixty (60) days of the date set for closing in such Sale Agreement or sixty (60) days of date of notification of exercise of right of first refusal, whichever is later.

8.3 No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to its Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant Common Interest 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 Common Interests of all Units. Nothing in this Section 8.3 shall prohibit the lease of any Unit without the simultaneous lease of its appurtenant Common Interest.

8.4 Release by Board of Right of First Refusal. The right of first refusal contained in Section 8.1 may be released or waived by the Board only in the manner provided in Section 8.5. In the event the Board shall release or waive its right of first refusal as to any Unit, such Unit, together with its appurtenant Common Interest, may be sold, conveyed or leased in accordance with the Sale Agreement or Lease and the other information supplied by the Offeree Unit Owner to the Board pursuant to Section 8.1 hereof, subject to the provisions of subsection 8.1.3. The Board may establish reasonable fees for its consideration of any right of first refusal, which fees

shall be payable by the selling or leasing Unit Owner (but not Sponsor or its designee), as the case may be, to the Managing Agent.

8.5 Certificate of Termination of Right of First Refusal. A certificate executed and acknowledged by the Secretary or any other officer of the Condominium stating that the provisions of Section 8.1 have been satisfied by a Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the Board and that, as a result thereof, the rights of the Board thereunder have terminated, shall be conclusive upon the Board and the Unit Owners in favor of all persons who rely on such certificate in good faith.

8.6 Financing of Purchase, or Refinancing, of Units by Board. The purchase of any Unit together with its appurtenant Common Interest, by the Board or its designee, on behalf of all Unit Owners, may, at the option of the Board, be made from the funds deposited in the capital and/or expense accounts of the Board by or on behalf of Unit Owners. The Board may levy an assessment against each Unit Owner, in proportion to its respective Common Interest, as an additional Common Charge, and/or the Board, in its discretion, may finance the acquisition of such Unit and subsequently refinance such Unit (on such terms and in such amount(s) as the Board determines); provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Condominium Property (except to the extent permitted by law) other than the Unit to be purchased or refinanced, as the case may be, together with its appurtenant Common Interest.

8.7 Exceptions. In addition to any other exceptions herein before set forth, the provisions of Section 8.1 shall not apply to the lease, sale or conveyance of any Unit, together with its appurtenant Common Interest, by: (a) the Residential Unit Owner thereof to his or her spouse, adult children, parents, adult siblings or to any combination of them, or to a trust for the benefit of any one or more of them and/or any one or more minor children of any of them (collectively, "family members"), or to any affiliate (an "affiliate" being defined as for purposes hereof as a person or entity that owns fifty percent (50%) or more of the legal and beneficial interest of such Unit Owner or owner of an interest in a Unit Owner, as the case may be, or an entity with respect to which such Unit Owner or owner of an interest in a Unit Owner owns fifty percent (50%) or more of the legal and beneficial interest) of the Residential Unit Owner thereof or the owner of any controlling interest in a Residential Unit Owner which is a corporation, partnership, limited liability company or other entity; (b) Sponsor or its designee with respect to Unsold Units; (c) the Board; (d) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure; or (e) a Permitted Mortgagee or its nominee, who has acquired title to any Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu of such foreclosure delivered in a bona fide transaction; provided, however, that each succeeding Unit Owner shall be bound by, and its Unit shall be subject to, all of the provisions of this Article 8. In addition, the provisions of Section 8.1 shall not apply to any lease, sale or conveyance of: (i) a Residential Unit to a Permitted Mortgagee or a purchaser at a foreclosure sale of a Permitted Mortgage in connection with a foreclosure or sale in lieu of same; or (ii) the Retail Unit or any part thereof, together with its Common Interest.

8.8 Gifts, Devises and Intestate Transfers. Any Unit Owner shall be free to convey or transfer his or her Unit by gift, or may devise his or her Unit by will, or have his or her Unit pass

by intestacy, without complying with the provisions of Section 8.1, provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, the provisions of this Article 8.

8.9 Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common. In the event that any Unit shall be acquired by the Board or its designee, on behalf of all Unit Owners, as tenants-in-common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit and the entire Property as herein provided.

8.10 Payment of Assessments. No Unit Owner shall be permitted to sell, convey, mortgage, pledge, hypothecate or lease its Unit unless and until it shall have paid in full to the Board all unpaid Common Charges and other amounts required by the Board to be paid and theretofore assessed by the Board against such Unit and until such Unit Owner shall have satisfied all unpaid liens against its Units, other than Permitted Mortgages. Each Unit Owner shall notify the Managing Agent at least five (5) business days prior to the closing of any of the aforementioned transactions for confirmation of any unpaid amounts.

8.11 Mortgage of Units. Subject to Article 7 and Section 8.10, each Unit Owner shall have the right to mortgage its Unit without restriction.

ARTICLE 9

CONDEMNATION

In the event of the taking in condemnation or by eminent domain of all or any part of the Common Elements, then, subject to the provisions set forth below, the Board will arrange for the prompt repair and restoration of the part of the Common Elements affected by such taking. The award made for any such taking shall be payable to the Board, provided, however, that if any such award exceeds $1,000,000, such award shall be payable to the Insurance Trustee (as defined in Section 12.7 hereof) and shall be disbursed to the contractors engaged in such repair and restoration, if any, in appropriate progress payments. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed, the cost of any repairs and restorations, the deficit or surplus, as the case may be, will be: (a) borne and shared by all Unit Owners with respect to any taking of General Common Elements pro rata in accordance with their respective Common Interests percentages; and (b) borne and shared by all Residential Unit Owners with respect to any taking of the Residential Common Elements and/or Residential Limited Common Elements pro rata in accordance with their respective Common Interests percentages; provided, that the amount of any surplus payable to any Unit Owner shall be lessened by such amounts as may be necessary to reduce unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order of the priority of such liens. Notwithstanding any provisions contained herein to the contrary, if seventy-five percent (75%) or more of the Residential Common Elements, Residential Limited Common Elements and/or General Common Elements, in the aggregate, are so taken, such repairs or restorations shall not be made unless at least eighty percent (80%) in both number and aggregate Common Interests or more of all affected Unit Owners (including Sponsor or its designee, if they shall then own any Units), in aggregate Common Interests, shall promptly resolve to proceed with the same. In the event that

a sufficient number of Unit Owners shall so resolve, the repairs and restoration shall be performed as set forth above. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the repairs and restoration 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 sale, and net proceeds of any condemnation awards shall be divided among all Unit Owners: (i) first, by apportioning such proceeds in the aggregate among each class of Unit (i.e., Residential and Retail) pursuant to an appraisal of fair market values to be performed by a panel of three (3) independent appraisers (one of whom shall be selected by the Board, one of whom shall be chosen by the Retail Unit Owner, and the third chosen by the other two appraisers selected); and (ii) then, among the Unit Owners of each class of Unit in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of its share of such funds, such amounts as may be necessary to discharge all unpaid liens on its Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens. As used in this Article 9, the words "promptly resolve" shall mean not more than 60 days after the date notice is given of such taking. Any dispute between the Board and a Unit Owner under this Article 9 shall be settled by Arbitration (as provided in Article 11).

ARTICLE 10

RECORDS AND AUDITS

10.1 Records. The Board (or the Managing Agent) shall keep detailed records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Unit Owners, and financial records and books of account with respect to the activities of the Board, including a listing of all receipts and expenditures. In addition, the Board shall keep a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges and other amounts required by the Board to be paid in respect of each such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

10.2 Audits. Within four months after the end of each fiscal year, an annual report of receipts and expenditures, prepared and certified by an independent certified public accountant or an independent certified public accounting firm, shall be submitted by the Board to all Unit Owners, and to all Permitted Mortgagees of Units, who have requested the same in writing. The cost of such report submitted by the Board shall be paid by the Unit Owners as a Common Expense.

10.3 Availability of Documents. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans (as such term is defined in the Offering Plan), as the same may be amended from time to time, shall be maintained at the office of the Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours and upon reasonable prior notice.

ARTICLE 11

ARBITRATION

11.1 General Procedure. Except as may otherwise be expressly provided in these By-Laws or the Declaration, any arbitration provided for in these By-Laws or the Declaration ("Arbitration") shall be expedited arbitration conducted before one arbitrator in New York City by the American Arbitration Association or any successor organization thereto, in accordance with its rules then in effect; the decision rendered in such Arbitration shall be binding upon the parties and may be entered in any court having jurisdiction; provided that, in the case of Arbitration of issues arising under Section 6.4 and 6.5, any arbitrator shall be a real estate professional, having ten (10) or more years' experience in the field of Manhattan residential real property. Notwithstanding the foregoing, any Arbitration held pursuant to the Declaration or these By-Laws with respect to a dispute which arose prior to the first annual meeting of Unit Owners, shall be non-binding. In the event that the American Arbitration Association shall not then be in existence and has no successor, any Arbitration hereunder shall be conducted in New York City before one arbitrator appointed, on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of New York. The decision of the arbitrator so chosen shall be given within ten (10) days after his or her appointment.

11.2 Costs and Expenses. 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 a dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the parties to the dispute. Each disputant shall also bear the fees and expenses of its counsel and expert witnesses. Subject to the foregoing, all costs and expenses paid or incurred by the Board in connection with any Arbitration held hereunder (including, without limitation, the fees and expenses of counsel and expert witnesses) shall constitute Common Expenses.

11.3 Agreement by Parties. The parties to any dispute required or permitted to be submitted to Arbitration hereunder may, by mutual agreement between them, vary any of the provisions of Section 11.1 with respect to the Arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Court Determination of Disputes."

ARTICLE 12

MISCELLANEOUS

12.1 Consents. Wherever the consent, approval or satisfaction of Sponsor or its designee is required under these By-Laws or the Declaration, such consent, approval or satisfaction shall not be required when there are no remaining Unsold Units.

12.2 Waiver. No provision contained in these By-Laws or the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches thereof which may occur.

12.3 Captions. The index hereof and captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws nor the intent of any provision hereof.

12.4 Conflict. In the event the provisions of these By-Laws or the provisions of the Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

12.5 Certain References.

12.5.1 A reference in these By-Laws to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

12.5.2 The terms "herein," "hereof" or "hereunder" or similar terms used in these By-Laws refer to these By-Laws in their entirety and not to the particular provision in which the terms are used.

12.5.3 Unless otherwise stated, all references herein to Articles, Sections, subsections, subparagraphs or other provisions are references to Articles, Sections or other provisions of these By-Laws.

12.5.4 Unless otherwise expressly stated herein to the contrary, all references herein to dollar amounts shall be adjusted from time to time, after the date this Declaration is entered into, to reflect any increase in the cost of living, as reflected by an increase in the CPI Increase Factor. The term "CPI Increase Factor" as used herein shall mean an increase proportionate to any increase in the cost of living from and after the date of the initial recording of the Declaration, as reflected by the change in the Consumer Price Index (CPI-U; All Items; 1982-84 = 100 standard reference base period) for New York, New York (or the smallest measured area including New York, New York), as published by the Bureau of Labor Statistics, United States Department of Labor or, if the same ceases to be published, a commonly used substitute therefor reasonably selected by the Board.

12.6 Severability. Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law.

12.7 Insurance Trustee. The Insurance Trustee shall be a bank or trust company having an office located in the City of New York, designated by the Board and having a capital surplus and undivided profits of $500,000,000 or more. In the event the Insurance Trustee resigns or is replaced by the Board, the Board shall appoint a new Insurance Trustee which shall be a commercial bank or trust company having an office located in The City of New York and having a capital surplus and undivided profits of $500,000,000 or more, subject to increase by the CPI Increase Factor. The Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense. The Insurance

Trustee shall hold all such proceeds in accordance with Section 254(4) of the Real Property Law of the State of New York. Notwithstanding the foregoing, for so long as Sponsor's Construction Loan is outstanding, Sponsor shall have the right to designate Sponsor's Construction Lender to serve as Insurance Trustee.

12.8 Successors and Assigns. The rights and obligations of Sponsor or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Sponsor or its designee or, any transferee of ten (10) or more Units or twenty percent (20%) or more of the total number of Units in the Condominium. Subject to the foregoing, Sponsor or its designee shall have the right, at any time, in its sole discretion, to assign or otherwise transfer its interests herein, whether by merger, consolidation, lease, assignment or otherwise.

12.9 Covenant of Further Assurances.

12.9.1 Any party which is subject to the terms of these By-Laws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board, or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request, to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

12.9.2 If any Unit Owner or any other party which is subject to the terms of these By-Laws fails to execute, acknowledge or deliver any instrument, or fails or refuses, within 10 days after request therefor, to take any action which such Unit Owner or other party is required to perform pursuant to these By-Laws, then the Board is hereby authorized, as attorney-in-fact, coupled with an interest, on behalf of such Unit Owner or other party, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other party, and such instrument or action shall be binding on such Unit Owner or other party, as the case may be.

12.10 Mold. Unit Owners are advised that the prevention of the growth of mold in a Unit is the responsibility of each Unit Owner. Residential home construction is not, and cannot be, designed to exclude mold spores. Whether a Unit Owner experiences mold growth depends largely on how such Unit Owner manages and maintains his/her Unit. Unit Owners will need to take actions to prevent conditions which cause the mold or mildew, and it is the responsibility of each Unit Owner to ensure that he/she has taken the necessary precautions to prevent mold from becoming a problem in such Unit Owner's Unit. Sponsor will not be liable for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory with respect to the presence and/or existence of molds, mildew and/or microscopic spores unless caused by the gross negligence or willful misconduct of Sponsor.

ARTICLE 13

AMENDMENTS TO BY-LAWS

13.1 Amendments by Unit Owners.

13.1.1 Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting, among other things, Sponsor (or its designee), any Unsold Units, or the Retail Unit or the Retail Unit Owner, and provided that required consents of the Residential Mortgagee Representatives, if any, are obtained: (a) any provision of the Declaration, the By-Laws or the Rules and Regulations affecting only the Residential Units or the Residential Unit Owners may be amended, modified, added to or deleted by the affirmative vote of at least sixty-six and 2/3 percent (66-2/3%) in number and in Common Interest of all Residential Unit Owners; provided, however, that the same shall not be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgagee Representative, if any; (b) any provision of the Declaration, these By-Laws or the Rules and Regulations affecting only the Retail Unit or the Retail Unit Owner may be amended, modified, added to or deleted by the affirmative vote of the Retail Unit Owner (or 51% in Common Interest of the Retail Unit Owners, in the event that the Retail Unit shall at any time be subdivided into more than one Unit); provided, however, that the same shall not be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Retail Unit Mortgagee Representative, if any; (c) any provision of the Declaration, these By-Laws or the Rules and Regulations affecting the General Common Elements or all Unit Owners, may be amended, modified, added to or deleted by affirmative vote of at least sixty-six and two-thirds percent (66-2/3%) in number and in Common Interest of all Unit Owners; provided, however, that the same shall not be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgagee Representative, if any, and the Retail Mortgagee Representative, if any; and provided in each of the foregoing cases, however, that the permitted use(s) of a Unit or the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners affected thereby.

13.1.2 Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Sponsor (or its designee), any Unsold Units, or the Retail Unit or the Retail Unit Owner, each duly adopted amendment, modification, addition or deletion to the Declaration and By-Laws, shall be executed by the Board, as attorney-in-fact, coupled with an interest, for the Residential Unit Owners, the Retail Unit Owner or all Unit Owners, as the case may be, and the Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact and shall be effectuated by an instrument recorded in the City Register's Office and the same shall not be effective until so recorded.

13.2 Amendments Affecting Sponsor or its Designee.

13.2.1 Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition to or deletion of the Declaration, these By-Laws or the Rules and Regulations shall be effective in any way against: (a) Sponsor or its designee, for so long as Sponsor or its designee is the owner of one or more Units, or any Unsold Unit, unless Sponsor or

its designee, as applicable, has given its prior written consent thereto, or (b) the holder of any present or future mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereto.

13.2.2 If the number of rooms in an Unsold Unit is changed, or the size and/or number of Unsold Units is changed (whether as a result of a subdivision or combination of Unsold Units or alteration of boundary walls between Unsold Units, or otherwise) and the appurtenant percentage interest in the Common Elements is reapportioned as a result thereof, all in accordance with Article 9 of the Declaration, then Sponsor or its designee shall have the right to execute, or (upon its request) to require any other Residential Unit Owner or the Board to execute, and record in the City Register's Office and elsewhere, if required by law, an amendment to the Declaration (together with such other documents as Sponsor or its designee deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Unit or in the size and/or number of Unsold Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests in the Common Elements resulting therefrom, all without the approval of the Board, any other Unit Owners or the Residential Mortgagee Representative(s), if any, or Retail Mortgagee Representative(s), if any.

13.3 Amendments Affecting Permitted Mortgagees. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition to or deletion of Sections 6.1, 6.2.2 or 6.4, Article 7, or clauses (d) and (e) and the second sentence of Section 8.7 of these By-Laws shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

13.4 Amendments Affecting the Retail Unit.

13.4.1 If the number of rooms, the layout or the size of the Retail Unit is changed and/or the percentage interest in the Common Elements appurtenant to such Retail Unit is reapportioned (whether as a result of a subdivision or combination of such Retail Unit or the alteration of boundary walls between subdivided portions of such Retail Unit or otherwise) among any newly created or constituted Retail or other commercial Units as a result thereof, then the Unit Owner(s) of such retail or other commercial Unit(s) shall have the right to execute, or (upon its request) to require any other Unit Owner or the Board to execute, and record in the City Register's Office and elsewhere, if required by law, an amendment to the Declaration (together with such other documents as such Unit Owner(s) deems appropriate to effectuate the same) reflecting such change in the number of rooms, the layout or the size of such Unit(s) and/or the subdivision or combination of such Unit(s) and the reapportionment of the percentage interests in the Common Elements among such newly created or constituted Units, all without the approval of the Board, any other Unit Owners or the Residential or Retail Unit Mortgagee Representatives, if any.

13.4.2 Notwithstanding the foregoing, none of the Declaration, these By-Laws or the Rules and Regulations may be amended, modified or terminated in any manner which adversely affects the Retail Unit without the consent of the Retail Unit Owner.

13.5 Deemed Approval Provision. Notwithstanding anything to the contrary contained herein, in the Declaration or in the By-Laws, if any Unit Owner is notified in writing that its consent to a proposed amendment or modification to the Declaration, the By-Laws or the Rules and Regulations is requested, then, provided that such notice contains a copy of the proposed amendment or modification (and a statement in bold capital letters to the effect that if such Unit Owner does not notify the sending party in writing within ten (10) Business Days after such Unit Owner receives such notice (together with a copy of such amendment or modification), that such Unit Owner disapproves such proposed amendment or modification, then such Unit Owner shall be deemed to have approved such amendment or modification), if such Unit Owner does not notify the sending party in writing within ten (10) Business Days after such Unit Owner receives such notice (together with a copy of such amendment or modification), that such Unit Owner disapproves such proposed amendment or modification, then such Unit Owner shall be deemed to have approved such amendment or modification. The foregoing shall not apply to notices given to Sponsor or any other holder of Unsold Units requesting the Sponsor's or such holder's consent to a proposed amendment or modification.

13.6 Consents of Sponsor and/or the Retail Unit Owner. The provisions of: (a) this Article 13 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor or its designee; and (b) Section 13.4.2 may not be modified, amended, added to or deleted, in whole or in part, without the consent of the Retail Unit Owner.

EXHIBIT A

RULES AND REGULATIONS OF 32 EAST 1ST STREET CONDOMINIUM

1. The entrances, passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose by Unit Owners and their invitees other than the respective purposes for which they were intended. There shall be no blocking of entranceways, passageways or vestibules, and no waiting or loitering in the lobby and no double parking of limousines, trucks or cars in the front of the Building.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the passages, public halls, vestibules, corridors, stairways or fire landings of the Building nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows or roofs or placed upon the window sills of any Units of the Building.

3. Neither occupants nor their guests shall play in the entrances, passages, public halls, lobbies, elevators, vestibules, corridors, fire landings of or serving the Building.

4. No public hall or public elevator vestibule of the Building shall be decorated or furnished by any Unit Owner in any manner, except as otherwise expressly provided in the By-Laws.

5. Each Unit Owner shall keep his or her Unit (and any Residential Limited Common Element appurtenant thereto) in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

6. No window guards or other window decorations shall be used in or about any Unit, unless otherwise required by applicable Legal Requirements and as approved by the Board. However, each Residential Unit Owner shall notify the Managing Agent in writing when a child or children under the age of eleven years lives or resides (even temporarily) in the Unit. Each such Residential Unit Owner shall install, at such Unit Owner's expense, the required window guards in all windows of the Residential Unit. The Residential Unit Owner shall maintain all window guards installed in the Unit and shall not remove the same until permitted by applicable Legal Requirements and in any event, without full knowledge of the Managing Agent. Residential Unit Owners are not permitted to hang window treatments from the window wall or frame. All window treatments must be secured either from the ceiling above the window or the adjacent wall. All window treatments must have a white-colored backing on the sides facing the windows of the Unit.

7. No radio, television or other aerial, satellite dish, disk or similar device shall be attached to or hung from the exterior of the Building and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of any Unit or anywhere in or on the Building, except such as are permitted pursuant to the Declaration or the

By-Laws or shall have been approved in writing by the Board or the Managing Agent; nor shall anything be projected from any window of any Unit.

8. No heat, ventilator or air conditioning device shall be installed in any Residential Unit without the prior written approval of the Board; and no "window" air-conditioners of any kind shall be permitted.

9. All radio, television or other electrical or electronic equipment of any kind installed or used in any Unit shall comply with all rules, regulations, requirements and recommendations of the New York Board of Fire Underwriters and governmental or 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 or electronic equipment in such Unit Owner's Unit.

10. No mopeds, motorcycles, bicycles, scooters or similar vehicles shall be taken into or from the Building through the main Building entrance or be allowed in the lobby or in the passenger elevator, except in the case of a bicycle, such bicycle is being taken to or from the residents' bicycle storage area, and no baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the public halls, vestibules, corridors or other public areas of the Building. The service entrance is the only means by which bicycles should be transported in and out of the Building. Unit Owners or occupants of a Unit (including children) will be subject to a fine of $50 per person each time that they or their guests are found in the lobby with a bicycle, scooter or tricycle or wearing rollerblades.

11. No Unit Owner shall make or permit any disturbing or objectionable noises, odors or activity in the Building, or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Unit Owners or their tenants or occupants. Without limiting the foregoing, no Unit Owner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a phonograph, stereo system, or radio or television set or other loudspeaker in such Unit Owner's Unit between 10:00 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 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 or repair work or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 4:00 P.M., unless such construction or repair work is necessitated by an emergency or is being performed by or on behalf of the owner of any Unsold Units, by Sponsor or its designee, or by the Retail Unit Owner (after obtaining the consent of Sponsor or the Board as applicable).

12. The hours of use for the outdoor Amenity Terrace on Floor 2 of the Building for the use of the Residential Units shall be from 8:00 A.M. to 8:00 P.M., or as otherwise indicated by the Board from time to time.

13. The hours of use for the resident lounge on Floor 2 of the Building for the use of the Residential Units shall be from 8:00 A.M. to 10:00 P.M., or as otherwise indicated by the Board from time to time.

14. No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition), each weighing no more than forty-five (45) pounds, shall be permitted, kept or harbored in a Unit unless the Board or the Managing Agent in each instance has expressly consented in writing. Such consent, if given, shall be revocable by the Board or Managing Agent in their sole discretion, at any time, for cause. Notwithstanding the foregoing, a Residential Unit Owner may keep as pets in his or her Unit not more than two (2) domestic dogs, domestic cats, caged birds and fish, provided that such pets do not constitute a health hazard, unsanitary condition or nuisance to any other Unit Owner, tenant or occupant. Any pet constituting a nuisance shall be permanently removed from the Building within one week after notice from the Managing Agent. In no event shall any bird, reptile, or animal be permitted in any public elevator in the Building, other than the elevators designated by the Board or the Managing Agent of the Building for that purpose, or in any of the public portions of the Building, unless carried or on a leash. Any Unit Owner in the public portions of the Building with an animal that is unleashed and not carried shall be fined $50. 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. Each Unit Owner who keeps (or permits to be kept) any type of pet in such Unit Owner's Unit may be required to enter into an agreement with the Board, which agreement may set forth such other rules regarding pets as the Board shall deem suitable and require the Unit Owner to indemnify, defend and hold harmless the Building, the Board, all Unit Owners and the Managing Agent of the Building from all claims and expenses resulting from the acts or presence of such pet. Any such consent, if given, shall be revocable at any time by the Board in its sole discretion.

15. All service and delivery persons will be required to use the service entrances to the Building. All packages, including, without limitation, those containing perishable items, delivered to Units by outside personnel must be delivered to the area therefor designated by the Board or the Managing Agent. Deliveries will be made from such area to individual Units only by Building personnel as otherwise directed by Building personnel. Such deliveries will be made only at such times as a Unit is occupied by the resident thereof or an authorized person and said resident or authorized person is willing to accept delivery. If the Unit is not occupied or delivery is declined, the package will be held in the designated area until the resident or authorized person returns or requests delivery, except in the case of perishable items which will be held in the designated area for no longer than twenty-four (24) hours. After said twenty-four (24) hour period, the perishable item shall be disposed of by Building personnel. Building personnel will not be responsible for packages held in the package room for more than seventy-two (72) hours. No large deliveries will be accepted for a Unit Owner (or occupant of a Unit) unless such Unit Owner (or occupant) has made prior arrangements with the Building staff.

16. Trunks and heavy baggage shall be taken in or out of the Building by the service elevator, and through the service entrance only.

17. No refuse shall be removed from the Units except at such times and in such manner as the Board or the Managing Agent may direct.

18. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or

any other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the Owner of such Unit.

19. No occupant of the Building shall send any employee of the Building or of the Managing Agent out of the Building on any private business.

20. The agents of the Board or the Managing Agent, and any contractor or worker authorized by the Board or the Managing Agent and accompanied by an agent of the Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one 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.

21. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

22. The Board or the Managing Agent shall retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the 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 his or her Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws or Declaration, and the Unit Owner has not furnished a key to the Board or the Managing Agent, then the Board or the Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Board or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (provided that during such entry reasonable care is given to the Unit Owner's property).

23. Complaints regarding Building services shall be made in writing to the Board or to the Managing Agent.

24. No Unit Owner or any of his or her agents, servants, employees, licensees or visitors shall at any time bring into or keep in such Unit Owner's Unit any inflammable, combustible or explosive fluid, material, chemical or substance.

25. If any key or keys are given or lent by a Unit Owner or by any member of his or her family or by his or her agent, servant, employee, licensee or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit, automobile, trunk or other item of personal property, the use of the key shall be at the sole risk of such Unit Owner, and neither the Board nor the Managing Agent shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

26. Nothing shall be done or kept in any Unit which would increase the rate of insurance of the Building or contents thereof, without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his or her Unit which will result in the cancellation of insurance on the Building or which would be in violation of any law. No waste shall be committed in the Common Elements.

27. Unit Owners shall comply with the laws, ordinances, rules and regulations of the City of New York or any other applicable governmental authority with respect to recycling of waste and refuse, including, without limitation, the separation of trash into "recyclable" and "non-recyclable" materials and/or categories of each of same. The Board may designate from time to time the types of materials which must be separated for recycling, the types of containers or binding to be used by the Unit Owners for the disposal of designated recyclable materials and the locations where designated recyclable materials shall be deposited. The Board may also establish other rules and regulations regarding the recycling and disposal of trash. Any costs incurred by the Board to enforce the rules and regulations of the Board or the requirements of applicable law regarding the recycling of trash against a Unit Owner, including, without limitation, legal fees, fines and penalties imposed by any government agency, shall be payable by the Unit Owner as additional Common Charges. Unit Owners will comply with the following procedures with respect to the disposal of refuse: (a) wrap dust, flour and powdered waste before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the designated refuse area; (d) crush into tight bundles all loose papers before placing the same in the designated refuse area; (e) deposit all bundles of waste into the hopper; and (f) refrain from depositing waste of an explosive or otherwise hazardous nature therein. Any refuse not disposable by depositing same in the designated refuse area must be picked up directly from the Unit by Building personnel at such times and in such manner as the Board or the Managing Agent shall determine.

28. Unit Owners will comply with the laws, ordinances, rules and regulations of the City of New York or any other applicable governmental authority, including without limitation, those with respect to window guards and notices of emergency access and egress.

29. Except as otherwise expressly provided in the By-Laws and the Declaration, Unit Owners, their families, guests, service personnel, 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.

30. The Board shall have the right from time to time to relocate any portion of the Common Elements used by the Building for storage or service purposes.

31. All firearms are banned from the Building. No Unit Owners, their families, guests, service personnel, employees, agents, visitors or licensees shall at any time have or harbor firearms while in the Building, except as approved by the Board.

32. No Unit Owner, tenant or occupant of a Unit shall conduct any group tour, exhibition or open house of any Unit or its contents or any auction sale in any Unit, without the prior consent of the Board or the Managing Agent.

33. In the event that any Residential Unit is used for home occupation purposes or other purposes which are permitted by law or court order, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

34. Any consent or approval given under these Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Board, at any time

by resolution of the Board. Further, any such consent or approval may, in the discretion of the Board or the Managing Agent, be conditional in nature.

35. The Board reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Building when, in the judgment of the Board, the Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Condominium, the Building or the preservation of good order therein, or the operation or maintenance of the Condominium, the Building or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Building. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Unit Owner or other occupant shall operate as a rescission, alteration, waiver or addition in respect of any other Unit Owner or other occupant.

36. Notwithstanding any references to "Unit Owner" in these Rules and Regulations, the Rules and Regulations of the Condominium shall be binding upon all tenants, guests and other occupants of the Condominium. Unit Owners shall be responsible for enforcing compliance with, and liable for any violation of, the Rules and Regulations by members of their families, guests, invitees, tenants, employees, agents, visitors and any other occupants of their Units.

37. No Residential Unit Owner with a Terrace and/or Balcony exclusively appurtenant to its Residential Unit shall place or maintain on such Terrace and/or Balcony any items of personal property which may adversely affect the integrity of the roof or other portion of the Building or are otherwise unsafe of which are not consistent with the standard of quality and appearance of the Building (even if previously approved by the Board, and as determined by the Board, in its sole discretion). The Condominium Board shall have the right to require a Residential Unit Owner to remove all such items, including but not limited to, plantings, roof surfaces and other installations which have been placed on the Terraces and/or Balconies if the Board determines, in its sole discretion, that the same may adversely affect the integrity of the roof or other portion of the Building or is otherwise unsafe or is not consistent with the standard of quality and appearance of the Building. In addition, the Board shall have the right, in connection with any construction, repair or maintenance work in the Building, to erect scaffolding temporarily on any Terrace and/or Balcony. In no event shall any Residential Unit Owner of a Residential Unit have a Terrace and/or Balcony be permitted to enclose or erect any structure on such Terrace and/or Balcony. All furniture must be "patio/terrace" furniture which is rust-proof; any planting/landscaping must comply with all Legal Requirements (including the Zoning Resolution). Plants may not exceed the total weight allowance of 100 pounds and must be planted in water-proof containers so as not to cause water leakage. Any damage caused by the Unit Owner's negligence shall be at such Unit Owner's sole cost and expense. All Terraces and/or Balconies must be kept clean and free from snow, ice, leaves and debris and all screens and drains must be kept in good repair. The Residential Unit Owner shall not remove any of the above items by putting them over the Terrace and/or Balcony walls, but shall remove said items either through the apartment or through drainage where appropriate. No hanging of any items, including but not limited to banners, laundry, decorations, etc., from any Terrace and/or Balcony wall, structure, railing or other temporary or permanent structure is permitted. No items, including but not limited to climbing equipment, bikes, pools, children's toys, etc., may be stored on any Terrace and/or Balcony; any appropriate furniture including tables, chair cushions and

umbrellas may be left on the Terraces and/or Balconies only if properly secured. No items can be placed on the Terrace parapet wall and/or Terrace/Balcony railing. No portion of any Terrace and/or Balcony may be painted, cemented or changed in any fashion from its original appearance. No carpeting may be placed on any Terrace and/or Balcony. Lighting fixtures may only be plugged into regulation sockets. No satellite dishes may be placed on any Terrace and/or Balcony. No unattended animals, which include but are not limited to dogs, cats, birds, are allowed on any Terrace and/or Balcony.

38. Unless expressly waived by the Board in each case, at least eighty percent (80%) of the floor area of each Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting or equally effective noise-reducing material.

39. With respect to any lease (and lease renewal) which, pursuant to the By-Laws, is subject to the Board's review and right of first refusal, a fee for any such lease (or renewal of a lease) as determined by the Board from time to time, shall be payable. Any such Unit Owner that has entered into or renewed a lease with a tenant and has not submitted the lease (or lease renewal) to the Managing Agent will have thirty (30) days from the date notified by the Managing Agent to submit the lease or the renewal. In the event that any such Unit Owner does not submit such lease or lease renewal to the Board within such thirty (30) day period, such Unit Owner shall be subject to a fine as determined by the Board from time to time, and further action by the Board.

40. Horseplay, ball playing, running or objectionable behavior (such as the use of loud boisterous, obscene, or offensive language) in any area of the pool, Fitness Center, Children's Playroom, and the courtyard at the 2nd floor of the Building is strictly prohibited.

41. Violations of the these Rules and Regulations will result in a fine in an amount to be determined by the Board from time to time levied against the offending Unit Owner (or Unit Owner responsible for the offending party) for each violation. Continued violations may result in suspension or revoking of a Unit Owner's privilege to use the various Building amenities by the Board.

42. For purposes of these Rules and Regulations, "Unit Owner" is deemed to include a spouse of a Unit Owner, or children's caregiver who is over the age of eighteen (18), as well as any resident living in the Building pursuant to a lease.

43. **The following Rules and Regulations are applicable only to the spa, fitness center and resident lounge (unless otherwise noted)**:

(a) Personal radios, iPods (or similar digital media devices), televisions and CD/tape players are permitted only when listened to through individual headsets.

(b) Pets (except for Seeing Eye dogs) are not permitted.

(c) Lockers, if any, are available on a daily basis. You must bring your own lock. Locker use is only allowed when you are using the facilities, as there are not enough assignable lockers for each Unit Owner.

(d) The staff is not permitted to act in a baby-sitting capacity.

44. **The following Rules and Regulations are applicable only to the spa (including, without limitation, the hot tub and plunge pool):**

(a) The hours of operation are initially anticipated to be Monday – Friday: 8:00 AM – 8:00 PM; Saturday – Sunday: 8:00 A.M. – 6:00 P.M.

(b) Unit Owners are permitted no more than three (3) guests at a time, and each guest must be accompanied by the Unit Owner at all times.

(c) Unauthorized persons will not be permitted in the spa area before or after scheduled hours of operation.

(d) Smoking, food, beverages and glass bottles are prohibited within the spa area.

(e) Baby carriages, strollers, playpens, carts, etc., are prohibited within the spa area.

(f) All bathers are required to shower immediately prior to entering the spa. Bathing caps are required for all Unit Owners and guests that have hair at shoulder length or longer.

(g) Children not toilet trained must wear swimmable diapers at all times in the spa.

(h) Children under the age of twelve (12) are not permitted in the spa without adult supervision.

45. **The following Rules and Regulations are applicable only to the fitness center**:

(a) The hours of operation are initially anticipated to be Monday – Friday: 6:00 AM-11:00 PM; Saturday – Sunday 6:00 AM – 11:00 PM.

(b) Use of the fitness center is restricted to individuals of at least sixteen (16) years of age.

(c) Personal trainers must submit proof of certification and insurance to management before using the fitness center and must at all times while using the fitness center be accompanied by the Unit Owner being trained. Personal trainers may not work out in the fitness center at any time.

EXHIBIT B

RETAIL UNIT SIGNAGE STANDARDS

EXHIBIT 8

CERTIFICATIONS

8A Sponsor and Principals

8B Sponsor's Architect

8C Sponsor's Expert Concerning
Adequacy of Budget

8D Sponsor's Expert Concerning
Adequacy of Common Charges
Payable by the Retail Unit Owner

24 SECOND AVENUE OWNER LLC
c/o AORE Holdings, LLC
49 Bleecker Street, Suite 301
New York, New York 10012

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO SECTION 20.4(b) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

August 11, 2016

New York State Department of Law
120 Broadway
New York, NY 10271
Att.: Real Estate Finance Bureau

Re: 32 EAST 1ST STREET CONDOMINIUM
24 Second Avenue, New York, New York 10003

The undersigned certify as follows:

We are the sponsor and the principals of the sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for complying 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 the documents submitted hereafter by us which amend or supplement the offering plan will:

1. set forth the detailed terms of the transaction and be complete, current and accurate;

2. afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

3. not omit any material fact;

4. not contain any untrue statement of a material fact;

5. not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

6. not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

7. 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.

24 SECOND AVENUE OWNER, LLC

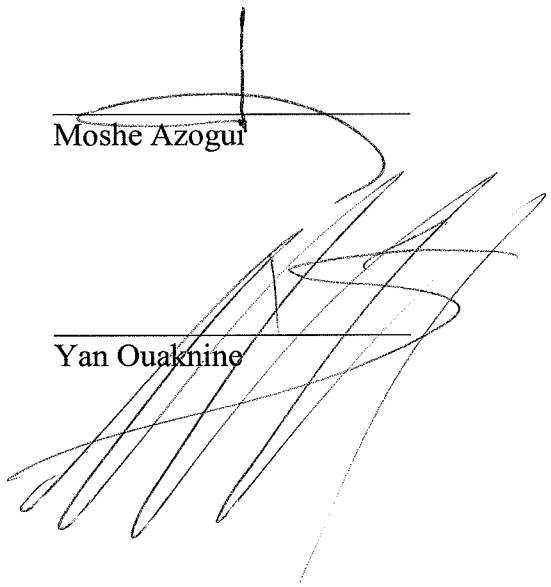
By: _____
Name: Yan Ouaknine
Title: Authorized Signatory

Sworn to before me this
11th day of August, 2016

_____
Notary Public

DIANA ALBERT
Notary Public, State of New York
Registration #01AL6333635
Qualified In Queens County
Commission Expires Nov. 30, 2019

PRINCIPALS OF SPONSOR:



Moshe Azogui

Yan Ouaknine

Sworn to before me this
11th day of August, 2016

Notary Public

DIANA ALBERT
Notary Public, State of New York
Registration #01AL6333635
Qualified In Queens County
Commission Expires Nov. 30, 2019

Sworn to before me this
11th day of August, 2016

Notary Public

DIANA ALBERT
Notary Public, State of New York
Registration #01AL6333635
Qualified In Queens County
Commission Expires Nov. 30, 2019

RSVP ARCHITECTURE STUDIO

68 JAY STREET, #306 BROOKLYN, NY 11201 PHONE 718.625.1948 FAX 718.625.1928

CERTIFICATION OF SPONSOR'S ARCHITECT PURSUANT TO SECTION 20.4(c) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

September 1, 2016

New York State Department of Law
120 Broadway
New York, New York 10271
Att.: Real Estate Finance Bureau

Re: 32 EAST 1ST STREET CONDOMINIUM
24 Second Avenue
New York, New York 10003

The undersigned, a licensed architect in the State of New York, hereby certifies as follows:

The sponsor of the condominium offering plan for the captioned property (the "Property") retained our firm to prepare a report describing the construction of the Property (the "Report").

We have examined the building plans and specifications, dated as of October 26, 2015, that were prepared by RSVP Architecture Studio PLLC and that were submitted on June 26, 2015 to the Department of Buildings. Additionally, we prepared the Report, dated as of June 20, 2016, a copy of which is intended to be incorporated into the offering plan so that prospective Purchasers may rely on the Report.

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 the construction, provided the construction is in accordance with the plans and specifications that we examined;

RSVP ARCHITECTURE STUDIO

68 JAY STREET, #306 BROOKLYN, NY 11201 PHONE 718.625.1948 FAX 718.625.1928

(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 the construction, provided that the construction is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v)does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing 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.

RSVP Architecture Studio PLLC

By: _____

Name: Brian Ripel
Title: Principal

Sworn to before me this
1st day of September, 2016

_____
Notary Public

DIANA ALBERT
Notary Public, State of New York
Registration #01AL6333635
Qualified In Queens County
Commission Expires Nov 30, 2019

Livingston
Management Services
225 West 35th St, Suite 1500
New York, NY 10001
Phone: 646-214-0333 Fax: 212-810-4162

CERTIFICATION OF SPONSOR'S EXPERT ON ADEQUACY OF CONDOMINIUM BUDGET PURSUANT TO SECTION 20.4(d) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

August 15, 2016

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

Re: 32 EAST 1ST STREET CONDOMINIUM
24 Second Avenue, New York, New York 10003

The undersigned, Livingston Management Services, LLC, is a licensed real estate management firm in the State of New York. Livingston Management Services, LLC has been engaged in the management of over 50 condominium and mixed-use rental properties over the course of the past 8 years.

The sponsor of the condominium offering plan for the above captioned property retained us to prepare Schedule B (together with the notes thereto, the "Schedule") to the offering plan containing projections of income and expenses of the Condominium for the fiscal year September 1, 2017 through August 31, 2018, the projected First Year of Condominium Operation.

Our relevant experience in the field includes: annual budgeting for operating and capital budgets; and obtaining and reviewing service contracts for condominiums

We understand we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Schedule.

We have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying them with due diligence in order to form a basis for this certification. We also have relied on our experience in managing mixed-use and residential buildings in Manhattan.

We certify that the projections in the Schedule appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses of the Condominium for the projected First Year of Condominium Operation.

We certify that the Schedule:

(i) sets forth in detail the projection of income and expenses for the projected First Year of Condominium Operation;

(ii) affords potential investors, purchasers, and participants an adequate basis upon which to found their judgment concerning the projected First Year of Condominium Operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by 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.

Livingston Management Services, LLC

By: _____

Name: Joel N. Krieger

Title: Managing Agent

Sworn to before me this
12 day of August. 2016

_____
Notary Public

DEVIN SOMECK
Notary Public, State Of New York
Registration No. 01SO6277195
Qualified in New York County
Commission Expires March 3, 2017

Livingston
Management Services

225 West 35th St, Suite 1500
New York, NY 10001
Phone: 646-214-0333 Fax: 212-810-4162

CERTIFICATION OF SPONSOR'S EXPERT ON ADEQUACY OF COMMON CHARGES PAYABLE BY THE RETAIL UNIT OWNER PURSUANT TO SECTION 20.4(e) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

August 15, 2016

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

Re: 32 EAST 1ST STREET CONDOMINIUM
24 Second Avenue, New York, New York 10003

The undersigned, Livingston Management Services, LLC, is a licensed real estate management firm in the State of New York. Livingston Management Services, LLC has been engaged in the management of over 50 condominiums and mixed-use residential rental properties over the course of the past 8 years.

The sponsor of the condominium offering plan for the above captioned property retained us to prepare Schedule B (together with the notes thereto, the "Schedule") to the offering plan containing projections of common charges payable by the owner of the Retail Unit for the fiscal year September 1, 2017 through August 31, 2018, the projected First Year of Condominium Operation.

Our relevant experience in the field includes: annual budgeting for operating and capital budgets; and obtaining and reviewing service contracts for condominiums.

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 Retail Unit listed on the Schedule.

We have reviewed the Schedule B as it impacts upon the Retail Unit and investigated the facts underlying them with due diligence in order to form a basis for this certification. We also have relied on our experience in managing mixed-use residential buildings in Manhattan.

We certify that the projections in Schedule B for common charges payable by the owner of the Retail Unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such Retail Unit for the projected First Year of Condominium Operation, and that the allocation of common charges attributable to the Retail Unit also reflects the special or exclusive use or availability or exclusive control of particular common areas relating to that Retail Unit.

We certify that the estimates in the Schedule for the common charges payable by the owner of the Retail Unit:

- set forth in detail the projected common charges for the Retail Unit for the projected First Year of Condominium Operation;
- afford potential investors, purchasers, and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owner of the Retail Unit during the projected First Year of Condominium Operation;
- do not omit any material fact;
- do not contain any untrue statement of a material fact;
- do not contain any fraud, deception, concealment, or suppression;
- do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- 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 sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the Retail Unit 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.

[SIGNATURE PAGE TO FOLLOW]

Livingston Management Services, LLC

By:_____
Name: Joel N. Krieger
Title: Managing Agent

Sworn to before me this
15th day of August 2016

_____
Notary Public

DEVIN SOMECK
Notary Public, State Of New York
Registration No. 01SO6277195
Qualified in New York County
Commission Expires March 3, 2017

EXHIBIT 9

REAL PROPERTY LAW SECTION 339-kk

§ *339-kk Real Prop.* 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 (60) 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 has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium 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.